

[BORROWER LETTERHEAD]

[DATE]

[LENDER ADDRESS]

Re: That certain loan in the amount of \$[_____] (the “Loan”) made by Lender (as hereinafter defined) to Borrower (as hereinafter defined) pursuant to that certain Loan Agreement (the “Loan Agreement”) made by and among [LENDER], together with its successors and assigns and such other lenders which may from time to time become a party to the Loan Agreement from time to time (together with each of their successors and assigns, each a “Lender” and collectively, the “Lenders”); [AGENT], as administrative agent (including any of its successors and assigns, “Agent”), for itself and the other Lenders party thereto from time to time; and [BORROWER] (“Borrower”)

Dear Ladies and Gentlemen:

Reference is made to the Loan Agreement. Terms not used herein shall have the meanings set forth in the Loan Agreement.

Borrower hereby advises Agent and the Lenders that, due to certain governmental mandates, directives, recommendations and/or regulations issued from time to time by the local, state, and federal governmental and health authorities in connection with the spread of coronavirus (COVID-19), Borrower will temporarily close the hotel operating at the Property (the “Hotel”) effective immediately.

On the advice of counsel, Borrower considers itself to have a legal obligation to close the Hotel in order to comply with its legal duties of care and other duties towards guests and employees under the applicable innkeeper’s laws, the Americans with Disabilities Act and similar laws and statutes.

Section [___] of the Loan Agreement requires Borrower to comply in all material respects with all [Legal Requirements] applicable to Borrower and the Property. [As defined in the Loan Agreement, “Legal Requirements” include, among other things, “laws”, “orders”, “decrees” and “injunctions” issued by “federal, state, county, municipal and other governmental” authorities, and specifically includes any of the same that may “in any way limit the use or enjoyment” of the Property.]¹

¹ Tailor to definition of “Legal Requirements” or equivalent to reflect that governmental orders, decrees and declarations are covered.

Given the current orders and decrees by the various local, state and federal government and health authorities issued in connection with the COVID-19 outbreak, closing the Hotel to the public is consistent with Borrower's obligations under the Loan Agreement.

Since Borrower cannot know who among employees or guests of the Hotel may be infected with the COVID-19 virus, Borrower may not be able to provide a safe environment for Hotel guests or employees. Moreover, by closing the Hotel now, Borrower will be significantly mitigating potential future costs, damages and liabilities that may be asserted against Borrower, Agent, Lender and other Persons involved in the Hotel.

Given the increasing number of people becoming infected with COVID-19 across the U.S., with each new day there are new orders and decrees which impose greater restrictions and/or recommendations on the public and businesses. These have a direct impact on Hotel operations and the health and safety of Hotel guests and employees. As you know, many other hotels in [HOTEL LOCATION] and around the country have already closed for these reasons, and Borrower likewise views closure as the prudent and lawful thing to do in this situation.

[Signature appears on the following page.]

Very truly yours,

[BORROWER]

By: _____

Name:

Title:

cc:

[CC PARTIES]