



RLJ Lodging Trust Successfully Secures Financial Covenant Waivers for Credit Agreements and Provides Update on Hotel Re-openings

June 25, 2020

BETHESDA, Md.--(BUSINESS WIRE)--Jun. 25, 2020-- RLJ Lodging Trust (the "Company") (NYSE: RLJ) today announced that it has amended its \$1.8 billion Senior Unsecured Credit Facilities comprising a \$600 million revolving credit facility ("Revolving Credit Facility") and \$1,175 million in term loans.

"We are pleased with the amendments to our credit facility, which in addition to providing relief from covenant tests for an extended period of time, also provide us the flexibility on multiple fronts to continue to pursue our strategic initiatives," commented Leslie D. Hale, President and Chief Executive Officer. "We thank our lending partners for their support as we continue to navigate these uncertain times and truly value these strong, long-term relationships. Additionally, we are pleased with the progress we are making towards re-opening hotels in a socially and financially responsible manner."

Amended Credit Facility Terms

Key terms of the Amended Credit Facilities include the following:

- Waiver of quarterly financial covenants beginning in the second quarter of 2020 through the first quarter of 2021, unless terminated earlier by the Company.
- After the end of the covenant relief period, certain covenant calculations are modified to make compliance easier through the second quarter of 2022.
- Imposition of certain restrictions during the covenant relief period including restrictions on share repurchases, dividends and distribution payments (with certain exceptions, including for the payment of a cash dividend of \$0.01 per common share, the payment of a cash dividend of \$0.4875 per share on the Company's Series A Cumulative Convertible Preferred Shares and other payments for purposes of maintaining the Company's REIT status).
- Addition of limitations on the incurrence of additional indebtedness, asset sales, investments and discretionary capital expenditures, in each case subject to various exceptions and requiring certain mandatory repayments.
- The Company is permitted to make investments during the covenant relief period, including \$200 million of hotel acquisitions, depending on the outstanding balance on the Revolving Credit Facility, and approximately \$260 million of capital expenditures.

Update on Hotel Re-openings

Concurrent with its first quarter earnings release, the Company had announced suspension of operations at 57 hotels in response to state mandated stay-in-place orders and the significant reduction in demand due to the COVID-19 pandemic. As stay-in-place restrictions are lifted, the Company has developed a framework to open hotels in a socially and financially responsible way. The Company expects that its primarily transient oriented, select-service and extended stay hotels located in drive-to and leisure markets will re-open sooner than traditional full-service hotels. The Company has recently reopened 19 hotels and continues to evaluate reopening additional hotels based on market conditions. All open hotels will continue to operate under aggressive operating cost containment plans, including significantly reduced staffing, elimination of non-essential amenities and services, and the closure of several floors and most food and beverage outlets.

About Us

RLJ Lodging Trust is a self-advised, publicly traded real estate investment trust that owns primarily premium-branded, high-margin, focused-service and compact full-service hotels. The Company's portfolio consists of 103 hotels with approximately 22,570 rooms, located in 23 states and the District of Columbia and an ownership interest in one unconsolidated hotel with 171 rooms.

Forward Looking Statements

The following information contains certain statements, other than purely historical information, including estimates, projections, statements relating to the Company's business plans, objectives and expected operating results, measures being taken in response to the COVID-19 pandemic, and the impact of the COVID-19 pandemic on our business, and the assumptions upon which those statements are based, that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally are identified by the use of the words "believe," "project," "expect," "anticipate," "estimate," "plan," "may," "will," "will continue," "intend," "should," or similar expressions. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, beliefs and expectations, such forward-looking statements are not predictions of future events or guarantees of future performance and the Company's actual results could differ materially from those set forth in the forward-looking statements. Some factors that might cause such a difference include the following: the current global economic uncertainty and a worsening of global economic conditions or low levels of economic growth; the duration and scope of the COVID-19 pandemic and its impact on the demand for travel and on levels of consumer confidence; actions governments, businesses and individuals take in response to the pandemic, including limiting or banning travel; the impact of the COVID-19 pandemic and actions taken in response to the pandemic on global and regional economies, travel, and economic activity; the pace of recovery when the COVID-19 pandemic subsides; the effects of steps we and our third party management partners take to reduce operating costs; increased direct competition, changes in government regulations or accounting rules; changes in local, national and global real estate conditions; declines in the lodging industry, including as a

result of the COVID-19 pandemic; seasonality of the lodging industry; risks related to natural disasters, such as earthquakes and hurricanes; hostilities, including future terrorist attacks or fear of hostilities that affect travel; the Company's ability to obtain lines of credit or permanent financing on satisfactory terms; changes in interest rates; access to capital through offerings of the Company's common and preferred shares of beneficial interest, or debt; the Company's ability to identify suitable acquisitions; the Company's ability to close on identified acquisitions and integrate those businesses; and inaccuracies of the Company's accounting estimates. Given these uncertainties, undue reliance should not be placed on such statements. Except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. The Company cautions investors not to place undue reliance on these forward-looking statements and urge investors to carefully review the disclosures the Company makes concerning risks and uncertainties in the sections entitled "Risk Factors," "Forward-Looking Statements," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report, as well as risks, uncertainties and other factors discussed in other documents filed by the Company with the Securities and Exchange Commission.

For additional information or to receive press releases via email, please visit our website: <http://www.rjlodgingtrust.com>

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