UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A

(Amendment No. 1)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 19, 2009

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 001-32514

DIAMONDROCK HOSPITALITY COMPANY

(Exact Name of Registrant as Specified in Its Charter)

Maryland	20-1180098
(State of Incorporation)	**(I.R.S. Employer Identification No.)**
6903 Rockledge Drive, Suite 800, Bethesda, Maryland	**20817**
(Address of Principal Executive Offices)	**(Zip Code)**

(240) 744-1150
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☑ Yes o No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). o Yes o No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑	Accelerated filer o	Non-accelerated filer o	Smaller reporting company o

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). o Yes ☑ No

The registrant had 107,972,100 shares of its $0.01 par value common stock outstanding as of July 28, 2009.

EXPLANATORY NOTE

We are filing this Amendment No.1 (this "Amendment") to our Quarterly Report on Form 10-Q for the quarter ended June 19, 2009 (the "Original Form 10-Q"), as filed with the Securities and Exchange Commission, or SEC, on July 28, 2009:

- to amend the certifications of the Chief Executive Officer and Chief Financial Officer filed as Exhibits 31.1 and 31.2 to the Original 10-Q, which inadvertently omitted certain introductory language of paragraph 4 of Item 601(b)(31) of Regulation S-K, and
- to file as exhibit 10.1 to this Amendment, the Sales Agreement, dated July 27, 2009 by and among DiamondRock Hospitality Company, DiamondRock Hospitality Limited Partnership and Cantor Fitzgerald & Co. (originally filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on July 27, 2009), in its entirety, including all schedules and exhibits thereto.

This Amendment should be read in conjunction with the Original Form 10-Q, which continues to speak as of the date that the Original Form 10-Q was filed. Except as specifically noted above, this Amendment does not modify or update any disclosures in the Original Form 10-Q. Accordingly, this Amendment does not reflect events occurring after the filing of the Original Form 10-Q or modify or update any disclosures that may have been affected by subsequent events.

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Item I. Financial Statements

DIAMONDROCK HOSPITALITY COMPANY

CONDENSED CONSOLIDATED BALANCE SHEETS
As of June 19, 2009 and December 31, 2008
(in thousands, except share amounts)

	June 19, 2009 (Unaudited)	December 31, 2008
ASSETS		
Property and equipment, at cost	$ 2,158,448	$ 2,146,616
Less: accumulated depreciation	(264,946)	(226,400)
	1,893,502	1,920,216
Deferred financing costs, net	2,949	3,335
Restricted cash	30,176	30,060
Due from hotel managers	53,297	61,062
Favorable lease assets, net	38,983	40,619
Prepaid and other assets	38,219	33,414
Cash and cash equivalents	51,557	13,830
Total assets	**$ 2,108,683**	**$ 2,102,536**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Mortgage debt	$ 819,385	$ 821,353
Senior unsecured credit facility	—	57,000
Total debt	819,385	878,353
Deferred income related to key money, net	20,067	20,328
Unfavorable contract liabilities, net	83,610	84,403
Due to hotel managers	32,185	35,196
Accounts payable and accrued expenses	54,189	66,624
Total other liabilities	190,051	206,551
Stockholders' Equity:		
Preferred stock, $.01 par value; 10,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, $.01 par value; 200,000,000 shares authorized; 107,972,100 and 90,050,264 shares issued and outstanding at June 19, 2009 and December 31, 2008, respectively	1,080	901
Additional paid-in capital	1,184,893	1,100,541
Accumulated deficit	(86,726)	(83,810)
Total stockholders' equity	1,099,247	1,017,632
Total liabilities and stockholders' equity	**$ 2,108,683**	**$ 2,102,536**

The accompanying notes are an integral part of these condensed consolidated financial statements.

DIAMONDROCK HOSPITALITY COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
For the Fiscal Quarters Ended June 19, 2009 and June 13, 2008 and
the Periods from January 1, 2009 to June 19, 2009 and January 1, 2008 to June 13, 2008
(in thousands, except per share amounts)

	Fiscal Quarter Ended June 19, 2009 (Unaudited)	Fiscal Quarter Ended June 13, 2008 (Unaudited)	Period from January 1, 2009 to June 19, 2009 (Unaudited)	Period from January 1, 2008 to June 13, 2008 (Unaudited)
Revenues:				
Rooms	$ 90,228	$ 116,011	$ 165,343	$ 201,938
Food and beverage	44,697	55,532	81,587	95,614
Other	8,682	9,473	15,221	16,327
Total revenues	143,607	181,016	262,151	313,879
Operating Expenses:				
Rooms	22,974	26,249	42,956	47,408
Food and beverage	30,320	36,377	56,901	65,305
Management fees	5,008	8,048	8,336	13,013
Other hotel expenses	50,516	55,189	96,540	101,641
Impairment of favorable lease asset	1,286	—	1,286	—
Depreciation and amortization	19,729	18,069	38,446	34,756
Corporate expenses	3,651	3,345	7,419	6,305
Total operating expenses	133,484	147,277	251,884	268,428
Operating profit	10,123	33,739	10,267	45,451
Other Expenses (Income):				
Interest income	(101)	(332)	(183)	(770)
Interest expense	11,086	11,430	22,584	22,125
Total other expenses	10,985	11,098	22,401	21,355
(Loss) income before income taxes	(862)	22,641	(12,134)	24,096
Income tax benefit (expense)	3,319	(886)	9,297	2,836
Net income (loss)	$ 2,457	$ 21,755	$ (2,837)	$ 26,932
Earnings (loss) per share:				
Basic and diluted earnings (loss) per share	$ 0.02	$ 0.23	$ (0.03)	$ 0.28

The accompanying notes are an integral part of these condensed consolidated financial statements.

DIAMONDROCK HOSPITALITY COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Periods from January 1, 2009 to June 18, 2009 and January 1, 2008 to June 13, 2008
(in thousands)

	Period from January 1, 2009 to June 19, 2009 (Unaudited)	Period from January 1, 2008 to June 13, 2008 (Unaudited)
Cash flows from operating activities:		
Net (loss) income	$ (2,837)	$ 26,932
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Real estate depreciation	38,446	34,756
Corporate asset depreciation as corporate expenses	67	75
Non-cash ground rent	3,570	3,550
Non-cash financing costs as interest	386	372
Impairment of favorable lease asset	1,286	—
Amortization of unfavorable contract liabilities	(794)	(794)
Amortization of deferred income	(260)	(253)
Stock-based compensation	2,532	1,567
Yield support received	—	797
Changes in assets and liabilities:		
Prepaid expenses and other assets	(3,565)	(4,022)
Restricted cash	123	(582)
Due to/from hotel managers	4,754	(5,966)
Accounts payable and accrued expenses	(13,457)	(8,455)
Net cash provided by operating activities	30,251	47,977
Cash flows from investing activities:		
Hotel capital expenditures	(13,265)	(36,766)
Receipt of deferred key money	—	5,000
Change in restricted cash	(970)	(1,820)
Net cash used in investing activities	(14,235)	(33,586)
Cash flows from financing activities:		
Repayments of credit facility	(57,000)	(15,000)
Draws on credit facility	—	47,000
Scheduled mortgage debt principal payments	(1,968)	(1,413)
Repurchase of shares	(159)	(3,184)
Proceeds from sale of common stock	82,562	—
Payment of costs related to sale of common stock	(404)	—
Payment of financing deposits	(1,240)	—
Payment of dividends	(80)	(46,630)
Net cash provided by (used in) financing activities	21,711	(19,227)
Net increase (decrease) in cash and cash equivalents	37,727	(4,836)
Cash and cash equivalents, beginning of period	13,830	29,773
Cash and cash equivalents, end of period	$ 51,557	$ 24,937
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	$ 23,819	$ 24,176
Cash paid for income taxes	$ 868	$ 861
Capitalized interest	$ 19	$ 183
Non-Cash Financing Activities:		
Unpaid dividends	$ —	$ 23,923

The accompanying notes are an integral part of these condensed consolidated financial statements.

DIAMONDROCK HOSPITALITY COMPANY

Notes to the Condensed Consolidated Financial Statements
(Unaudited)

1. Organization

DiamondRock Hospitality Company (the "Company" or "we") is a lodging-focused real estate company that owns, as of July 28, 2009, 20 premium hotels and resorts that contain approximately 9,600 guestrooms. We are committed to maximizing stockholder value through investing in premium full-service hotels and, to a lesser extent, premium urban limited-service hotels located throughout the United States. Our hotels are concentrated in key gateway cities and in destination resort locations and are all operated under a brand owned by one of the top three lodging national brand companies (Marriott International, Inc. ("Marriott"), Starwood Hotels & Resorts Worldwide, Inc. ("Starwood") or Hilton Hotels Corporation ("Hilton")).

We are owners, as opposed to operators, of hotels. As an owner, we receive all of the operating profits or losses generated by our hotels, after we pay the hotel managers fees, which are based on the revenues and profitability of the hotels, and reimburse all of their direct and indirect operating costs.

As of June 19, 2009, we owned 20 hotels, comprising 9,586 rooms, located in the following markets: Atlanta, Georgia (3); Austin, Texas; Boston, Massachusetts; Chicago, Illinois (2); Fort Worth, Texas; Lexington, Kentucky; Los Angeles, California (2); New York, New York (2); Northern California; Oak Brook, Illinois; Orlando, Florida; Salt Lake City, Utah; Washington D.C.; St. Thomas, U.S. Virgin Islands; and Vail, Colorado.

We conduct our business through a traditional umbrella partnership REIT, or UPREIT, in which our hotel properties are owned by our operating partnership, DiamondRock Hospitality Limited Partnership, or subsidiaries of our operating partnership. We are the sole general partner of the operating partnership and currently own, either directly or indirectly, all of the limited partnership units of the operating partnership.

2. Summary of Significant Accounting Policies

Basis of Presentation

We have condensed or omitted certain information and footnote disclosures normally included in financial statements presented in accordance with U.S. generally accepted accounting principles, or GAAP, in the accompanying unaudited condensed consolidated financial statements. We believe the disclosures made are adequate to prevent the information presented from being misleading. However, the unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto as of and for the year ended December 31, 2008, included in our Annual Report on Form 10-K dated February 27, 2009.

In our opinion, the accompanying unaudited condensed consolidated financial statements reflect all adjustments necessary to present fairly our financial position as of June 19, 2009, the results of our operations for the fiscal quarters ended June 19, 2009 and June 13, 2008 and the periods from January 1, 2009 to June 19, 2009 and January 1, 2008 to June 13, 2008 and cash flows for the periods from January 1, 2009 to June 19, 2009 and January 1, 2008 to June 13, 2008. Interim results are not necessarily indicative of full-year performance because of the impact of seasonal and short-term variations.

Our financial statements include all of the accounts of the Company and its subsidiaries in accordance with U.S. GAAP. All intercompany accounts and transactions have been eliminated in consolidation.

Reporting Periods

The results we report in our condensed consolidated statements of operations are based on results of our hotels reported to us by our hotel managers. Our hotel managers use different reporting periods. Marriott, the manager of most of our properties, uses a fiscal year ending on the Friday closest to December 31 and reports twelve weeks of operations for each of the first three quarters and sixteen or seventeen weeks for the fourth quarter of the year for its domestic managed hotels. In contrast, Marriott, for its non-domestic hotels (including Frenchman's Reef), Vail Resorts, manager of the Vail Marriott, Davidson Hotel Company, manager of the Westin Atlanta North at Perimeter, Hilton Hotels Corporation, manager of the Conrad Chicago, and Westin Hotel Management, L.P, manager of the Westin Boston Waterfront Hotel report results on a monthly basis. Additionally, as a REIT, we are required by U.S. federal tax laws to report results on a calendar year basis. As a result, we have adopted the reporting periods used by Marriott for its domestic hotels, except that the fiscal year always ends on December 31 to comply with REIT rules. The first three fiscal quarters end on the same day as Marriott's fiscal quarters but the fourth quarter ends on December 31 and the full year results, as reported in the statement of operations, always include the same number of days as the calendar year.

Two consequences of the reporting cycle we have adopted are: (1) quarterly start dates will usually differ between years, except for the first quarter which always commences on January 1, and (2) the first and fourth quarters of operations and year-to-date operations may not include the same number of days as reflected in prior years.

While the reporting calendar we adopted is more closely aligned with the reporting calendar used by the manager of most of our properties, one final consequence of the calendar is we are unable to report any results for Frenchman's Reef, Vail Marriott, Westin Atlanta North at Perimeter, Conrad Chicago, or Westin Boston Waterfront Hotel for the month of operations that ends after its fiscal quarter-end because neither Westin Hotel Management, L.P., Hilton Hotels Corporation, Davidson Hotel Company, Vail Resorts nor Marriott make mid-month results available to us. As a result, our quarterly results of operations include results from Frenchman's Reef, the Vail Marriott, the Westin Atlanta North at Perimeter, the Conrad Chicago, and the Westin Boston Waterfront Hotel as follows: first quarter (January, February), second quarter (March to May), third quarter (June to August) and fourth quarter (September to December). While this does not affect full-year results, it does affect the reporting of quarterly results.

Revenue Recognition

Revenues from operations of the hotels are recognized when the services are provided. Revenues consist of room sales, golf sales, food and beverage sales, and other hotel department revenues, such as telephone and gift shop sales.

Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing net income (loss), adjusted for dividends on unvested stock grants, by the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per share is calculated by dividing net income (loss), adjusted for dividends on unvested stock grants, by the weighted-average number of common shares outstanding during the period plus other potentially dilutive securities such as stock grants or shares issuable in the event of conversion of operating partnership units. No adjustment is made for shares that are anti-dilutive during a period.

We implemented the provisions of FASB Staff Position EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions are Participating Securities*, which resulted in no significant impact on current or prior period earnings (loss) per share.

Stock-based Compensation

We account for stock-based employee compensation using the fair value based method of accounting under Statement of Financial Accounting Standards No. 123 (revised 2004) ("SFAS 123R"), *Share-Based Payment*. We record the cost of awards with service conditions based on the grant-date fair value of the award. That cost is recognized over the period during which an employee is required to provide service in exchange for the award. No compensation cost is recognized for equity instruments for which employees do not render the requisite service. No awards with performance-based or market-based conditions have been issued.

Intangible Assets and Liabilities

Intangible assets and liabilities are recorded on non-market contracts assumed as part of the acquisition of certain hotels. We review the terms of agreements assumed in conjunction with the purchase of a hotel to determine if the terms are favorable or unfavorable compared to an estimated market agreement at the acquisition date. Favorable lease assets or unfavorable contract liabilities are recorded at the acquisition date and amortized using the straight-line method over the term of the agreement. We do not amortize intangible assets with indefinite useful lives, but review these assets for impairment if events or circumstances indicate that the asset may be impaired.

We have a favorable lease asset with an indefinite life related to the right to enter into a favorable lease under our option to develop a hotel on an undeveloped parcel of land adjacent to the Westin Boston Waterfront Hotel. The fair value estimate of the favorable lease uses a discounted cash flow method. Inputs to the estimate include observable market inputs, including current ground lease rates and discount rates, and unobservable inputs such as estimated future hotel revenues. The fair market value of the ground lease declined from $12.1 million to $10.8 million as of June 19, 2009 and we have recorded an impairment loss of $1.3 million during the fiscal quarter ended June 19, 2009.

Straight-Line Rent

We record rent expense on leases that provide for minimum rental payments that increase in pre-established amounts over the remaining term of the lease on a straight-line basis as required by U.S. GAAP.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents. We maintain cash and cash equivalents with various high credit-quality financial institutions. We perform periodic evaluations of the relative credit standing of these financial institutions and limit the amount of credit exposure with any one institution.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties

The state of the overall economy can significantly impact hotel operational performance and thus, impact our financial position. Should any of our hotels experience a significant decline in operational performance, it may affect our ability to make distributions to our stockholders and service debt or meet other financial obligations.

3. Property and Equipment

Property and equipment as of June 19, 2009 (unaudited) and December 31, 2008 consists of the following (in thousands):

	June 19, 2009	December 31, 2008
Land	$ 219,590	$ 219,590
Land improvements	7,994	7,994
Buildings	1,664,897	1,658,227
Furniture, fixtures and equipment	264,933	259,154
CIP and corporate office equipment	1,034	1,651
	2,158,448	2,146,616
Less: accumulated depreciation	(264,946)	(226,400)
	$ 1,893,502	$ 1,920,216

As of June 19, 2009, we did not have any accrued capital expenditures. As of December 31, 2008, we had accrued capital expenditures of $2.6 million.

4. Capital Stock

Common Shares

We are authorized to issue up to 200,000,000 shares of common stock, $.01 par value per share. Each outstanding share of common stock entitles the holder to one vote on all matters submitted to a vote of stockholders. Holders of our common stock are entitled to receive dividends out of assets legally available for the payment of dividends when authorized by our board of directors.

On April 17, 2009, we completed a follow-on public offering of our common stock. We sold 17,825,000 shares of common stock, including the underwriters' overallotment of 2,325,000 shares, at an offering price of $4.85 per share. The net proceeds to us, after deduction of offering costs, were approximately $82.1 million.

Preferred Shares

We are authorized to issue up to 10,000,000 shares of preferred stock, $.01 par value per share. Our board of directors is required to set for each class or series of preferred stock the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications, and terms or conditions of redemption. As of June 19, 2009 and December 31, 2008, there were no shares of preferred stock outstanding.

Operating Partnership Units

Holders of operating partnership units have certain redemption rights, which enable them to cause our operating partnership to redeem their units in exchange for cash per unit equal to the market price of our common stock, at the time of redemption, or, at our option for shares of our common stock on a one-for-one basis. The number of shares issuable upon exercise of the redemption rights will be adjusted upon the occurrence of stock splits, mergers, consolidations or similar pro-rata share transactions, which otherwise would have the effect of diluting the ownership interests of the limited partners or our stockholders. As of June 19, 2009 and December 31, 2008, there were no operating partnership units held by unaffiliated third parties.

5. Stock Incentive Plans

As of June 19, 2009, we have issued or committed to issue 3,194,151 shares of our common stock under our 2004 Stock Option and Incentive Plan, as amended, including 1,978,595 shares of unvested restricted common stock and a commitment to issue 466,819 units of deferred common stock.

Restricted Stock Awards

As of June 19, 2009, our officers and employees have been awarded 3,066,967 shares of restricted common stock, including those shares which have since vested. Shares issued to our officers and employees vest over a three-year period from the date of the grant based on continued employment. We measure compensation expense for the restricted stock awards based upon the fair market value of our common stock at the date of grant. Compensation expense is recognized on a straight-line basis over the vesting period and is included in corporate expenses in the accompanying condensed consolidated statements of operations.

A summary of our restricted stock awards from January 1, 2009 to June 19, 2009 is as follows:

	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested balance at January 1, 2009	605,809	$ 13.02
Granted	1,515,955	2.82
Vested	(135,985)	15.29
Forfeited	(7,184)	14.61
Unvested balance at June 19, 2009	1,978,595	$ 5.04

The remaining share awards are expected to vest as follows: 62,748 shares during 2009, 631,082 shares during 2010, 779,448 shares during 2011 and 505,317 during 2012. As of June 19, 2009, the unrecognized compensation cost related to restricted stock awards was $7.5 million and the weighted-average period over which the unrecognized compensation expense will be recorded is approximately 26 months. For the fiscal quarters ended June 19, 2009 and June 13, 2008, we recorded $1.2 million and $0.7 million, respectively, of compensation expense related to restricted stock awards. For the periods from January 1, 2009 to June 19, 2009 and January 1, 2008 to June 13, 2008, we recorded $2.2 million and $1.4 million, respectively, of compensation expense related to restricted stock awards.

Deferred Stock Awards

At the time of our initial public offering, we made a commitment to issue 382,500 shares of deferred stock units to our senior executive officers. These deferred stock units are fully vested and represent the promise to issue a number of shares of our common stock to each senior executive officer upon the earlier of (i) a change of control or (ii) five years after the date of grant, which was the initial public offering completion date (the “Deferral Period”). However, if an executive’s service with the Company is terminated for “cause” prior to the expiration of the Deferral Period, all deferred stock unit awards will be forfeited. The executive officers are restricted from transferring these shares until the fifth anniversary of the initial public offering completion date. As of June 19, 2009, we have a commitment to issue 466,819 shares under this plan. The share commitment increased from 382,500 to 466,819 since our initial public offering because current dividends are not paid out but instead are effectively reinvested in additional deferred stock units based on the closing price of our common stock on the dividend payment date.

Stock Appreciation Rights and Dividend Equivalent Rights

In 2008, we awarded our executive officers stock-settled stock appreciation rights ("SARs") and dividend equivalent rights ("DERs"). The SARs/DERs vest over three years based on continued employment and may be exercised, in whole or in part, at any time after the instrument vests and before the tenth anniversary of issuance. As of June 19, 2009, we have awarded 300,225 SARs/DERs to our executive officers with an aggregate grant date fair value of approximately $2.0 million. For the fiscal quarters ended June 19, 2009 and June 13, 2008, we recorded approximately $0.2 million and $0.1 million, respectively, of compensation expense related to the SARs/DERs. For the periods from January 1, 2009 to June 19, 2009 and January 1, 2008 to June 13, 2008, we recorded approximately $0.3 million and $0.2 million, respectively, of compensation expense related to the SARs/DERs. A summary of our SARs/DERs as of June 19, 2009 is as follows:

	Number of SARs/DERs	Weighted-Average Grant Date Fair Value
Balance at January 1, 2009	300,225	$ 6.62
Granted	—	—
Exercised	—	—
Balance at June 19, 2009	300,225	$ 6.62

One-third of the SAR/DER awards vested in 2009 and the remainder are expected to vest as follows: one-third in 2010 and one-third in 2011. As of June 19, 2009, the unrecognized compensation cost related to the SAR/DER awards was $1.1 million and the weighted-average period over which the unrecognized compensation expense will be recorded is approximately 23 months.

6. Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing net income (loss) available to common stockholders by the weighted-average number of common shares outstanding. Diluted earnings (loss) per share is calculated by dividing net (loss) income available to common stockholders, that has been adjusted for dilutive securities, by the weighted-average number of common shares outstanding including dilutive securities. No effect is shown for our restricted stock and SAR's when the impact is anti-dilutive.

The following is a reconciliation of the calculation of basic and diluted earnings (loss) per share (in thousands, except share and per share data):

	Fiscal Quarter Ended June 19, 2009 (unaudited)	Fiscal Quarter Ended June 13, 2008 (unaudited)	Period from January 1, 2009 to June 19, 2009 (unaudited)	Period from January 1, 2008 to June 13, 2008 (unaudited)
Basic Earnings (Loss) per Share Calculation:				
Numerator:				
Net income (loss)	$ 2,457	$ 21,755	$ (2,837)	$ 26,932
Less: dividends on unvested restricted common stock	—	(119)	—	(237)
Net income (loss) after dividends on unvested restricted common stock	$ 2,457	$ 21,636	$ (2,837)	$ 26,695
Weighted-average number of common shares outstanding—basic	104,194,871	95,212,142	97,292,933	95,195,961
Basic earnings (loss) per share	$ 0.02	$ 0.23	$ (0.03)	$ 0.28
Diluted Earnings (Loss) per Share Calculation:				
Numerator:				
Net income (loss)	$ 2,457	$ 21,755	$ (2,837)	$ 26,932
Less: dividends on unvested restricted common stock	—	(119)	—	(237)
Net income (loss) after dividends on unvested restricted common stock	$ 2,457	$ 21,636	$ (2,837)	$ 26,695
Weighted-average number of common shares outstanding—basic	104,194,871	95,212,142	97,292,933	95,195,961
Unvested restricted common stock	666,921	—	—	—
Unvested SARs	—	—	—	—
Weighted-average number of common shares outstanding—diluted	104,861,792	95,212,142	97,292,933	95,195,961

Diluted earnings (loss) per share	$ 0.02	$ 0.23	$ (0.03)	$ 0.28

7. Debt

We have incurred limited recourse, property specific mortgage debt in conjunction with certain of our hotels. In the event of default, the lender may only foreclose on the pledged assets; however, in the event of fraud, misapplication of funds and other customary recourse provisions, the lender may seek payment from us. As of June 19, 2009, 12 of our 20 hotel properties were secured by mortgage debt. Our mortgage debt contains certain property specific covenants and restrictions, including minimum debt service coverage ratios that trigger cash management provisions as well as restrictions on incurring additional debt without lender consent. As of June 19, 2009, we were in compliance with the financial covenants of our mortgage debt.

The following table sets forth information regarding the Company's debt as of June 19, 2009 (unaudited), in thousands:

Property	Principal Balance	Interest Rate
Courtyard Manhattan / Midtown East	$ 40,706	5.195%
Marriott Salt Lake City Downtown	33,781	5.50%
Courtyard Manhattan / Fifth Avenue	51,000	6.48%
Marriott Griffin Gate Resort	28,066	5.11%
Renaissance Worthington	57,400	5.40%
Frenchman's Reef & Morning Star Marriott Beach Resort	61,832	5.44%
Marriott Los Angeles Airport	82,600	5.30%
Orlando Airport Marriott	59,000	5.68%
Chicago Marriott Downtown Magnificent Mile	220,000	5.975%
Renaissance Austin	83,000	5.507%
Renaissance Waverly	97,000	5.503%
Bethesda Marriott Suites	5,000	LIBOR + 0.95 (1.27% as of June 19, 2009)
Senior unsecured credit facility	—	LIBOR + 0.95
Total debt	$ 819,385	
Weighted-Average Interest Rate		5.62%

The mortgage debt on the Courtyard Manhattan/Midtown East matures on December 11, 2009. We have signed a term sheet with Massachusetts Mutual Life Insurance Company ("MassMutual") to provide a new $43 million of non-recourse mortgage loan on the Courtyard Manhattan/Midtown East bearing an interest rate of 8.8% and a term of five years. We have provided $1.2 million of refundable deposits to MassMutual, but the closing of the loan is subject to numerous closing conditions, including a material adverse change clause.

We are party to a four-year, $200.0 million unsecured credit facility (the "Facility") expiring in February 2011. We may extend the maturity date of the Facility for an additional year upon the payment of applicable fees and the satisfaction of certain other customary conditions. As of June 19, 2009, we did not have an outstanding balance on the Facility.

Interest is paid on the periodic advances under the Facility at varying rates, based upon either LIBOR or the alternate base rate, plus an agreed upon additional margin amount. The interest rate depends upon our level of outstanding indebtedness in relation to the value of our assets from time to time, as follows:

	Leverage Ratio			
	60% or Greater	55% to 60%	50% to 55%	Less Than 50%
Alternate base rate margin	0.65%	0.45%	0.25%	0.00%
LIBOR margin	1.55%	1.45%	1.25%	0.95%

The Facility contains various corporate financial covenants. A summary of the most restrictive covenants is as follows:

	Covenant	Actual at June 19, 2009
Maximum leverage ratio(1)	65%	44.7%
Minimum fixed charge coverage ratio(2)	1.6x	2.4x
Minimum tangible net worth(3)	$738.4 million	$1.4 billion
Unhedged floating rate debt as a percentage of total indebtedness	35%	0.6%

(1) "Maximum leverage ratio" is determined by dividing the total debt outstanding by the net asset value of our corporate assets and hotels. Hotel level net asset values are calculated based on the application of a contractual capitalization rate (which range from 7.5% to 8.0%) to the trailing twelve month hotel net operating income.

(2) "Minimum fixed charge ratio" is calculated based on the trailing four quarters.

(3) "Tangible net worth" is defined as the gross book value of our real estate assets and other corporate assets less our total debt and all other corporate liabilities.

The Facility requires that we maintain a specific pool of unencumbered borrowing base properties. The unencumbered borrowing base assets are subject to the following limitations and covenants:

	Covenant	Actual at June 19, 2009
Minimum implied debt service ratio	1.5x	N/A
Maximum unencumbered leverage ratio	65%	0%
Minimum number of unencumbered borrowing base properties	4	8
Minimum unencumbered borrowing base value	$150 million	$579.5 million
Percentage of total asset value owned by borrowers or guarantors	90%	100%

In addition to the interest payable on amounts outstanding under the Facility, we are required to pay unused credit facility fees equal to 0.20% of the unused portion of the Facility if the unused portion of the Facility is greater than 50% or 0.125% of the unused portion of the Facility if the unused portion of the Facility is less than 50%. We incurred interest and unused credit facility fees on the Facility of $0.1 million and $0.4 million for the fiscal quarters ended June 19, 2009 and June 13, 2008, respectively, and $0.4 million and $0.6 million for the periods from January 1, 2009 to June 19, 2009 and January 1, 2008 to June 13, 2008, respectively.

8. Fair Value of Financial Instruments

The fair value of certain financial assets and liabilities and other financial instruments as of June 19, 2009 and December 31, 2008, in thousands, are as follows:

	As of June 19, 2009		As of December 31, 2008	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Debt	$ 819,385	$ 721,411	$ 878,353	$ 750,899

9. Commitments and Contingencies

Litigation

We are not involved in any material litigation nor, to our knowledge, is any material litigation threatened against us. We are involved in routine litigation arising out of the ordinary course of business, all of which is expected to be covered by insurance and none of which is expected to have a material impact on our financial condition or results of operations.

Income Taxes

We had no accruals for tax uncertainties as of June 19, 2009 and December 31, 2008. As of June 19, 2009, all of our federal income tax returns and state tax returns for the jurisdictions in which our hotels are located remain subject to examination by the respective jurisdiction tax authorities.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of complying with these safe harbor provisions. These forward-looking statements are generally identifiable by use of the words "believe," "expect," "intend," "anticipate," "estimate," "project" or similar expressions, whether in the negative or affirmative. Forward-looking statements are based on management's current expectations and assumptions and are not guarantees of future performance. Factors that may cause actual results to differ materially from current expectations include, but are not limited to, the risk factors discussed herein and other factors discussed from time to time in our periodic filings with the Securities and Exchange Commission. Accordingly, there is no assurance that the Company's expectations will be realized. Except as otherwise required by the federal securities laws, the Company disclaims any obligations or undertaking to publicly release any updates or revisions to any forward-looking statement contained in this report to reflect events, circumstances or changes in expectations after the date of this report.

Overview

We are a lodging-focused real estate company that owns, as of July 28, 2009, 20 premium hotels and resorts that contain approximately 9,600 guestrooms. We are committed to maximizing stockholder value through investing in premium full-service hotels and, to a lesser extent, premium urban limited-service hotels located throughout the United States. Our hotels are concentrated in key gateway cities and in destination resort locations and are all operated under a brand owned by one of the top three lodging national brand companies (Marriott, Starwood or Hilton).

We are owners, as opposed to operators, of hotels. As an owner, we receive all of the operating profits or losses generated by our hotels, after we pay the hotel managers fees, which are based on the revenues and profitability of the hotels, and reimburse all of their direct and indirect operating costs.

As an owner, we believe we create value by acquiring the right hotels with the right brands in the right markets, prudently financing our hotels, thoughtfully re-investing capital in our hotels, implementing profitable operating strategies, approving the annual operating and capital budgets for our hotels, and deciding if and when to sell our hotels. In addition, we are committed to enhancing the value of our operating platform by being open and transparent in our communications with investors, monitoring our corporate overhead and following corporate governance best practice.

We differentiate ourselves from our competitors because of our adherence to three basic principles:

- high-quality urban- and resort-focused branded real estate;
- conservative capital structure; and
- thoughtful asset management.

High-Quality Urban- and Resort-Focused Branded Real Estate

We own 20 premium hotels and resorts in North America. These hotels and resorts are primarily categorized as upper upscale as defined by Smith Travel Research and are generally located in high barrier to entry markets with multiple demand generators.

Our properties are concentrated in five key gateway cities (New York City, Los Angeles, Chicago, Boston and Atlanta) and in destination resort locations (such as the U.S. Virgin Islands and Vail, Colorado). We believe that gateway cities and destination resorts will achieve higher long-term growth because they are attractive business and leisure destinations. We also believe that these locations are better insulated from new supply due to relatively high barriers to entry and expensive construction costs.

We believe that higher quality lodging assets create more dynamic cash flow growth and superior long-term capital appreciation.

In addition, a core tenet of our strategy is to leverage national hotel brands. We strongly believe in the value of powerful national brands because we believe that they are able to produce incremental revenue and profits compared to similar unbranded hotels. In particular, we believe that branded hotels outperform unbranded hotels in an economic downturn. Dominant national hotel brands typically have very strong reservation and reward systems and sales organizations, and all of our hotels are operated under a brand owned by one of the top three national brand companies (Marriott, Starwood or Hilton) and all but two of our hotels are managed by the brand company directly. Generally, we are interested in owning hotels that are operated under a nationally recognized brand or acquiring hotels that can be converted into a nationally branded hotel.

Capital Structure

Since our formation in 2004, we have been consistently committed to a flexible capital structure with prudent leverage levels. During 2004 though early 2007, we took advantage of the low interest rate environment by fixing our interest rates for an extended period of time. Moreover, during the peak in the commercial real estate market in the past several years, we maintained low financial leverage by funding the majority of our acquisitions through the issuance of equity. This strategy allowed us to maintain a balance sheet with a moderate amount of debt. During the peak years, we believed, and present events have confirmed, that it would be inappropriate to increase the inherent risk of a highly cyclical business through a highly levered capital structure.

We believe the current economic environment has confirmed the merits of our financing strategy. We believe that we maintain a reasonable amount of fixed interest rate mortgage debt with few near-term maturities. As of June 19, 2009, we had $819.4 million of mortgage debt outstanding. We currently have eight hotels, with an aggregate historic cost of $792.1 million, which are unencumbered by mortgage debt. As of June 19, 2009, our debt had a weighted-average interest rate of 5.62% and a weighted-average maturity date of 6.12 years. In addition, as of June 19, 2009, 99.4% of our debt was fixed rate.

We prefer a relatively simple but efficient capital structure. We have not invested in joint ventures and have not issued any operating partnership units or preferred stock. We endeavor to structure our hotel acquisitions so that they will not overly complicate our capital structure; however, we will consider a more complex transaction if we believe that the projected returns to our stockholders will significantly exceed the returns that would otherwise be available.

We have always strived to operate our business with conservative leverage. During the current recession, our corporate goals and objectives continue to be focused on preserving and enhancing our liquidity. We have taken, or intend to take, a number of steps to achieve these goals, as follows:

- We completed a follow-on public offering of our common stock on during the second quarter. We sold 17,825,000 shares of common stock, including the underwriters' overallotment of 2,325,000 shares, at an offering price of $4.85 per share. The net proceeds to us, after deduction of offering costs, were approximately $82.1 million. In addition, our Board of Directors recently authorized us to sell up to $75 million of common stock.

- We repaid the $52 million outstanding on our senior unsecured credit facility during the second quarter with a portion of the proceeds from our follow-on offering.

- We intend to pay our next dividend to our stockholders of record as of December 31, 2009. We expect the 2009 dividend will be in an amount equal to 100% of our 2009 taxable income. We may elect to pay up to 90 percent of our 2009 dividend in shares of our common stock, as permitted by the Internal Revenue Service's Revenue Procedure 2009-15.

- We have focused on minimizing capital spending during 2009 and expect to fund approximately $10 million of 2009 capital expenditures from corporate cash.

- We explored the potential sale of certain hotels earlier in the year, but currently do not have any hotels listed for sale with a broker. We will evaluate any unsolicited offers received for any of our hotels.

We have two near-term mortgage debt maturities totaling $68 million. The debt maturities include $40.2 million coming due on the Courtyard Manhattan/Midtown East on December 11, 2009 and $27.7 million coming due on the Griffin Gate Marriott in January 2010. The status of our efforts to address our near-term debt maturities is as follows:

- We have signed a term sheet with Massachusetts Mutual Life Insurance Company ("MassMutual") to provide a new $43 million non-recourse mortgage loan on the Courtyard Manhattan/Midtown East bearing an interest rate of 8.8% and a term of five years. The closing of the loan is subject to numerous closing conditions, including a material adverse change clause.

- We are currently assessing the best alternatives to address the Griffin Gate Marriott mortgage debt maturity, including either refinancing the loan or repaying the loan with corporate cash.

Thoughtful Asset Management

We believe that we are able to create significant value in our portfolio by utilizing our management's extensive experience and our innovative asset management strategies. Our senior management team has an established broad network of hotel industry contacts and relationships, including relationships with hotel owners, financiers, operators, project managers and contractors and other key industry participants.

In the current economic environment, we believe that our extensive lodging experience, our network of industry relationships and our asset management strategies position us to minimize the impact of declining revenues on our hotels. In particular, we are focused on controlling our property-level and corporate expenses, as well as working closely with our managers to optimize the mix of business at our hotels in order to maximize potential revenue. Our property-level cost containment includes the implementation of aggressive contingency plans at each of our hotels. The contingency plans include controlling labor expenses, eliminating hotel staff positions, adjusting food and beverage outlet hours of operation and not filling open positions. In addition, our strategy to significantly renovate many of the hotels in our portfolio from 2006 to 2008 resulted in the flexibility to significantly curtail our planned capital expenditures for 2009 and 2010.

We use our broad network of hotel industry contacts and relationships to maximize the value of our hotels. Under the regulations governing REITs, we are required to engage a hotel manager that is an eligible independent contractor through one of our subsidiaries to manage each of our hotels pursuant to a management agreement. Our philosophy is to negotiate management agreements that give us the right to exert significant influence over the management of our properties, annual budgets and all capital expenditures, and then to use those rights to continually monitor and improve the performance of our properties. We cooperatively partner with the managers of our hotels in an attempt to increase operating results and long-term asset values at our hotels. In addition to working directly with the personnel at our hotels, our senior management team also has long-standing professional relationships with our hotel managers' senior executives, and we work directly with these senior executives to improve the performance of our portfolio.

We believe we can create significant value in our portfolio through innovative asset management strategies such as rebranding, renovating and repositioning. We are committed to regularly evaluating our portfolio to determine if we can employ these value-added strategies at our hotels. From 2006 to 2008 we completed a significant amount of capital reinvestment in our hotels — completing projects that ranged from room renovations, to a total renovation and repositioning of the hotel, to the addition of new meeting space, spa or restaurant repositioning. In connection with our renovations and repositionings, our senior management team and our asset managers are individually committed to completing these renovations on time, on budget and with minimum disruption to our hotels. As we have significantly renovated many of the hotels in our portfolio, we chose to substantially reduce capital expenditures beginning in 2009.

Key Indicators of Financial Condition and Operating Performance

We use a variety of operating and other information to evaluate the financial condition and operating performance of our business. These key indicators include financial information that is prepared in accordance with GAAP, as well as other financial information that is not prepared in accordance with GAAP. In addition, we use other information that may not be financial in nature, including statistical information and comparative data. We use this information to measure the performance of individual hotels, groups of hotels and/or our business as a whole. We periodically compare historical information to our internal budgets as well as industry-wide information. These key indicators include:

- Occupancy percentage;
- Average Daily Rate (or ADR);
- Revenue per Available Room (or RevPAR);
- Earnings Before Interest, Income Taxes, Depreciation and Amortization (or EBITDA); and
- Funds From Operations (or FFO).

Occupancy, ADR and RevPAR are commonly used measures within the hotel industry to evaluate operating performance. RevPAR, which is calculated as the product of ADR and occupancy percentage, is an important statistic for monitoring operating performance at the individual hotel level and across our business as a whole. We evaluate individual hotel RevPAR performance on an absolute basis with comparisons to budget and prior periods, as well as on a company-wide and regional basis. ADR and RevPAR include only room revenue. Room revenue comprised approximately 63% of our total revenues for the fiscal quarter ended June 19, 2009, and is dictated by demand, as measured by occupancy percentage, pricing, as measured by ADR, and our available supply of hotel rooms.

Our ADR, occupancy percentage and RevPAR performance may be impacted by macroeconomic factors such as regional and local employment growth, personal income and corporate earnings, office vacancy rates and business relocation decisions, airport and other business and leisure travel, new hotel construction and the pricing strategies of competitors. In addition, our ADR, occupancy percentage and RevPAR performance is dependent on the continued success of Marriott and its brands as well as the Westin and Conrad brands.

We also use EBITDA and FFO as measures of the financial performance of our business. See "Non-GAAP Financial Matters."

Outlook

The impact of the severe economic recession on U.S. travel fundamentals and our operating results is likely to persist for some period of time. Lodging demand has historically correlated with several key economic indicators such as GDP growth, employment trends, corporate profits, consumer confidence and business investment. Although there have been recent signs that occupancy in the industry may have stabilized, the average daily rate has continued to decline. We expect lodging demand to follow its historical course and lag the general economic recovery by several quarters and thus, we anticipate a challenging operating environment for the balance of 2009 and into 2010.

New hotel supply remains a short-term negative and a long-term positive. Although the industry benefited from supply growth less than historical averages from 2004 through 2007, new hotel supply began to increase at the end of the last economic expansion. While some of those projects have been delayed or eliminated, the rate of new supply is expected to peak in 2009 and remain above historical averages in 2010. We have been or will be impacted by new supply in a few of our markets, most notably Fort Worth, Texas during 2009 and Chicago and Austin in 2010. Due to a number of factors, we expect below average supply growth for an extended period of time beginning in 2011, when we expect minimal new supply to be a significant positive for operating fundamentals.

Our Hotels

The following table sets forth certain operating information for each of our hotels for the period from January 1, 2009 to June 19, 2009.

Property	Location	Number of Rooms	Occupancy (%)	ADR($)	RevPAR($)	% Change from 2008 RevPAR
Chicago Marriott	Chicago, Illinois	1,198	67.9%	$ 169.99	$ 115.46	(17.6)%
Los Angeles Airport Marriott	Los Angeles, California	1,004	75.1	112.27	84.27	(16.2)
Westin Boston Waterfront Hotel (1)	Boston, Massachusetts	793	60.0	190.13	114.00	(7.9)
Renaissance Waverly Hotel	Atlanta, Georgia	521	62.6	137.52	86.11	(17.4)
Salt Lake City Marriott Downtown	Salt Lake City, Utah	510	54.3	134.59	73.15	(24.0)
Renaissance Worthington	Fort Worth, Texas	504	68.1	166.43	113.36	(20.7)
Frenchman's Reef & Morning Star Marriott Beach Resort (1)	St. Thomas, U.S. Virgin Islands	502	86.5	252.70	218.60	(8.2)
Renaissance Austin Hotel	Austin, Texas	492	63.2	153.74	97.12	(17.2)
Torrance Marriott South Bay	Los Angeles County, California	487	67.4	115.41	77.77	(23.2)
Orlando Airport Marriott	Orlando, Florida	486	78.4	87.07	68.28	(17.2)
Marriott Griffin Gate Resort	Lexington, Kentucky	408	57.4	122.83	70.52	(18.3)
Oak Brook Hills Marriott Resort	Oak Brook, Illinois	386	35.3	120.41	42.52	(34.4)
Westin Atlanta North at Perimeter (1)	Atlanta, Georgia	369	66.5	103.88	69.08	(26.8)
Vail Marriott Mountain Resort & Spa (1)	Vail, Colorado	346	67.9	241.82	164.17	(25.3)
Marriott Atlanta Alpharetta	Atlanta, Georgia	318	59.1	128.38	75.82	(21.1)
Courtyard Manhattan/Midtown East	New York, New York	312	83.2	204.01	169.69	(33.6)
Conrad Chicago (1)	Chicago, Illinois	311	67.2	177.78	119.53	(23.8)
Bethesda Marriott Suites	Bethesda, Maryland	272	62.7	179.41	112.45	(21.5)
Courtyard Manhattan/Fifth Avenue	New York, New York	185	88.4	208.59	184.31	(27.1)
The Lodge at Sonoma, a Renaissance Resort & Spa	Sonoma, California	182	51.4	176.20	90.59	(33.4)
TOTAL/WEIGHTED AVERAGE		9,586	66.4%	$ 157.36	$ 104.53	(19.9)%

(1) The Frenchman's Reef & Morning Star Marriott Beach Resort, Vail Marriott Mountain Resort & Spa, Westin Atlanta North at Perimeter, Conrad Chicago and the Westin Boston Waterfront Hotel report operations on a calendar month and year basis. The period from January 1, 2009 to June 19, 2009 includes the operations for the period from January 1, 2009 to May 31, 2009 for these five hotels.

Results of Operations

As of June 19, 2009, we owned 20 hotels. Our total assets were $2.1 billion as of June 19, 2009. Total liabilities were $1.0 billion as of June 19, 2009, including $819.4 million of debt. Stockholders' equity was approximately $1.1 billion as of June 19, 2009.

Comparison of the Fiscal Quarter Ended June 19, 2009 to the Fiscal Quarter Ended June 13, 2008

Our net income for the fiscal quarter ended June 19, 2009 was $2.5 million compared to net income of $21.8 million for the fiscal quarter ended June 13, 2008.

Revenue. Revenue consists primarily of the room, food and beverage and other operating revenues from our hotels. Revenues for the fiscal quarters ended June 19, 2009 and June 13, 2008, respectively, consisted of the following (in thousands):

	Fiscal Quarter Ended June 19, 2009	Fiscal Quarter Ended June 13, 2008	% Change
Rooms	$ 90,228	$ 116,011	(22.2)%
Food and beverage	44,697	55,532	(19.5)%
Other	8,682	9,473	(8.4)%
Total revenues	$ 143,607	$ 181,016	(20.7)%

Individual hotel revenues for the fiscal quarters ended June 19, 2009 and June 13, 2008, respectively, consist of the following (in millions):

	Fiscal Quarter Ended June 19, 2009	Fiscal Quarter Ended June 13, 2008	% Change
Chicago Marriott	$ 21.7	$ 28.3	(23.3)%
Westin Boston Waterfront Hotel (1)	18.2	19.0	(4.2)%
Frenchman's Reef & Morning Star Marriott Beach Resort (1)	14.6	16.5	(11.5)%
Los Angeles Airport Marriott	10.6	13.5	(21.5)%
Renaissance Worthington	7.4	10.0	(26.0)%
Renaissance Austin Hotel	7.2	8.5	(15.3)%
Renaissance Waverly Hotel	7.1	8.6	(17.4)%
Marriott Griffin Gate Resort	6.1	7.6	(19.7)%
Vail Marriott Mountain Resort & Spa (1)	5.5	7.3	(24.7)%
Conrad Chicago (1)	5.4	7.3	(26.0)%
Courtyard Manhattan/Midtown East	5.0	7.8	(35.9)%
Torrance Marriott South Bay	4.9	6.0	(18.3)%
Oak Brook Hills Marriott Resort	4.9	6.8	(27.9)%
Orlando Airport Marriott	4.6	5.8	(20.7)%
Salt Lake City Marriott Downtown	4.2	5.9	(28.8)%
Westin Atlanta North at Perimeter (1)	3.7	4.6	(19.6)%
Bethesda Marriott Suites	3.4	4.7	(27.7)%
The Lodge at Sonoma, a Renaissance Resort & Spa	3.2	4.7	(31.9)%
Courtyard Manhattan/Fifth Avenue	3.0	4.4	(31.8)%
Marriott Atlanta Alpharetta	2.9	3.7	(21.6)%
Total	$ 143.6	$ 181.0	(20.7)%

(1) The Frenchman's Reef & Morning Star Marriott Beach Resort, Vail Marriott Mountain Resort & Spa, Westin Atlanta North at Perimeter, Conrad Chicago and the Westin Boston Waterfront Hotel report operations on a calendar month and year basis. The fiscal quarters ended June 19, 2009 and June 13, 2008 include the operations for the period from March 1, 2009 to May 31, 2009 and March 1, 2008 to May 31, 2008, respectively, for these five hotels.

Our total revenues declined $37.4 million, or 20.7%, from $181.0 million for the fiscal quarter ended June 13, 2008 to $143.6 million for the fiscal quarter ended June 19, 2009, reflecting the continued weakness in lodging fundamentals. The decline reflects a 22.2 percent decline in RevPAR, which is the result of a 14.6 percent decrease in ADR and a 6.7 percentage point decrease in occupancy. The following are the key hotel operating statistics for our hotels for the fiscal quarters ended June 19, 2009 and June 13, 2008, respectively.

	Fiscal Quarter Ended June 19, 2009	Fiscal Quarter Ended June 13, 2008	% Change
Occupancy %	69.0%	75.7%	(6.7) percentage points
ADR	$ 159.30	$ 186.53	(14.6)%
RevPAR	$ 109.85	$ 141.28	(22.2)%

Our RevPAR declined in the second quarter by 22.2%. Most of the decline in RevPAR can be attributed to a significant decline in the average daily rate and reflects a number of negative trends within our primary customer segments, including a change in the mix between those segments. Our room revenue by primary customer segment in the second quarter was as follows:

	Fiscal Quarter Ended June 19, 2009		Fiscal Quarter Ended June 13, 2008		
	$ in millions	% of Total	$ in millions	% of Total	% Decrease
Business Transient	$ 22.2	25%	$ 35.4	31%	37.0%
Group	34.0	38%	44.2	38%	23.2%
Leisure and Other	34.0	37%	36.4	31%	6.7%
Total	$ 90.2	100%	$ 116.0	100%	22.2%

- Business Transient: Revenue from the business transient segment, traditionally the most profitable segment for hotels, has declined more than any other customer segment. Business transient revenue was partially replaced with lower-rated government, leisure and contract business. We expect business transient demand trends to remain negative until there is an improvement in the overall economic climate in the United States.

- Group: Groups have postponed, cancelled or reduced their meetings in response to the current economic recession. The deterioration in revenue is primarily due to a decline in group room nights and, to a much lesser extent, rate. Moreover, as there were fewer cancellations in the second quarter compared to the first quarter, the deterioration in group room nights appears to have been caused by a decline in short-term group pick-up. As of the end of the second quarter, our group booking pace was 19% lower than at the same time last year, which represents the continued deterioration of group booking trends during the year.

- Leisure and Other: The decline in revenue from the leisure and other segment was almost entirely driven by lower average daily rates.

Food and beverage revenues decreased 19.5% from 2008, reflecting a decline in both banquet and outlet revenues. Other revenues, which primarily represent spa, golf, parking and attrition and cancellation fees, decreased 8.4% from 2008.

Hotel operating expenses. Hotel operating expenses consist primarily of operating expenses of our hotels, including non-cash ground rent expense. The operating expenses for the fiscal quarters ended June 19, 2009 and June 13, 2008, respectively, consist of the following (in millions):

	Fiscal Quarter Ended June 19, 2009	Fiscal Quarter Ended June 13, 2008	% Change
Rooms departmental expenses	$ 23.0	$ 26.2	(12.2)%
Food and beverage departmental expenses	30.3	36.4	(16.8)%
Other departmental expenses	7.5	8.1	(7.4)%
General and administrative	12.2	13.9	(12.2)%
Utilities	5.4	6.6	(18.2)%
Repairs and maintenance	6.8	7.1	(4.2)%
Sales and marketing	10.2	11.8	(13.6)%
Base management fees	3.8	5.0	(24.0)%
Incentive management fees	1.2	3.0	(60.0)%
Property taxes	6.2	5.5	12.7%
Ground rent—Contractual	0.4	0.5	(20.0)%
Ground rent—Non-cash	1.8	1.8	—%
Total hotel operating expenses	$ 108.8	$ 125.9	(13.6)%

Our hotel operating expenses decreased $17.1 million or 13.6%, from $125.9 million for the fiscal quarter ended June 13, 2008 to $108.8 million for the fiscal quarter ended June 19, 2009. Due to the poor operating fundamentals at our hotels, we have worked with our hotel managers to lower operating expenses. As a result of these cost-containment measures, and an overall decline in occupancy, we have reduced the rooms, food and beverage and other hotel departmental expenses. The primary driver for the decrease in these operating expenses is an overall decline in wages and benefits. We expect the decreases in the rooms, food and beverage, and other hotel departmental expenses to continue in 2009.

Management fees are calculated as a percentage of total revenues, as well as the level of operating profit at certain hotels. Therefore, the decline in base management fees is due to the overall decline in revenues at our hotels. We pay incentive management fees only at certain of our hotels based on operating profits. The decrease in incentive management fees of approximately $1.8 million is due to the decline in operating profits at those hotels as well as fewer hotels earning incentive management fees in 2009 compared to 2008.

Depreciation and amortization. Depreciation and amortization is recorded on our hotel buildings over 40 years for the periods subsequent to acquisition. Depreciable lives of hotel furniture, fixtures and equipment are estimated as the time period between the acquisition date and the date that the hotel furniture, fixtures and equipment will be replaced. Our depreciation and amortization expense increased $1.6 million from $18.1 million for the fiscal quarter ended June 13, 2008 to $19.7 million for the fiscal quarter ended June 19, 2009. This increase is primarily the result of having additional assets in service as of June 19, 2009, due primarily to our significant 2008 capital projects at the Chicago Marriott and the Westin Boston Waterfront.

Corporate expenses. Our corporate expenses increased from $3.3 million for the fiscal quarter ended June 13, 2008 to $3.7 million for the fiscal quarter ended June 19, 2009, due primarily to an increase in stock-based compensation expense. Corporate expenses principally consist of employee-related costs, including base payroll, bonus and restricted stock. Corporate expenses also include corporate operating costs, professional fees and directors' fees.

Interest expense. Our interest expense decreased $0.3 million from $11.4 million for the fiscal quarter ended June 13, 2008 to $11.1 million for the fiscal quarter ended June 19, 2009. The decrease in interest expense is primarily attributable to the repayment of our credit facility in April. The 2009 interest expense was comprised of mortgage debt ($10.8 million), amortization of deferred financing costs ($0.2 million) and interest and unused facility fees on our credit facility ($0.1 million). The 2008 interest expense is comprised of mortgage debt ($10.8 million), amortization of deferred financing costs ($0.2 million) and interest and unused facility fees on our credit facility ($0.4 million).

As of June 19, 2009, we had property-specific mortgage debt outstanding on twelve of our hotels. On all but one of the hotels, we have fixed-rate secured debt, which bears interest at rates ranging from 5.11% to 6.48% per year. Our weighted-average interest rate on all debt as of June 19, 2009 was 5.62%.

Interest income. Interest income decreased $0.2 million from $0.3 million for the fiscal quarter ended June 13, 2008 to $0.1 million for the fiscal quarter ended June 19, 2009. Although our corporate cash balances are higher in 2009, the interest rates earned on corporate cash are significantly lower.

Income taxes. We recorded an income tax benefit of $3.3 million for the fiscal quarter ended June 19, 2009 and an income tax expense of $0.9 million for the fiscal quarter ended June 13, 2008. The second quarter 2009 income tax benefit was incurred on the $9.9 million pre-tax loss of our taxable REIT subsidiary, or TRS, for the fiscal quarter ended June 19, 2009, together with foreign income tax expense of $0.5 million related to the taxable REIT subsidiary that owns the Frenchman's Reef & Morning Star Marriott Beach Resort. The second quarter 2008 income tax expense was incurred on the $0.6 million pre-tax income of our TRS for the fiscal quarter ended June 13, 2008, together with foreign income tax expense of $0.5 million related to the taxable REIT subsidiary that owns the Frenchman's Reef & Morning Star Marriott Beach Resort.

Comparison of the Period from January 1, 2009 to June 19, 2009 to the Period from January 1, 2008 to June 13, 2008

We incurred a net loss for the period from January 1, 2009 to June 19, 2009 of $2.8 million compared to net income of $26.9 million for the period from January 1, 2008 to June 13, 2008.

Revenue. Revenue consists primarily of the room, food and beverage and other operating revenues from our hotels. Revenues for the periods from January 1, 2009 to June 19, 2009 and January 1, 2008 to June 13, 2008, respectively, consisted of the following (in thousands):

	Period from January 1, 2009 to June 19, 2009	Period from January 1, 2008 to June 13, 2008	% Change
Rooms	$ 165,343	$ 201,938	(18.1)%
Food and beverage	81,587	95,614	(14.7)%
Other	15,221	16,327	(6.8)%
Total revenues	$ 262,151	$ 313,879	(16.5)%

Individual hotel revenues for the periods from January 1, 2009 to June 19, 2009 and January 1, 2008 to June 13, 2008, respectively, consist of the following (in millions):

	Period from January 1, 2009 to June 19, 2009	Period from January 1, 2008 to June 13, 2008	% Change
Chicago Marriott	$ 36.4	$ 39.2	(7.1)%
Westin Boston Waterfront Hotel (1)	25.2	27.9	(9.7)%
Frenchman's Reef & Morning Star Marriott Beach Resort (1)	24.6	27.7	(11.2)%
Los Angeles Airport Marriott	23.6	27.9	(15.4)%
Renaissance Worthington	16.0	19.5	(17.9)%
Renaissance Austin Hotel	14.8	16.7	(11.4)%
Renaissance Waverly Hotel	14.3	17.3	(17.3)%
Vail Marriott Mountain Resort & Spa (1)	11.6	15.6	(25.6)%
Orlando Airport Marriott	11.2	13.4	(16.4)%
Marriott Griffin Gate Resort	9.9	11.6	(14.7)%
Salt Lake City Marriott Downtown	9.8	12.3	(20.3)%
Torrance Marriott South Bay	9.5	11.7	(18.8)%
Courtyard Manhattan/Midtown East	9.4	13.8	(31.9)%
Oak Brook Hills Marriott Resort	7.9	10.1	(21.8)%
Conrad Chicago (1)	7.6	9.8	(22.4)%
Bethesda Marriott Suites	6.9	8.3	(16.9)%
Westin Atlanta North at Perimeter (1)	6.2	8.3	(25.3)%
Marriott Atlanta Alpharetta	6.0	7.3	(17.8)%
Courtyard Manhattan/Fifth Avenue	5.9	7.8	(24.4)%
The Lodge at Sonoma, a Renaissance Resort & Spa	5.4	7.7	(29.9)%
Total	$ 262.2	$ 313.9	(16.5)%

(1) The Frenchman's Reef & Morning Star Marriott Beach Resort, Vail Marriott Mountain Resort & Spa, Westin Atlanta North at Perimeter, Conrad Chicago and the Westin Boston Waterfront Hotel report operations on a calendar month and year basis. The periods from January 1, 2009 to June 19, 2009 and January 1, 2008 to June 13, 2008 include the operations for the period from January 1, 2009 to May 31, 2009 and January 1, 2008 to May 31, 2008, respectively, for these five hotels.

Our total revenues declined $51.7 million, or 16.5%, from $313.9 million for the period from January 1, 2008 to June 13, 2008 to $262.2 million for the period from January 1, 2009 to June 19, 2009, reflecting the continued weakness in lodging fundamentals. The decline reflects a 19.9 percent decline in RevPAR, which is the result of a 12.8 percent decrease in ADR and a 5.9 percentage point decrease in occupancy. In addition, the operations for the first half of 2009 of our Marriott-managed hotels include five additional days as compared to the comparable period of 2008. The following are the key hotel operating statistics for our hotels for the periods from January 1, 2009 to June 19, 2009 and January 1, 2008 to June 13, 2008, respectively.

	Period from January 1, 2009 to June 19, 2009	Period from January 1, 2008 to June 13, 2008	% Change
Occupancy %	66.4%	72.3%	(5.9) percentage points
ADR	$ 157.36	$ 180.48	(12.8)%
RevPAR	$ 104.53	$ 130.53	(19.9)%

Food and beverage revenues decreased 14.7% from 2008, reflecting a decline in both banquet and outlet revenues. Other revenues, which primarily represent spa, golf, parking and attrition and cancellation fees, decreased 6.8% from 2008.

Hotel operating expenses. Hotel operating expenses consist primarily of operating expenses of our hotels, including non-cash ground rent expense. The operating expenses for the periods from January 1, 2009 to June 19, 2009 and January 1, 2008 to June 13, 2008, respectively, consist of the following (in millions):

	Period from January 1, 2009 to June 19, 2009	Period from January 1, 2008 to June 13, 2008	% Change
Rooms departmental expenses	$ 43.0	$ 47.4	(9.3)%
Food and beverage departmental expenses	56.9	65.3	(12.9)%
Other hotel expenses	14.0	14.9	(6.0)%
General and administrative	23.1	25.5	(9.4)%
Utilities	10.8	11.4	(5.3)%
Repairs and maintenance	13.0	13.4	(3.0)%
Sales and marketing	18.8	21.4	(12.2)%
Base management fees	6.9	8.6	(19.8)%
Incentive management fees	1.4	4.4	(68.2)%
Property taxes	12.3	10.6	16.0%
Ground rent—Contractual	0.9	1.0	(10.0)%
Ground rent—Non-cash	3.6	3.5	2.9%
Total hotel operating expenses	$ 204.7	$ 227.4	(10.0)%

Our hotel operating expenses decreased $22.7 million or 10.0%, from $227.4 million for the period from January 1, 2008 to June 13, 2008 to $204.7 million for the period from January 1, 2009 to June 19, 2009. Due to the decreased occupancy levels at our hotels, we have worked with our hotel managers to lower operating expenses. As a result of these cost-containment measures, and an overall decline in occupancy, we have reduced the rooms, food and beverage and other hotel departmental expenses. The primary driver for the decrease in these operating expenses is an overall decline in wages and benefits. We expect the decreases in the rooms, food and beverage, and other hotel departmental expenses to continue in 2009.

Management fees are calculated as a percentage of total revenues, as well as the level of operating profit at certain hotels. Therefore, the decline in base management fees is due to the overall decline in revenues at our hotels. We pay incentive management fees only at certain of our hotels based on operating profits. The decrease in incentive management fees of approximately $3.0 million is due to the decline in operating profits at those hotels, as well as fewer hotels earning incentive management fees in 2008.

Depreciation and amortization. Depreciation and amortization is recorded on our hotel buildings over 40 years for the periods subsequent to acquisition. Depreciable lives of hotel furniture, fixtures and equipment are estimated as the time period between the acquisition date and the date that the hotel furniture, fixtures and equipment will be replaced. Our depreciation and amortization expense increased $3.6 million from $34.8 million for the period from January 1, 2008 to June 13, 2008 to $38.4 million for the period from January 1, 2009 to June 19, 2009. This increase is primarily the result of having additional assets in service as of June 19, 2009, due primarily to our significant 2008 capital projects at the Chicago Marriott and the Westin Boston Waterfront.

Corporate expenses. Our corporate expenses increased from $6.3 million for the period from January 1, 2008 to June 13, 2008 to $7.4 million for the period from January 1, 2009 to June 19, 2009, due primarily to an increase in stock-based compensation expense. Corporate expenses principally consist of employee-related costs, including base payroll, bonus and restricted stock. Corporate expenses also include corporate operating costs, professional fees and directors' fees.

Interest expense. Our interest expense increased $0.5 million from $22.1 million for the period from January 1, 2008 to June 13, 2008 to $22.6 million for the period from January 1, 2009 to June 19, 2009. The increase in interest expense is primarily attributable to the period from January 1, 2009 to June 19, 2009 having five additional days of interest expense compared to the period from January 1, 2008 to June 13, 2008 as well as lower interest expense on our credit facility in 2009 and higher capitalized interest recorded for the period from January 1, 2008 to June 13, 2008. The 2009 interest expense was comprised of mortgage debt ($21.8 million), amortization of deferred financing costs ($0.4 million) and interest and unused facility fees on our credit facility ($0.4 million). The 2008 interest expense is comprised of mortgage debt ($21.1 million), amortization of deferred financing costs ($0.4 million) and interest and unused facility fees on our credit facility ($0.6 million).

As of June 19, 2009, we had property-specific mortgage debt outstanding on twelve of our hotels. On all but one of the hotels, we have fixed-rate secured debt, which bears interest at rates ranging from 5.11% to 6.48% per year. Our weighted-average interest rate on all debt as of June 19, 2009 was 5.62%.

Interest income. Interest income decreased $0.6 million from $0.8 million for the period from January 1, 2008 to June 13, 2008 to $0.2 million for the period from January 1, 2009 to June 19, 2009 due to lower interest rates in 2009. Although our corporate cash balances are higher in 2009, the interest rates earned on corporate cash are approaching zero.

Income taxes. We recorded an income tax benefit of $9.3 million and $2.8 million for the periods from January 1, 2009 to June 19, 2009 and January 1, 2008 to June 13, 2008, respectively. The 2009 income tax benefit was incurred on the $25.6 million pre-tax loss of our taxable REIT subsidiary, or TRS, for the period from January 1, 2009 to June 19, 2009, together with foreign income tax expense of $0.7 million related to the taxable REIT subsidiary that owns the Frenchman's Reef & Morning Star Marriott Beach Resort. The 2008 income tax expense was incurred on the $9.9 million pre-tax loss of our TRS for the period from January 1, 2008 to June 13, 2008, together with foreign income tax expense of $0.9 million related to the taxable REIT subsidiary that owns the Frenchman's Reef & Morning Star Marriott Beach Resort.

Liquidity and Capital Resources

The current recession and related financial crisis has resulted in the continued deleveraging of the global financial system. As banks and other financial intermediaries reduce their leverage and incur losses on their existing portfolio of loans, the amount of capital that they are able to lend has materially decreased. As a result, it is a very difficult borrowing environment for all borrowers, even those that have strong balance sheets. While we have low leverage and a significant number of high quality unencumbered assets, we are uncertain if we could currently obtain new debt, or refinance existing debt, on reasonable terms or at all in the current market.

Our short-term liquidity requirements consist primarily of funds necessary to fund future distributions to our stockholders to maintain our REIT status as well as to pay for operating expenses and other expenditures directly associated with our hotels, including capital expenditures as well as payments of interest and principal. We currently expect that our operating cash flows will be sufficient to meet our short-term liquidity requirements generally through net cash provided by operations, existing cash balances and, if necessary, short-term borrowings under our credit facility.

Our long-term liquidity requirements consist primarily of funds necessary to pay for the costs of acquiring additional hotels, renovations, expansions and other capital expenditures that need to be made periodically to our hotels, scheduled debt payments and making distributions to our stockholders. We expect to meet our long-term liquidity requirements through various sources of capital, cash provided by operations and borrowings, as well as through our issuances of additional equity or debt securities. Our ability to incur additional debt is dependent upon a number of factors, including the current state of the overall credit markets, our degree of leverage, the value of our unencumbered assets and borrowing restrictions imposed by existing lenders. Our ability to raise additional equity is also dependent on a number of factors including the current state of the capital markets, investor sentiment and use of proceeds.

Our Financing Strategy

Since our formation in 2004, we have been consistently committed to a flexible capital structure with prudent leverage levels. During 2004 though early 2007, we took advantage of the low interest rate environment by fixing our interest rates for an extended period of time. Moreover, during the peak in the commercial real estate market in the past several years, we maintained low financial leverage by funding the majority of our acquisitions through the issuance of equity. This strategy allowed us to maintain a balance sheet with a moderate amount of debt. During the peak years, we believed, and present events have confirmed, that it would be inappropriate to increase the inherent risk of a highly cyclical business through a highly levered capital structure.

We believe the current economic environment has confirmed the merits of our financing strategy. We believe that we maintain a reasonable amount of fixed interest rate mortgage debt with few near-term maturities. As of June 19, 2009, we had $819.4 million of mortgage debt outstanding. We currently have eight hotels, with an aggregate historic cost of $792.1 million, which are unencumbered by mortgage debt. As of June 19, 2009, our debt had a weighted-average interest rate of 5.62% and a weighted-average maturity date of 6.12 years. In addition, as of June 19, 2009, 99.4% of our debt was fixed rate.

We prefer a relatively simple but efficient capital structure. We have not invested in joint ventures and have not issued any operating partnership units or preferred stock. We endeavor to structure our hotel acquisitions so that they will not overly complicate our capital structure; however, we will consider a more complex transaction if we believe that the projected returns to our stockholders will significantly exceed the returns that would otherwise be available.

We have always strived to operate our business with conservative leverage. During the current recession, our corporate goals and objectives continue to be focused on preserving and enhancing our liquidity. We have taken, or intend to take, a number of steps to achieve these goals, as follows:

- We completed a follow-on public offering of our common stock during the second quarter. We sold 17,825,000 shares of common stock, including the underwriters' overallotment of 2,325,000 shares, at an offering price of $4.85 per share. The net proceeds to us, after deduction of offering costs, were approximately $82.1 million. In addition, our Board of Directors recently authorized us to sell up to $75 million of common stock.

- We repaid the $52 million outstanding on our senior unsecured credit facility during the second quarter with a portion of the proceeds from our follow-on offering.

- We intend to pay our next dividend to our stockholders of record as of December 31, 2009. We expect the 2009 dividend will be in an amount equal to 100% of our 2009 taxable income. We may elect to pay up to 90 percent of our 2009 dividend in shares of our common stock, as permitted by the Internal Revenue Service's Revenue Procedure 2009-15.

- We have focused on minimizing capital spending during 2009 and expect to fund approximately $10 million of 2009 capital expenditures from corporate cash.

- We explored the potential sale of certain hotels earlier in the year, but currently do not have any hotels listed for sale with a broker. We will evaluate any unsolicited offers received for any of our hotels.

We have two near-term mortgage debt maturities totaling $68 million. The debt maturities include $40.2 million coming due on the Courtyard Manhattan/Midtown East on December 11, 2009 and $27.7 million coming due on the Griffin Gate Marriott in January 2010. The status of our efforts to address our near-term debt maturities is as follows:

- We have signed a term sheet with MassMutual to provide a new $43 million non-recourse mortgage loan on the Courtyard Manhattan/Midtown East bearing an interest rate of 8.8% and a term of five years. The closing of the loan is subject to numerous closing conditions, including a material adverse change clause.

- We are currently assessing the best alternatives to address the Griffin Gate Marriott mortgage debt maturity, including either refinancing the loan or repaying loan with corporate cash.

Credit Facility

We are party to a four-year, $200.0 million unsecured credit facility (the "Facility") expiring in February 2011. We may extend the maturity date of the Facility for an additional year upon the payment of applicable fees and the satisfaction of certain other customary conditions. On April 17, 2009, we repaid the outstanding balance of $52.0 million under the Facility with a portion of the proceeds from our follow-on public offering of common stock.

Interest is paid on the periodic advances under the Facility at varying rates, based upon either LIBOR or the alternate base rate, plus an agreed upon additional margin amount. The interest rate depends upon our level of outstanding indebtedness in relation to the value of our assets from time to time, as follows:

	Leverage Ratio			
	60% or Greater	**55% to 60%**	**50% to 55%**	**Less Than 50%**
Alternate base rate margin	0.65%	0.45%	0.25%	0.00%
LIBOR margin	1.55%	1.45%	1.25%	0.95%

Our Facility contains various corporate financial covenants. A summary of the most restrictive covenants is as follows:

	Covenant	**Actual at June 19, 2009**
Maximum leverage ratio(1)	65%	44.7%
Minimum fixed charge coverage ratio(2)	1.6x	2.4x
Minimum tangible net worth(3)	$738.4 million	$1.4 billion
Unhedged floating rate debt as a percentage of total indebtedness	35%	0.6%

(1) "Maximum leverage ratio" is determined by dividing the total debt outstanding by the net asset value of our corporate assets and hotels. Hotel level net asset values are calculated based on the application of a contractual capitalization rate (which range from 7.5% to 8.0%) to the trailing twelve month hotel net operating income.

(2) "Minimum fixed charge ratio" is calculated based on the trailing four quarters.

(3) "Tangible net worth" is defined as the gross book value of our real estate assets and other corporate assets less our total debt and all other corporate liabilities.

Our Facility requires that we maintain a specific pool of unencumbered borrowing base properties. The unencumbered borrowing base assets are subject to the following limitations and covenants:

	Covenant	Actual at June 19, 2009
Minimum implied debt service ratio	1.5x	N/A
Maximum unencumbered leverage ratio	65%	0%
Minimum number of unencumbered borrowing base properties	4	8
Minimum unencumbered borrowing base value	$150 million	$579.5 million
Percentage of total asset value owned by borrowers or guarantors	90%	100%

If we were to default under any of the above covenants, we would be obligated to repay all amounts outstanding under our Facility and our Facility would terminate. Our ability to comply with two most restrictive financial covenants, the maximum leverage ratio and the fixed charge coverage ratio, depend primarily on our EBITDA. The following table shows the impact of various hypothetical scenarios on those two covenants.

		EBITDA Change from 2008				
	Covenant	-10%	-20%	-30%	-40%	-50%
Maximum leverage ratio	65%	42%	47%	53%	62%	74%
Minimum fixed charge coverage ratio	1.6x	2.6x	2.3x	2.0x	1.7x	1.4x

In addition to the interest payable on amounts outstanding under the Facility, we are required to pay unused credit facility fees equal to 0.20% of the unused portion of the Facility if the unused portion of the Facility is greater than 50% or 0.125% of the unused portion of the Facility if the unused portion of the Facility is less than 50%. We incurred interest and unused credit facility fees on the Facility of $0.1 million and $0.4 million for the fiscal quarters ended June 19, 2009 and June 13, 2008, respectively. We incurred interest and unused credit facility fees on the Facility of $0.4 million and $0.6 million for the periods from January 1, 2009 to June 19, 2009 and January 1, 2008 to June 13, 2008, respectively. As of June 19, 2009, we did not have an outstanding balance on the Facility.

Sources and Uses of Cash

Our principal sources of cash are net cash flow from hotel operations, borrowing under mortgage debt, draws on the Facility and the proceeds from our equity offerings. Our principal uses of cash are debt service, asset acquisitions, capital expenditures, operating costs, corporate expenses and dividends.

Cash Provided by Operating Activities. Our cash provided by operating activities was $30.3 million for the period from January 1, 2009 to June 19, 2009, which is the result of our $2.8 million net loss adjusted for the impact of several non-cash charges, including $38.4 million of depreciation, $3.6 million of non-cash straight line ground rent, $0.4 million of amortization of deferred financing costs, $1.3 million of an impairment loss, and $2.5 million of stock compensation, offset by $0.8 million of amortization of unfavorable agreements, $0.3 million of amortization of deferred income and unfavorable working capital changes of $12.1 million.

Our cash provided by operating activities was $48.0 million for the period from January 1, 2008 to June 13, 2008, which is the result of our $26.9 million net income adjusted for the impact of several non-cash charges, including $34.8 million of depreciation, $3.6 million of non-cash straight line ground rent, $0.4 million of amortization of deferred financing costs, $0.8 million of yield support received and $1.6 million of stock compensation, offset by $0.8 million of amortization of unfavorable agreements, $0.3 million of amortization of deferred income and unfavorable working capital changes of $19.0 million.

Cash Used In Investing Activities. Our cash used in investing activities was $14.2 million for the period from January 1, 2009 to June 19, 2009. During the period from January 1, 2009 to June 19, 2009, we incurred capital expenditures at our hotels of $13.3 million and a decrease in restricted cash of $1.0 million.

Our cash used in investing activities was $33.6 million for the period from January 1, 2008 to June 13, 2008. During the period from January 1, 2008 to June 13, 2008, we incurred capital expenditures at our hotels of $36.8 million and a decrease in restricted cash of $1.8 million, which was offset by the receipt of $5.0 million of key money related to the Chicago Marriott Downtown.

Cash Provided by Financing Activities. Our cash provided by financing activities was $21.7 million for the period from January 1, 2009 to June 19, 2009 consisted of $2.0 million of scheduled debt principal payments, $0.2 million of share repurchases, $57.0 million in repayments of our credit facility, $0.4 million of costs related to the sale of common stock, $1.2 million of deposits for the Courtyard Midtown refinancing, and $0.1 million of vested dividend payments to SAR/DER holders, offset by $82.6 million in proceeds from the sale of common stock.

Our cash used in financing activities was $19.2 million for the period from January 1, 2008 to June 13, 2008 consisted of $1.4 million of scheduled debt principal payments, $3.2 million of share repurchases, and $46.6 million of dividend payments offset by $32.0 million in net draws under our credit facility.

Dividend Policy

We intend to distribute to our stockholders dividends equal to our REIT taxable income so as to avoid paying corporate income tax and excise tax on our earnings (other than the earnings of our TRS and TRS lessees, which are all subject to tax at regular corporate rates) and to qualify for the tax benefits afforded to REITs under the Code. In order to qualify as a REIT under the Code, we generally must make distributions to our stockholders each year in an amount equal to at least:

- 90% of our REIT taxable income determined without regard to the dividends paid deduction, plus
- 90% of the excess of our net income from foreclosure property over the tax imposed on such income by the Code, minus
- any excess non-cash income.

We intend to issue our next dividend to our stockholders of record as of December 31, 2009. We expect the 2009 dividend will be an amount equal to 100% of our 2009 taxable income. Depending on our 2009 liquidity needs, we may elect to pay a portion of our 2009 dividend in shares of our common stock, as permitted by the Internal Revenue Service's Revenue Procedure 2009-15.

Capital Expenditures

The management and franchise agreements for each of our hotels provide for the establishment of separate property improvement funds to cover, among other things, the cost of replacing and repairing furniture and fixtures at our hotels. Contributions to the property improvement fund are calculated as a percentage of hotel revenues. In addition, we may be required to pay for the cost of certain additional improvements that are not permitted to be funded from the property improvement fund under the applicable management or franchise agreement. As of June 19, 2009, we have set aside $27.5 million for capital projects in property improvement funds. Funds held in property improvement funds for one hotel are typically not permitted to be applied to any other property.

Although we have significantly curtailed the capital expenditures at our hotels, we continue to benefit from the extensive capital investments made from 2006 to 2008, during which time many of our hotels were fully renovated. In 2009, we have focused our capital expenditures primarily on life safety, capital preservation, and return-on-investment projects. The total budget in 2009 for capital improvements is $35 million, only $10 million of which is expected to be funded from corporate cash and the balance to be funded from hotel escrow reserves. We spent approximately $13.3 million on capital improvements during the period from January 1, 2009 through June 19, 2009, of which approximately $3.7 million was funded from corporate cash.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Non-GAAP Financial Measures

We use the following two non-GAAP financial measures that we believe are useful to investors as key measures of our operating performance: (1) EBITDA and (2) FFO. These measures should not be considered in isolation or as a substitute for measures of performance in accordance with GAAP.

EBITDA represents net (loss) income excluding: (1) interest expense; (2) provision for income taxes, including income taxes applicable to sale of assets; and (3) depreciation and amortization. We believe EBITDA is useful to an investor in evaluating our operating performance because it helps investors evaluate and compare the results of our operations from period to period by removing the impact of our capital structure (primarily interest expense) and our asset base (primarily depreciation and amortization) from our operating results. In addition, covenants included in our indebtedness use EBITDA as a measure of financial compliance. We also use EBITDA as one measure in determining the value of hotel acquisitions and dispositions.

	Fiscal Quarter Ended June 19, 2009	Fiscal Quarter Ended June 13, 2008	Period from January 1, 2009 to June 19, 2009	Period from January 1, 2008 to June 13, 2008
	(in thousands)			
Net income (loss)	$ 2,457	$ 21,755	$ (2,837)	$ 26,932
Interest expense	11,086	11,430	22,584	22,125
Income tax (benefit) expense	(3,319)	886	(9,297)	(2,836)
Real estate related depreciation and amortization	19,729	18,069	38,446	34,756
EBITDA	$ 29,953	$ 52,140	$ 48,896	$ 80,977

We compute FFO in accordance with standards established by the National Association of Real Estate Investment Trusts, which defines FFO as net (loss) income (determined in accordance with GAAP), excluding gains (losses) from sales of property, plus depreciation and amortization. We believe that the presentation of FFO provides useful information to investors regarding our operating performance because it is a measure of our operations without regard to specified non-cash items, such as real estate depreciation and amortization and gain or loss on sale of assets. We also use FFO as one measure in assessing our results.

	Fiscal Quarter Ended June 19, 2009	Fiscal Quarter Ended June 13, 2008	Period from January 1, 2009 to June 19, 2009	Period from January 1, 2008 to June 13, 2008
	(in thousands)			
Net income (loss)	$ 2,457	$ 21,755	$ (2,837)	$ 26,932
Real estate related depreciation and amortization	19,729	18,069	38,446	34,756
FFO	$ 22,186	$ 39,824	$ 35,609	$ 61,688

Critical Accounting Policies

Our consolidated financial statements include the accounts of the DiamondRock Hospitality Company and all consolidated subsidiaries. The preparation of financial statements in conformity with U.S. generally accepted accounting principles, or GAAP, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of our financial statements and the reported amounts of revenues and expenses during the reporting period. While we do not believe the reported amounts would be materially different, application of these policies involves the exercise of judgment and the use of assumptions as to future uncertainties and, as a result, actual results could differ materially from these estimates. We evaluate our estimates and judgments, including those related to the impairment of long-lived assets, on an ongoing basis. We base our estimates on experience and on various other assumptions that are believed to be reasonable under the circumstances. All of our significant accounting policies are disclosed in the notes to our consolidated financial statements. The following represent certain critical accounting policies that require us to exercise our business judgment or make significant estimates:

Investment in Hotels. Acquired hotels, land improvements, building and furniture, fixtures and equipment and identifiable intangible assets are initially recorded at fair value in accordance with Statement of Financial Accounting Standards No. 141, *Business Combinations*. Additions to property and equipment, including current buildings, improvements, furniture, fixtures and equipment are recorded at cost. Property and equipment are depreciated using the straight-line method over an estimated useful life of 15 to 40 years for buildings and land improvements and one to ten years for furniture and equipment. Identifiable intangible assets are typically related to contracts, including ground lease agreements and hotel management agreements, which are recorded at fair value. Above-market and below-market contract values are based on the present value of the difference between contractual amounts to be paid pursuant to the contracts acquired and our estimate of the fair market contract rates for corresponding contracts. Contracts acquired that are at market do not have significant value. We typically enter into a new hotel management agreement based on market terms at the time of acquisition. Intangible assets are amortized using the straight-line method over the remaining non-cancelable term of the related agreements. In making estimates of fair values for purposes of allocating purchase price, we may utilize a number of sources that may be obtained in connection with the acquisition or financing of a property and other market data. Management also considers information obtained about each property as a result of its pre-acquisition due diligence in estimating the fair value of the tangible and intangible assets acquired.

We review our investments in hotels for impairment whenever events or changes in circumstances indicate that the carrying value of the investments in hotels may not be recoverable. Events or circumstances that may cause us to perform a review include, but are not limited to, adverse changes in the demand for lodging at our properties due to declining national or local economic conditions and/or new hotel construction in markets where our hotels are located. When such conditions exist, management performs an analysis to determine if the estimated undiscounted future cash flows from operations and the proceeds from the ultimate disposition of an investment in a hotel exceed the hotel's carrying value. If the estimated undiscounted future cash flows are less than the carrying amount of the asset, an adjustment to reduce the carrying value to the estimated fair market value is recorded and an impairment loss recognized.

Revenue Recognition. Hotel revenues, including room, golf, food and beverage, and other hotel revenues, are recognized as the related services are provided.

Stock-based Compensation. We account for stock-based employee compensation using the fair value based method of accounting described in Statement of Financial Accounting Standards No. 123 (revised 2004) ("SFAS 123R"), *Share-Based Payment*. We record the cost of awards with service conditions based on the grant-date fair value of the award. That cost is recognized over the period during which an employee is required to provide service in exchange for the award. No compensation cost is recognized for equity instruments for which employees do not render the requisite service. No awards with performance-based or market-based conditions have been issued.

Income Taxes. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities from a change in tax rates is recognized in earnings in the period when the new rate is enacted.

We have elected to be treated as a REIT under the provisions of the Internal Revenue Code and, as such, are not subject to federal income tax, provided we distribute all of our taxable income annually to our stockholders and comply with certain other requirements. In addition to paying federal and state income tax on any retained income, we are subject to taxes on "built-in-gains" on sales of certain assets. Additionally, our taxable REIT subsidiaries are subject to federal, state and foreign income tax.

Inflation

Operators of hotels, in general, possess the ability to adjust room rates daily to reflect the effects of inflation. However, competitive pressures may limit the ability of our management companies to raise room rates.

Seasonality

The operations of hotels historically have been seasonal depending on location, and accordingly, we expect some seasonality in our business. Historically, we have experienced approximately two-thirds of our annual income in the second and fourth fiscal quarters.

New Accounting Pronouncements Not Yet Implemented

There are no new unimplemented accounting pronouncements that are expected to have a material impact on our results of operations, financial position or cash flows.

Item 3. Qualitative Disclosure about Market Risk

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. In pursuing our business strategies, the primary market risk to which we are currently exposed, and, to which we expect to be exposed in the future, is interest rate risk. As of June 19, 2009, we were exposed to interest rate risk on only $5.0 million of our debt, as the remaining 99.4% of our debt was fixed rate.

Item 4. Controls and Procedures

The Company's management has evaluated, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, the effectiveness of the disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as required by paragraph (b) of Rules 13a-15 and 15d-15 under the Exchange Act, and has concluded that as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective to give reasonable assurances that information we disclose in reports filed with the Securities and Exchange Commission is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commissions rules and forms.

There was no change in the Company's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act during the Company's most recent fiscal quarter that materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II

Item 1. ***Legal Proceedings***

We are not involved in any material litigation nor, to our knowledge, is any material litigation threatened against us other than routine litigation arising out of the ordinary course of business or which is expected to be covered by insurance and none of which is expected to have a material impact on our business, financial condition or results of operations.

Item 1A. ***Risk Factors***

There have been no material changes in the risk factors described in Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2008.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

None.

Item 3. ***Defaults Upon Senior Securities***

Not applicable.

Item 4. ***Submission of Matters to a Vote of Security Holders***

The Company held its Annual Meeting of Stockholders on April 30, 2009. The proposals in front of our stockholders and the results of voting on such proposals were as noted below.

Election of Directors: the following persons were elected as directors for a one-year term and until their respective successors are duly elected and qualified.

	VOTES FOR	VOTES WITHHELD
William W. McCarten	76,289,109	9,860,766
Mark W. Brugger	78,551,055	7,598,819
John L. Williams	77,511,444	8,638,431
Daniel Altobello	79,461,516	6,688,358
W. Robert Grafton	79,479,365	6,670,510
Maureen L. McAvey	79,054,890	7,094,984
Gilbert T. Ray	79,462,470	6,687,405

Ratification of Independent Auditors: the selection of KPMG LLP as our independent auditors for fiscal year ending December 31, 2009 was ratified. The voting results were as follows:

VOTES FOR	VOTES AGAINST	VOTES ABSTAINED
85,000,059	1,144,488	5,327

Item 5. ***Other Information***

None.

Item 6. ***Exhibits***

(a) *Exhibits*

The following exhibits are filed as part of this Form 10-Q:

Exhibit	
3.1.1	Articles of Amendment and Restatement of the Articles of Incorporation of DiamondRock Hospitality Company (*incorporated by reference to the Registrant's Registration Statement on Form S-11 filed with the Securities and Exchange Commission (File no. 333-123065)*)
3.1.2	Amendment to the Articles of Amendment and Restatement of the Articles of Incorporation of DiamondRock Hospitality Company (*incorporated by reference to the Registrant's Current Report on Form 8-K dated January 9, 2007*)
3.2.1	Second Amended and Restated Bylaws of DiamondRock Hospitality Company (*incorporated by reference to the Registrant's Registration Statement on Form S-11 filed with the Securities and Exchange Commission (File no. 333-123065)*)
3.2.2	Amendment No. 1 to Second Amended and Restated Bylaws of DiamondRock Hospitality Company (*incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 7, 2006*)
4.1	Form of Certificate for Common Stock for DiamondRock Hospitality Company (*incorporated by reference to the Registrant's Registration Statement on Form S-11 filed with the Securities and Exchange Commission (File no. 333-123065)*)
10.1	Sales Agreement, dated July 27, 2009 by and among DiamondRock Hospitality Company, DiamondRock Hospitality Limited Partnership and Cantor Fitzgerald & Co.
31.1	Certification of Chief Executive Officer Required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended.
31.2	Certification of Chief Financial Officer Required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended.
32.1	Certification of Chief Executive Officer and Chief Financial Officer Required by Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DiamondRock Hospitality Company

December 7, 2009

/s/ Sean M. Mahoney	/s/ Michael D. Schecter
Sean M. Mahoney Executive Vice President and Chief Financial Officer	Michael D. Schecter Executive Vice President, General Counsel and Corporate Secretary

EXHIBIT INDEX

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Exhibit 10.1

DIAMONDROCK HOSPITALITY COMPANY
$75,000,000 OF COMMON STOCK

CONTROLLED EQUITY OFFERING[SM]

SALES AGREEMENT

July 27, 2009

CANTOR FITZGERALD & CO.
499 Park Avenue
New York, New York 10022

Ladies and Gentlemen:

DIAMONDROCK HOSPITALITY COMPANY, a Maryland corporation (the "**Company**"), and DIAMONDROCK HOSPITALITY LIMITED PARTNERSHIP, a Delaware limited partnership (the "**Partnership**"), confirm their respective agreements (this "**Agreement**") with Cantor Fitzgerald & Co. ("**CF&Co**"), as follows:

1. Issuance and Sale of Shares. The Company agrees that, from time to time during the term of this Agreement, on the terms and subject to the conditions set forth herein, it may issue and sell through CF&Co, acting as agent and/or principal, (a) shares of the Company's common stock, par value $0.01 per share (the "**Common Stock**"), having an aggregate offering price of up to $75,000,000 (the "**Shares**"). Notwithstanding anything to the contrary contained herein, the parties hereto agree that compliance with the limitation set forth in this Section 1 on the number of Shares issued and sold under this Agreement shall be the sole responsibility of the Company, and CF&Co shall have no obligation in connection with such compliance. The issuance and sale of Shares through CF&Co will be effected pursuant to the Registration Statement (as defined below) filed by the Company and declared effective by the Securities and Exchange Commission (the "**Commission**"), although nothing in this Agreement shall be construed as requiring the Company to use the Registration Statement (as defined below) to issue the Shares.

The Company has filed, in accordance with the provisions of the Securities Act of 1933, as amended, and the rules and regulations thereunder (collectively, the "**Securities Act**"), with the Commission a registration statement on Form S-3 (File No. 333-157753), including a base prospectus dated March 6, 2009, relating to certain securities, including the Shares, to be issued from time to time by the Company, and which incorporates by reference documents that the Company has filed or will file in accordance with the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (collectively, the "**Exchange Act**"). The Company has prepared a prospectus supplement specifically relating to the Shares (the "**Prospectus Supplement**") to the base prospectus included as part of such registration statement. The Company has furnished to CF&Co, for use by CF&Co, copies of the prospectus included as part of such registration statement, as supplemented by the Prospectus Supplement, relating to the Shares. Except where the context otherwise requires, such registration statement, on each date and time that such registration statement and any post-effective amendment thereto became or becomes effective, including all documents filed as part thereof or incorporated by reference therein, and including any information contained in a Prospectus

(as defined below) subsequently filed with the Commission pursuant to Rule 424(b) under the Securities Act deemed to be a part of such registration statement pursuant to Rule 430B or 462(b) of the Securities Act, is herein called the "**Registration Statement.**" The base prospectus, including all documents incorporated therein by reference, included in the Registration Statement, as it may be supplemented by the Prospectus Supplement, in the form in which such prospectus and/or Prospectus Supplement have most recently been filed by the Company with the Commission pursuant to Rule 424(b) under the Securities Act, together with any "issuer free writing prospectus," as defined in Rule 433 of the Securities Act Regulations ("Rule 433"), relating to the Shares that (i) is required to be filed with the Commission by the Company or (ii) is exempt from filing pursuant to Rule 433(d)(5)(i), in each case in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company's records pursuant to Rule 433(g) ("**Issue Free Writing Prospectus**"), is herein called the "**Prospectus**." Any reference herein to the Registration Statement, the Prospectus or any amendment or supplement thereto shall be deemed to refer to and include the documents incorporated by reference therein, and any reference herein to the terms "amend," "amendment" or "supplement" with respect to the Registration Statement or the Prospectus shall be deemed to refer to and include the filing after the execution hereof of any document with the Commission deemed to be incorporated by reference therein. For purposes of this Agreement, all references to the Registration Statement, the Prospectus or to any amendment or supplement thereto shall be deemed to include any copy filed with the Commission pursuant to either the Electronic Data Gathering Analysis and Retrieval System or Interactive Data Electronic Applications (collectively "**IDEA**").

The Company owns 100% of the partnership interests of the Partnership and is the sole general partner of the Partnership. The Partnership directly or indirectly owns twenty (20) hotels as described in the Prospectus (individually a "**Hotel**" and collectively, the "**Hotels**"). The Partnership (or one of its subsidiaries) leases each of the Hotels to a wholly-owned subsidiary (a "**Lessee**"), pursuant to a separate lease (collectively, the "**Leases**"). All of the Hotels are operated and managed by a manager (the "**Manager**") pursuant to separate management agreements (collectively, the "**Management Agreements**"), each between a Lessee and the Manager, with the exception of the Frenchman's Reef & Morning Star Marriott Beach Resort property (which does not operate under a lessee structure). The Leases and the Management Agreements are referred to herein, collectively, as the "**Hotel Agreements**."

2. Placements. Each time that the Company wishes to issue and sell the Shares hereunder (each, a "**Placement**"), it will notify CF&Co by email notice (or other method mutually agreed to in writing by the parties) (a "**Placement Notice**") containing the parameters in accordance with which it desires the Shares to be sold, which shall at a minimum include the number of Shares to be issued (the "**Placement Shares**"), the time period during which sales are requested to be made, any limitation on the number of Shares that may be sold in any one Trading Day (as defined in Section 3) and any minimum price below which sales may not be made, a form of which containing such minimum sales parameters necessary is attached hereto as **Schedule 1**. The Placement Notice shall originate from any of the individuals from the Company set forth on **Schedule 2** (with a copy to each of the other individuals from the Company listed on such schedule), and shall be addressed to each of the individuals from CF&Co set forth on **Schedule 2**, as such **Schedule 2** may be amended from time to time. The Placement Notice shall be effective upon receipt by CF&Co unless and until (i) in accordance with the notice requirements set forth in Section 4, CF&Co declines to accept the terms contained therein for any reason, in its sole discretion, (ii) the entire amount of the Placement Shares have been sold, (iii) in accordance with the notice requirements set forth in Section 4, the Company suspends or terminates the Placement Notice, (iv) the Company issues a subsequent Placement Notice with parameters superseding those on the earlier dated Placement Notice, or (v) the Agreement has been terminated under the provisions of **Section 11**. The amount of any discount, commission or other compensation to be paid by the Company to CF&Co in connection with the sale of the Placement Shares shall be calculated in accordance with the terms set forth in **Schedule 3**. It is expressly acknowledged and agreed that neither the Company nor CF&Co will have any obligation whatsoever with respect to a Placement or any Placement Shares unless and until the Company delivers a Placement Notice to CF&Co and CF&Co does not decline such Placement Notice pursuant to the terms set forth above, and then only upon the terms specified therein and herein. In the event of a conflict between the terms of this Agreement and the terms of a Placement Notice, the terms of the Placement Notice will control.

3. Sale of Placement Shares by CF&Co. Subject to the terms and conditions herein set forth, upon the Company's issuance of a Placement Notice, and unless the sale of the Placement Shares described therein has been declined, suspended, or otherwise terminated in accordance with the terms of this Agreement, CF&Co., for the period specified in the Placement Notice, will use its commercially reasonable efforts consistent with its normal trading and sales practices and applicable state and federal laws, rules and regulations and the rules of the New York Stock Exchange (the "**NYSE**") to sell such Placement Shares up to the amount specified, and otherwise in accordance with the terms of such Placement Notice. CF&Co will provide written confirmation to the Company (including by email correspondence to each of the individuals of the Company set forth on Schedule 2, if receipt of such correspondence is actually acknowledged by any of the individuals to whom the notice is sent, other than via auto-reply) no later than the opening of the Trading Day (as defined below) immediately following the Trading Day on which it has made sales of Placement Shares hereunder setting forth the number of Placement Shares sold on such day, the compensation payable by the Company to CF&Co pursuant to Section 2 with respect to such sales, and the Net Proceeds (as defined below) payable to the Company, with an itemization of the deductions made by CF&Co (as set forth in Section 5(a)) from the gross proceeds that it receives from such sales. CF&Co may sell Placement Shares by any method permitted by law deemed to be an "at the market" offering as defined in Rule 415 of the Securities Act, including without limitation sales made directly on the NYSE, on any other existing trading market for the Common Stock or to or through a market maker. After consultation with the Company, CF&Co may also sell Placement Shares in privately negotiated transactions. The Company acknowledges and agrees that (i) there can be no assurance that CF&Co will be successful in selling Placement Shares, and (ii) CF&Co will incur no liability or obligation to the Company or any other person or entity if it does not sell Placement Shares for any reason other than a failure by CF&Co to use its commercially reasonable efforts consistent with its normal trading and sales practices to sell such Placement Shares as required under this Section 3. For the purposes hereof, "**Trading Day**" means any day on which the Company's Common Stock is purchased and sold on the principal market on which the Common Stock is listed or quoted.

4. Suspension of Sales. The Company or CF&Co may, upon notice to the other party in writing (including by email correspondence to each of the individuals of the other party set forth on **Schedule 2**, if receipt of such correspondence is actually acknowledged by any of the individuals to whom the notice is sent, other than via auto-reply) or by telephone (confirmed immediately by verifiable facsimile transmission or email correspondence to each of the individuals of the other party set forth on **Schedule 2**), suspend any sale of Placement Shares; *provided, however*, that such suspension shall not affect or impair either party's obligations with respect to any Placement Shares sold hereunder prior to the receipt of such notice. Each of the Parties agrees that no such notice under this Section 4 shall be effective against the other unless it is made to one of the individuals named on **Schedule 2** hereto, as such schedule may be amended from time to time.

5. Settlement.

(a) Settlement of Placement Shares. Unless otherwise specified in the applicable Placement Notice, settlement for sales of Placement Shares will occur on the third (3rd) Trading Day (or such earlier day as is industry practice for regular-way trading) following the date on which such sales are made (each, a "**Settlement Date**"). The amount of proceeds to be delivered to the Company on a Settlement Date against receipt of the Placement Shares sold (the "**Net Proceeds**") will be equal to the aggregate sales price received by CF&Co at which such Placement Shares were sold, after deduction for (i) CF&Co's commission, discount or other compensation for such sales payable by the Company pursuant to Section 2 hereof, (ii) any other amounts due and payable by the Company to CF&Co hereunder pursuant to Section 7(g) hereof, and (iii) any transaction fees imposed by any governmental or self-regulatory organization in respect of such sales.

(b) Delivery of Placement Shares. On or before each Settlement Date, the Company will, or will cause its transfer agent to, electronically transfer the Placement Shares being sold by crediting CF&Co's or its designee's account (provided CF&Co shall have given the Company written notice of such designee prior to the Settlement Date) at The Depository Trust Company through its Deposit and Withdrawal at Custodian System or by such other means of delivery as may be mutually agreed upon by the parties hereto which in all cases shall be freely tradeable, transferable, registered shares in good deliverable form. On each Settlement Date, CF&Co will deliver the related Net Proceeds in same day funds to an account designated by the Company on, or prior to, the Settlement Date. The Company agrees that if the Company, or its transfer agent (if applicable), defaults in its obligation to deliver Placement Shares on a Settlement Date, that in addition to and in no way limiting the rights and obligations set forth in Section 9(a) hereto, it will (i) hold CF&Co harmless against any loss, claim, damage, or expense (including reasonable legal fees and expenses), as incurred, arising out of or in connection with such default by the Company and (ii) pay to CF&Co any commission, discount, or other compensation to which it would otherwise have been entitled absent such default.

6. Representations and Warranties of the Company and the Partnership. The Company and the Partnership, jointly and severally, represent and warrant to, and agree with, CF&Co that as of the date of this Agreement and as of each Representation Date (as defined in Section 7(m) below) on which a certificate is required to be delivered pursuant to Section 7(m) of this Agreement, as the case may be:

(a) Compliance with Registration Requirements. The Registration Statement and any Rule 462(b) Registration Statement have been declared effective by the Commission under the Securities Act. The Company has complied to the Commission's satisfaction with all requests of the Commission for additional or supplemental information.

(b) No Misstatement or Omission. The Prospectus when filed complied and, as amended or supplemented, if applicable, will comply in all material respects with the Securities Act. Each of the Registration Statement, any Rule 462(b) Registration Statement and any post-effective amendment thereto, at the time it became effective, complied and, as of each of the Settlement Dates, if any, will comply in all material respects with the Securities Act and did not and, as of each of the Settlement Dates, if any, will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. The Prospectus, as amended or supplemented, as of its date, did not and, as of each of the Settlement Dates, if any, will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties set forth in the two immediately preceding sentences do not apply to statements in or omissions from the Registration Statement, any Rule 462(b) Registration Statement, or any post-effective amendment thereto, or the Prospectus, or any amendments or supplements thereto, made in reliance upon and in conformity with information relating to CF&Co furnished to the Company in writing by CF&Co expressly for use therein. There are no contracts or other documents required to be described in the Prospectus or to be filed as exhibits to the Registration Statement which have not been described or filed as required.

(c) Issuer Free Writing Prospectus. Each Issuer Free Writing Prospectus, as of its issue date, did not, does not and will not include any information that conflicted, conflicts or will conflict with the information contained in the Registration Statement or the Prospectus, and any preliminary or other prospectus deemed to be a part thereof that has not been superseded or modified.

(d) Incorporated Documents. Each document incorporated or deemed to be incorporated by reference in the Registration Statement and the Prospectus, at the time they were or hereafter are filed with the Commission, complied and will comply when filed in all material respects with the requirements of the Exchange Act and, when read together with the other information in the in the Prospectus, at the date of the Prospectus and as of each Settlement Date, if any, did not and will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and any further documents so filed and incorporated by reference in the Registration Statement or the Prospectus, when such documents become effective or are filed with the Commission, as the case may be, will conform to the requirements of the Exchange Act, in all material respects, and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(e) Offering Materials Furnished to CF&Co. The Company has delivered to CF&Co one complete copy of the Registration Statement and a copy of each consent and certificate of experts filed as a part thereof, and conformed copies of the Registration Statement (without exhibits) and the Prospectus, as amended or supplemented, in such quantities and at such places as CF&Co has reasonably requested. The Prospectus delivered to CF&Co for use in connection with the offering of the Shares was, and any amendment or supplement thereto will be, at the time of such delivery, identical to the electronically transmitted copies thereof filed with the Commission pursuant to IDEA, except to the extent permitted by Regulation S-T.

(f) Offering Materials. The Company has not distributed and will not distribute, prior to the later of the final Settlement Date, if any, or the completion of CF&Co's distribution of the Shares, any offering material in connection with the offering and sale of the Shares other than the Registration Statement and the Prospectus.

(g) No Stop Order. No stop order suspending the effectiveness of the Registration Statement or any part thereof, or any Rule 462(b) Registration Statement, has been issued and no proceeding for that purpose has been instituted or, to the knowledge of the Company, threatened or contemplated by the Commission or by the state securities authority of any jurisdiction. No order preventing or suspending the use of the Prospectus has been issued and no proceeding for that purpose has been instituted or, to the knowledge of the Company, threatened or contemplated by the Commission or by the state securities authority of any jurisdiction.

(h) Capitalization. The shares of Common Stock conform in all material respects to the description thereof contained in the Registration Statement and the Prospectus; immediately prior to the execution of this Agreement, 107,972,100 shares of Common Stock will be issued and outstanding; all of the outstanding shares of Common Stock of the Company and the outstanding shares of capital stock or equity interests of each subsidiary of the Company, all of which are listed on **Schedule 4** attached hereto (each, including the Partnership, except where noted, a "**Subsidiary**", and collectively, the "**Subsidiaries**") have been duly and validly authorized and issued are fully paid and nonassessable, and except as disclosed in the Registration Statement and Prospectus, all of the outstanding shares of capital stock, partnership interests and limited liability company membership interests, as applicable, of the Subsidiaries, including the Partnership, are directly or indirectly owned of record and beneficially by the Company; except as disclosed in the Registration Statement and Prospectus, there are no outstanding (i) securities or obligations of the Company or any of the Subsidiaries convertible into or exchangeable for any equity interests of the Company or any such Subsidiary, (ii) warrants, rights or options to subscribe for or purchase from the Company or any such Subsidiary any such equity interests or any such convertible or exchangeable securities or obligations or (iii) obligations of the Company or any such Subsidiary to issue any equity interests, any such convertible or exchangeable securities or obligation, or any such warrants, rights or options.

(i) Good Standing of the Company. The Company has been duly incorporated and is validly existing as a corporation under the laws of the State of Maryland and is in good standing with the State Department of Assessments and Taxation of the State of Maryland, with all requisite corporate power and authority to own, lease and operate its properties, and conduct its business as described in the Registration Statement and the Prospectus, and is duly qualified or licensed to transact business as a foreign entity and is in good standing in each jurisdiction in which the nature or conduct of its business requires such qualification or license and in which the failure to be so qualified or licensed, individually or in the aggregate, (i) would reasonably be expected to have a material adverse effect on the performance of this Agreement or the consummation of any transactions contemplated hereby or (ii) would reasonably be expected to have a material adverse effect on, or result in a material adverse change in, the condition (financial or otherwise), prospects, earnings, business or properties of the Company and the Subsidiaries taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth or contemplated in the Registration Statement and the Prospectus (exclusive of any supplement thereto) (any such effect or change described in clause (ii) hereof is hereinafter called a "**Material Adverse Effect**"); except for pledges of limited liability company membership interests granted in connection with the incurrence of debt as disclosed in the Registration Statement and the Prospectus, all of the issued and outstanding shares of common stock, capital stock, limited liability company membership interests or partnership interests, as applicable, of each Subsidiary are owned by the Company directly or through its Subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance or claim; except for restrictions in loan documents entered into in connection with indebtedness, which loan documents were provided to CF&Co or its counsel, no Subsidiary is prohibited or restricted, directly or indirectly, from (A) paying dividends to the Company, (B) making any other distribution with respect to such Subsidiary's capital stock, (C) repaying to the Company or any other Subsidiary any amounts which may from time to time become due under any loans or advances to such Subsidiary from the Company or such other Subsidiary, or (D) transferring any such Subsidiary's property or assets to the Company or to any other Subsidiary; other than the Subsidiaries, the Company does not, and upon completion of the offering of the Shares will not, own, directly or indirectly, any capital stock or other equity securities of any corporation or any ownership interest in any partnership, limited liability company, joint venture or other entity other than the Subsidiaries.

(j) Ownership of the Partnership; Good Standing of the Subsidiaries. The Company is the sole general partner of the Partnership and owns, directly or indirectly, 100% of the partnership interests ("**Units**") in the Partnership; the Subsidiaries have been duly incorporated, formed or organized, as the case may be, and are validly existing as a corporation, limited liability company, general partnership or limited partnership, as the case may be, in good standing under the laws of their respective jurisdictions of incorporation, formation or organization, as applicable, with all requisite power and authority to own, lease and operate their respective properties and to conduct their respective business as described in the Registration Statement and the Prospectus; each Subsidiary is duly qualified or licensed to transact business as a foreign entity and is in good standing in each jurisdiction in which the nature or conduct of its business requires such qualification or license, and in which the failure to be so qualified or licensed, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(k) The Partnership Agreement. The Agreement of Limited Partnership of the Partnership, as further amended and/or restated (the "**Partnership Agreement**"), has been duly and validly authorized, executed and delivered by or on behalf of each of the partners of the Partnership and constitutes a valid and binding agreement of the parties thereto, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or by general principles of equity.

(l) Compliance with Laws. The Company, the Subsidiaries and the Hotels are in compliance in all material respects with all applicable laws, rules, regulations, orders, decrees and judgments, including those relating to transactions with affiliates, except where the failure to be in compliance would not have a Material Adverse Effect.

(m) Absence of Breaches and Defaults. The Company is not in violation of its Articles of Amendment and Restatement, as amended and/or restated (the "**Articles**"), or its bylaws, as amended and/or restated (the "**Bylaws**"); the Partnership is not in violation of its Certificate of Limited Partnership or the Partnership Agreement; no Subsidiary is in violation of its organizational documents (including, without limitation, partnership and limited liability company agreements), except for such violations that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; neither the Company nor any Subsidiary is in breach of or default in, nor to the knowledge of the Company and the Partnership has any event occurred which with notice, lapse of time, or both would constitute a breach of or default in, the performance or observance by the Company or any Subsidiary, as the case may be, of any obligation, agreement, contract, franchise, covenant or condition contained in any license, indenture, mortgage, deed of trust, loan or credit agreement, lease or other agreement or instrument to which the Company or any Subsidiary is a party or by which any of them or their respective properties is bound, except for such breaches or defaults that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(n) Absence of Conflicts. The execution, delivery and performance of this Agreement and the other agreements listed as exhibits to the Registration Statement by the Company and the Partnership (to the extent a party thereto) and the issuance, sale and delivery by the Company of the Shares and the consummation of the transactions contemplated herein do not and will not (A) conflict with, or result in any breach or constitute a default (nor constitute any event which with notice, lapse of time or both would constitute a breach or default) (i) by the Company of any provisions of its Articles or Bylaws, by the Partnership of any provisions of its Certificate of Limited Partnership or Partnership Agreement, by any Subsidiary (excluding the Partnership) of any provision of its organizational documents, or (ii) by the Company or any Subsidiary of any provision of any obligation, agreement, contract, franchise, license, indenture, mortgage, deed of trust, loan or credit agreement, lease or other agreement or instrument to which the Company or any Subsidiary is a party or by which any of them or their respective properties may be bound or affected, or (iii) by the Company or any Subsidiary under any U.S. federal, state, local or foreign law, regulation or rule or any decree, judgment or order applicable to the Company or any Subsidiary, except in the use of clauses (A)(ii) and (A)(iii) above, for such conflicts, breaches or defaults that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, or (B) result in the creation or imposition of any lien, charge, claim or encumbrance upon any property or asset of the Company or any Subsidiary, except as disclosed in the Registration Statement and the Prospectus.

(o) Company Authorization of Agreement and Offering. The Company has the full corporate power and authority to enter into this Agreement and to consummate the transactions contemplated herein; the Company has the corporate power to issue, sell and deliver the Shares as provided herein; this Agreement has been duly authorized, executed and delivered by the Company and is a legal, valid and binding agreement of the Company enforceable against the Company in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, and by general equitable principles and except as rights to indemnity and contribution thereunder may be limited by applicable law or policies underlying such law.

(p) Partnership Authorization of Agreement and Offering. The Partnership has the full partnership power and authority to enter into this Agreement and to consummate the transactions contemplated herein; this Agreement has been duly authorized, executed and delivered by the Partnership and is a legal, valid and binding agreement of the Partnership enforceable against the Partnership in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, and by general equitable principles and except as rights to indemnity and contribution thereunder may be limited by applicable law or policies underlying such law.

(q) Absence of Further Requirements. No approval, authorization, consent or order of, or registration or filing with, any U.S. federal, state or local governmental or regulatory commission, board, body, authority or agency is required for the Company's or the Partnership's or any Subsidiary's execution, delivery and performance of this Agreement or the consummation of the transactions contemplated herein or therein, including the sale and delivery of the Shares, other than (A) such approvals as have been obtained, or will have been obtained before the Closing Time or each Date of Delivery, as the case may be, under the Securities Act and the Exchange Act, (B) such approvals as have been obtained in connection with the approval of the listing of the Shares on the New York Stock Exchange, and (C) any necessary qualification under the securities or blue sky laws of the various jurisdictions in which the Shares are being offered by CF&Co.

(r) Possession of Licenses and Permits. Each of the Company, the Subsidiaries, and, to the knowledge of the Company, the Manager with respect to the Hotels, has all necessary licenses, permits, authorizations, consents and approvals, possess valid and current certificates, has made all necessary filings required under any federal, state or local law, regulation or rule, and has obtained all necessary authorizations, consents and approvals from other persons, required in order to conduct their respective businesses as described in the Registration Statement and the Prospectus, except for such licenses, permits, authorizations, consents and other approvals the absence of which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; neither the Company nor any of the Subsidiaries, nor any Hotel nor, to the knowledge of the Company, the Manager with respect to the Hotels, is in violation of, in default under, or has received any notice regarding a possible violation, default or revocation of any such certificate, license, permit, authorization, consent or approval or any federal, state, local or foreign law, regulation or rule or any decree, order or judgment applicable to the Company, any Subsidiary or any Hotel the effect of which, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect.

(s) Absence of Proceedings. Except as disclosed in the Registration Statement and the Prospectus, there are no actions, suits, proceedings, inquiries or investigations pending or, to the knowledge of the Company, threatened against or affecting the Company or any of its Subsidiaries or any Hotel or, to the knowledge of the Company, the Manager with respect to the Hotels, or which has as the subject thereof any of the respective officers and directors of the Company or any officers, directors, managers or partners of its Subsidiaries, or to which the properties, assets or rights of any such entity are subject, at law or in equity, before or by any federal, state, local or foreign governmental or regulatory commission, board, body, authority, arbitral panel or agency, that (i) would reasonably be expected to have a material adverse effect on the performance of this Agreement or the transactions contemplated hereby or (ii) would reasonably be expected to have a Material Adverse Effect.

(t) Financial Statements. The consolidated financial statements of the Company and the Subsidiaries, including the notes thereto, included or incorporated by reference in the Registration Statement and the Prospectus present fairly the consolidated financial position of the respective entities to which such financial statements relate (the "**Covered Entities**") as of and at the dates indicated and the consolidated results of operations and changes in financial position and shareholders' equity and cash flows of the Covered Entities for the periods specified; the supporting schedules included or incorporated by reference in the Registration Statement, if any, fairly present the information required to be stated therein; such financial statements and supporting schedules have been prepared in conformity with generally accepted accounting principles as applied in the United States ("**GAAP**") and on a consistent basis during the periods involved (except as may be expressly stated in the related notes thereto) and in accordance with Regulation S-X promulgated by the Commission; the financial data set forth or incorporated by reference in the Registration Statement and the Prospectus fairly present the information shown therein and has been compiled on a basis consistent with the financial statements included in the Registration Statement and the Prospectus; no other financial statements or supporting schedules are required to be included in the Registration Statement; all disclosures contained in the Registration Statement or the Prospectus regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of the Commission) comply with Regulation G of the Exchange Act and Item 10 of Regulation S-K of the Securities Act, to the extent applicable.

(u) Independent Accountants. KPMG LLP, who has audited the financial statements of the Covered Entities and has expressed their opinion in a report with respect to the financial statements of the Covered Entities included or incorporated by reference in the Registration Statement and the Prospectus, is, and was during the periods covered by its report, an independent registered public accounting firm with respect to the Covered Entities as required by the Securities Act.

(v) No Material Adverse Change in Business. Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, and except as may be otherwise stated in the Registration Statement or the Prospectus, there has not been (A) any Material Adverse Effect, whether or not arising in the ordinary course of business, (B) any probable transaction or binding agreement that is material to the Company and the Subsidiaries taken as a whole, entered into by the Company or any of the Subsidiaries, (C) any obligation, contingent or otherwise, directly or indirectly incurred by the Company or any Subsidiary that could reasonably be expected to result in a Material Adverse Effect or (D) any dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock or repurchase or redemption by the Company of any class of capital stock.

(w) Registration Rights. Except as disclosed in the Registration Statement and the Prospectus, there are no persons with registration or other similar rights to have any equity or debt securities, including securities which are convertible into or exchangeable for equity securities, registered pursuant to the Registration Statement or otherwise registered by the Company under the Securities Act; and no person has a right of participation or first refusal with respect to the sale of the Shares by the Company.

(x) Authorization of the Shares. The issuance and sale of the Shares to CF&Co hereunder have been duly authorized by the Company, and when issued and duly delivered against payment therefor as contemplated by this Agreement, the Shares will be validly issued, fully paid and nonassessable, free and clear of any pledge, lien, encumbrance, security interest or other claim created by or known to the Company, and the issuance and sale of the Shares by the Company is not subject to preemptive or other similar rights arising by operation of law, under the organizational documents of the Company or under any agreement to which the Company or any Subsidiary is a party.

(y) Authorization of the Units. The issuance of the Units to the Company in exchange for contribution of proceeds from the sale of the Shares described in the Registration Statement and the Prospectus has been duly authorized by the Partnership, and when issued and duly delivered against payment therefor, will be validly issued, fully paid and nonassessable, free and clear of any pledge, lien, encumbrance, security interest or other claim created by or known to the Company or the Partnership; and the issuance of Units by the Partnership is not subject to preemptive or other similar rights arising by operation of law under the organizational documents of the Partnership or under any agreement to which the Partnership is a party.

(z) Transfer Taxes. Except as disclosed in the Registration Statement and the Prospectus, there are no transfer taxes or other similar fees or charges under Federal law or the laws of any state or any political subdivision thereof, required to be paid in connection with the execution and delivery of this Agreement or the issuance or sale by the Company of the Shares.

(aa) Listing on NYSE. The Shares have been or will be registered pursuant to Section 12(b) of the Exchange Act and as of each Settlement Date, the Shares will be duly listed and admitted and authorized for trading on the New York Stock Exchange, subject only to official notice of issuance.

(bb) Absence of Manipulation. The Company has not taken, and will not take, directly or indirectly, any action which is designed to or which has constituted or which might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares.

(cc) FINRA. Neither the Company nor any of its affiliates (i) is required to register as a "broker" or "dealer" in accordance with the provisions of the Exchange Act, or (ii) directly, or indirectly through one or more intermediaries, controls or has any other association with (within the meaning of Article I of the By-laws of the Financial Industry Regulatory Authority, Inc. (the "**FINRA**")) any member firm of the FINRA.

(dd) Legal, Tax or Accounting Advice. Neither the Company nor the Partnership has relied upon CF&Co or legal counsel for CF&Co for any legal, tax or accounting advice in connection with the offering and sale of the Shares.

(ee) Form of Stock Certificate. The form of certificate used to evidence the Common Stock complies in all material respects with all applicable statutory requirements, with any applicable requirements of the Articles and Bylaws of the Company and the requirements of the New York Stock Exchange.

(ff) Title to Property. (A) The Company and the Subsidiaries have good and marketable title in fee simple to, or a valid leasehold interest in, all real property owned or leased by them that are material to the business as described in the Registration Statement and the Prospectus, and good title to all personal property owned by them, in each case free and clear of all liens, security interests, pledges, charges, encumbrances, encroachments, restrictions, mortgages and other defects, except such as are (i) disclosed in the Registration Statement and the Prospectus or (ii) listed as an exception to the owner's or leasehold title insurance policies furnished by the Company to CF&Co or its counsel or (iii) would not reasonably be expected to have a material adverse effect on the Company's interest in the related property, the value of such property or the business conducted thereon; (B) any real property, improvements, equipment and personal property held under lease by the Company or any Subsidiary are held under valid, existing and enforceable leases, in each case, with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property by the Company or any Subsidiary; and (C) except with respect to the Company's corporate headquarters at 6903 Rockledge Drive, Suite 800, Bethesda, MD 20817 (the "**Headquarters**"), the Company or a Subsidiary has an owner's or leasehold title insurance policy, from a title insurance company licensed to issue such policy, on each property described in the Registration Statement and Prospectus as being owned or leased, as the case may be, by the Company or a Subsidiary, that insures the Company's or the Subsidiary's fee simple or leasehold interest, as the case may be, in such real property, which policies include only commercially reasonable exceptions, and with coverages in amounts at least equal to amounts that are generally deemed in the Company's industry to be commercially reasonable in the markets where the Company's properties are located.

(gg) Condition of Property. To the knowledge of the Company, all real property owned or leased by the Company or any Subsidiary (other than the Company's corporate headquarters office space), whether owned in fee simple or through a joint venture or other partnership, including the Hotels (each, a "**Property**" and collectively, the "**Properties**"), is free of any material structural defects and all building systems contained therein are in reasonable working order in all material respects, subject to ordinary wear and tear or, in each instance, the Company or any Subsidiary, as the case may be, has created an adequate reserve or capital budget to effect reasonably required repairs, maintenance and capital expenditures; to the knowledge of the Company, water, storm water, sanitary sewer, electricity and telephone service are all available at the property lines of such property over duly dedicated streets or perpetual easements of record benefiting such property; except as described in the Registration Statement and the Prospectus, to the knowledge of the Company, there is no pending or threatened special assessment, tax reduction proceeding or other action that could have a Material Adverse Effect.

(hh) Property Leases. Except with respect to the Headquarters, each of the properties listed in the Registration Statement and the Prospectus as a property with respect to which the Company or one of its Subsidiaries has a leasehold interest is the subject of a lease that (A) is in the name of the relevant Subsidiary and has been duly and validly authorized, executed and delivered by or on behalf of the relevant Subsidiary or (B) has been assigned to a Subsidiary pursuant to an assignment of lease which has been duly and validly authorized, executed and delivered by or on behalf of the relevant Subsidiary and to the knowledge of the Company, by each of the other parties thereto and each such lease constitutes a valid and binding agreement of the parties thereto, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or by general principles of equity.

(ii) Disclosure of Legal Matters. The descriptions in the Registration Statement and the Prospectus of the legal or governmental proceedings, contracts, leases and other legal documents therein described present fairly in all material respects the information required to be disclosed, and there are no legal or governmental proceedings, contracts, leases, or other documents of a character required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement which are not described or filed as required; all agreements between the Company or any of the Subsidiaries and third parties expressly referenced in the Registration Statement and the Prospectus are or will be legal, valid and binding obligations of the Company or one or more of the Subsidiaries, enforceable in accordance with their respective terms, except to the extent enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general equitable principles and except with respect to this Agreement to the extent that the indemnification provisions hereof may be limited by federal or state securities laws and public policy considerations in respect thereof; and to the best of the Company's knowledge, no party thereto is in, or with the passage of time or the giving of notice or both will be in, breach or default under any of such agreements that would have a Material Adverse Effect.

(jj) Possession of Intellectual Property. The Company and each Subsidiary, and, to the knowledge of the Company, the Manager with respect to the Hotels, owns or possesses adequate and sufficient licenses or other rights to use all patents, trademarks, service marks, trade names, copyrights, domain names, software and design licenses, approvals, trade secrets, manufacturing processes, other intangible property rights and know-how (collectively "**Intellectual Property Rights**") necessary to entitle the Company and each Subsidiary to conduct its business as described in the Registration Statement and Prospectus; neither the Company nor any Subsidiary has received notice of infringement of or conflict with (and the Company knows of no such infringement of or conflict with) asserted rights of others with respect to any Intellectual Property Rights which would reasonably be expected to have a Material Adverse Effect; neither the Company nor any Subsidiary is a party to or bound by any options, licenses or agreements with respect to the Intellectual Property Rights of any other person or entity that are required to be set forth in the Registration Statement and Prospectus and are not described as required.

(kk) Accounting and Disclosure Controls. The Company, each of the Subsidiaries and, to the knowledge of the Company, the Manager with respect to the Hotels maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles as applied in the United States and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; (v) management is made aware of all material transactions concerning the Company or its properties; and (vi) the Company qualifies as a REIT under the requirements of the Code. The Company, each of the Subsidiaries and, to the knowledge of the Company, the Manager with respect to the Hotels employ disclosure controls and procedures that are designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding disclosure.

(ll) Payment of Taxes. Each of the Company and the Subsidiaries has filed on a timely basis (including in accordance with any applicable extensions) all necessary U.S. federal, state, local and foreign income and franchise tax returns required to be filed through the date hereof or have properly requested extensions thereof (except in any case in which the failure so to file would not reasonably be expected to have a Material Adverse Effect), and have paid all taxes shown as due thereon, and if due and payable, any related or similar assessment, fine or penalty levied against the Company or any of the Subsidiaries; no tax deficiency has been asserted against any such entity, nor does the Company or any of the Subsidiaries know of any tax deficiency which is likely to be asserted against any such entity which, if determined adversely to any such entity, would reasonably be expected to have a Material Adverse Effect; all such tax liabilities are adequately provided for on the respective books of such entities.

(mm) Insurance. Each of the Company and the Subsidiaries maintains insurance (issued by insurers of recognized financial responsibility) of the types and with policies in such amounts and with such deductibles and covering such risks as are in the reasonable opinion of management prudent for their respective businesses; all policies of insurance and fidelity or surety bonds insuring the Company or any of its Subsidiaries or their respective businesses, assets, employees, officers and directors are in full force and effect; the Company and its Subsidiaries are in compliance with the terms of such policies and instruments in all material respects; and there are no claims by the Company or any of its Subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; the Company has no reason to believe that it or any Subsidiary will not be able (i) to renew its existing insurance coverage as and when such policies expire or (ii) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not reasonably be expected to result in a Material Adverse Effect.

(nn) Environmental Laws. The Company has obtained Phase I Environmental Audits with respect to the Properties as described in the Registration Statement and the Prospectus and except as otherwise disclosed in the Registration Statement and the Prospectus, (i) none of the Company, the Partnership, any of the Subsidiaries nor, to the knowledge of the Company, any other owners of the Properties, has used, handled, stored, treated, transported, manufactured, spilled, leaked, released or discharged, dumped, transferred or otherwise disposed of or dealt with, Hazardous Materials (as defined below) on, in, under or affecting any Property, except for the use, handling, storage, and transportation of Hazardous Materials (a) necessary for the operation of the Hotels and consistent with (1) the practice of comparable hotels in the industry and (2) the intended or recommended use, handling, storage and transportation of such Hazardous Materials, and (b) in compliance with applicable Environmental Statutes (as defined below); (ii) the Company, the Partnership and the other Subsidiaries do not intend to use any Property or any subsequently acquired properties for the purpose of using, handling, storing, treating, transporting, manufacturing, spilling, leaking, discharging, dumping, transferring or otherwise disposing of or dealing with Hazardous Materials, except for the use, handling, storage, and transportation of Hazardous Materials (a) necessary for the operation of the Hotels and consistent with (1) the practice of comparable hotels in the industry and (2) the intended or recommended use, handling, storage and transportation of such Hazardous Materials, and (b) in compliance with applicable Environmental Statutes; (iii) none of the Company, the Partnership, nor any of the other Subsidiaries has received any notice of, or has any knowledge of, any occurrence or circumstance which, with notice or passage of time or both, would give rise to a claim under or pursuant to

any federal, state or local environmental statute or regulation or under common law, pertaining to Hazardous Materials on or originating from any Property or any assets described in the Registration Statement and the Prospectus or any other real property owned or occupied by any such party or arising out of the conduct of any such party or of an agent of any such party, including without limitation a claim under or pursuant to any Environmental Statute; (iv) no Property is included or proposed for inclusion on the National Priorities List issued pursuant to CERCLA (as defined below) by the United States Environmental Protection Agency (the "**EPA**") or, to the knowledge of the Company, proposed for inclusion on any similar list or inventory issued pursuant to any other Environmental Statute or issued by any other Governmental Authority (as defined below).

As used herein, "**Hazardous Material**" shall include, without limitation, any flammable explosive, radioactive material, hazardous substance, hazardous material, hazardous waste, toxic substance, asbestos or related material, as defined by any federal, state or local environmental law, ordinance, rule or regulation including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601-9675 ("**CERCLA**"), the Hazardous Materials Transportation Act, as amended, 49 U.S.C. Sections 1801-1819, the Resource Conservation and Recovery Act (Solid Waste Disposal Act), as amended, 42 U.S.C. Sections 6901-6992k, the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. Sections 11001-11050, the Toxic Substances Control Act, as amended, 15 U.S.C. Sections 2601-2692, the Federal Insecticide, Fungicide and Rodenticide Act, as amended, 7 U.S.C. Sections 136-136y, the Clean Air Act, as amended, 42 U.S.C. Sections 7401-7671q, the Clean Water Act (Federal Water Pollution Control Act), as amended, 33 U.S.C. Sections 1251-1387, the Safe Drinking Water Act, as amended, 42 U.S.C. Sections 300f-300j-26, and the Occupational Safety and Health Act, as amended, 29 U.S.C. Sections 651-678, as any of the above statutes may be amended from time to time, and in the regulations promulgated pursuant to each of the foregoing (individually, an "**Environmental Statute**") or by any federal, state or local governmental authority having or claiming jurisdiction over the properties and assets described in the General Disclosure Package and the Prospectus (a "**Governmental Authority**").

(oo) Environmental Liabilities. To the knowledge of the Company, there are no costs or liabilities associated with the Properties pursuant to any Environmental Statute (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with any Environmental Statute or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties) which would reasonably be expected to have a Material Adverse Effect.

(pp) Independent Appraisals and Environmental Reports. To the knowledge of the Company, none of the entities that prepared appraisals of the Properties, nor the entities that prepared Phase I or other environmental assessments with respect to any Property, was employed for such purpose on a contingent basis or has any substantial interest in the Company or any of the Subsidiaries, and none of their directors, officers or employees is connected with the Company or any of the Subsidiaries as a promoter, selling agent, officer, director or employee.

(qq) Anti-Discrimination Laws. None of the Company, the Partnership or any Subsidiary or, to the knowledge of the Company, the Manager, with respect to the Hotels, is in violation of or has received notice of any violation with respect to any U.S. federal or state law relating to discrimination in the hiring, termination, promotion, terms or conditions of employment or pay of employees, nor any applicable U.S. federal or state wages and hours law, the violation of any of which would reasonably be expected to have a Material Adverse Effect.

(rr) ERISA. Any "employee benefit plan" (as defined under the Employee Retirement Income Security Act of 1974, as amended, and the regulations and published interpretations thereunder (collectively, "**ERISA**")) established or maintained by the Company, the Subsidiaries or their "ERISA Affiliates" (as defined below) or to which the Company, the Subsidiaries or their ERISA Affiliates contribute or are required to contribute are in compliance in all material respects with ERISA; "**ERISA Affiliate**" means any trade or business, whether or not incorporated, which with the Company or a Subsidiary is treated as a single employer under Section 414(b), (c), (m) or (o) of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder (the "**Code**"); no such employee benefit plan is subject to Section 412 of the Code, Section 302 of ERISA or Title IV of ERISA; all contributions required to have been made under each such employee benefit plan have been made on a timely basis; there has been no "prohibited transaction" (as defined in Section 4975 of the Code or Section 406 or 407 of ERISA) for which the Company, the Subsidiaries or their ERISA Affiliates have any material liability; and each such employee benefit plan that is intended to be qualified under Section 401(a) of the Code is so qualified and to the knowledge of the Company, nothing has occurred, whether by action or failure to act, which would reasonably be expected to cause the loss of such qualification, in each case, except as disclosed in the Registration Statement and the Prospectus.

(ss) Anti-Bribery Laws. Neither the Company nor any of the Subsidiaries nor, to the knowledge of the Company any officer, director, manager or director purporting to act on behalf of the Company or any of the Subsidiaries has at any time (i) made any contributions to any candidate for political office, or failed to disclose fully any such contributions, in violation of law, (ii) made any payment to any U.S. federal, state, local or foreign governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or allowed by applicable law and the Company's Code of Business Conduct provided to CF&Co or its counsel, or (iii) engaged in any transactions, maintained any bank account or used any corporate funds except for transactions, bank accounts and funds which have been and are reflected in the normally maintained books and records of the Company and the Subsidiaries.

(tt) Loans to Certain Related Parties. Except as otherwise disclosed in the Registration Statement and the Prospectus, there are no outstanding loans or advances or material guarantees of indebtedness by the Company or any of the Subsidiaries to or for the benefit of any of the officers, directors, managers or trustees of the Company or any of the Subsidiaries or any of the members of the families of any of them.

(uu) Sarbanes-Oxley Act. There is and has been no failure on the part of the Company or any of the Company's directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002, as amended, and the rules and regulations promulgated by the Commission thereunder (the "**Sarbanes-Oxley Act**"), including Section 402 related to loans and Sections 302 and 906 related to certifications.

(vv) Money Laundering Laws. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(ww) Affiliations with CF&Co. Except as disclosed in the Prospectus, the Company (i) does not have any material lending or other relationship with any bank or lending affiliate of CF&Co and (ii) does not intend to use any of the proceeds from the sale of the Shares hereunder to repay any outstanding debt owed to any affiliate of CF&Co.

(xx) Compliance with Securities Laws. All securities issued by the Company have been issued and sold in compliance with (i) all applicable federal and state securities laws and (ii) the requirements of the New York Stock Exchange. The Company is in compliance in all material respects with the current listing standards of the New York Stock Exchange.

(yy) Rights and Actions Affecting Properties. To the knowledge of the Company, each of the Properties complies with all applicable zoning laws, ordinances, regulations and deed restrictions or other covenants in all material respects; if and to the extent there is a failure to comply, such failure, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect and will not result in a forfeiture or reversion of title; to the knowledge of the Company, there is no pending or threatened condemnation, zoning change, or other similar proceeding or action that will in any material respect affect the size of use of, improvements on, construction on or access to any of the Properties, except such zoning changes, proceedings or actions that, individually or in the aggregate, would not have a Material Adverse Effect; all liens, charges, encumbrances, claims, or restrictions on or affecting the properties and assets (including the Properties) of the Partnership or any of the Subsidiaries that are required to be described in the Registration Statement and the Prospectus are disclosed therein; to the knowledge of the Company, no lessee, licensee, concessionaire or vendor of any portion of any of the Properties is in default under any of the leases or licenses governing such properties and there is no event which, but for the passage of time or the giving of notice or both could constitute a default under any of such leases or licenses, except such defaults that would not reasonably be expected to have a Material Adverse Effect; no person has an option or right of first refusal to purchase all or any part of any Hotel, or any interest therein, which option or right is required to be described in the Registration Statement or the Prospectus and which option or right is not so described.

(zz) Convertible Property Interests. The mortgages and deeds of trust encumbering the Hotels are not convertible into equity interests in the property, nor will the Company or the Partnership hold a participating interest therein and such mortgages and deeds of trust are not cross-defaulted or cross-collateralized to any property not to be owned directly or indirectly by the Company or the Partnership.

(aaa) Finder's Fees. The Company has not incurred any liability for any finder's fees or similar payments in connection with the transactions herein contemplated.

(bbb) Related Party Transactions. No relationship, direct or indirect, exists between or among the Company or any of the Subsidiaries on the one hand, and the directors, officers, trustees, managers, shareholders, partners, customers or suppliers of the Company or any of the Subsidiaries on the other hand, which is required to be described in the Registration Statement and the Prospectus and which is not so described.

(ccc) Investment Company Act. Neither the Company nor any of the Subsidiaries is, and after giving effect to the offering and sale of the Shares and the use of the proceeds as described under the caption "Use of Proceeds" in the Prospectus, will be an "investment company" or an entity "controlled" by an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended (the "**Investment Company Act**").

(ddd) Absence of Labor Disputes. There are no existing or, to the knowledge of the Company, threatened labor disputes with the employees of the Company or any of the Subsidiaries or, to the knowledge of the Company, the Manager with respect to the Hotels which would reasonably be expected to have a Material Adverse Effect.

(eee) Statistical and Market Related Data. The industry, statistical and market related data included in the Registration Statement and the Prospectus are based on or derived from sources available that the Company believes are reliable and, to the knowledge of the Company, such data are accurate.

(fff) Federal Tax Status. The Company elected to be taxed as a real estate investment trust (a "**REIT**") under the Code commencing with its taxable year ended December 31, 2005; commencing with the Company's taxable year ended December 31, 2005, the Company has been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code, and its current and proposed ownership and operations will allow the Company to continue to satisfy the requirements for qualification and taxation as a REIT under the Code for its taxable year ending December 31, 2009 and in the future; as long as the Partnership has only one member for federal income tax purposes, it will be disregarded as an entity separate from the Company and if and when the Partnership has two or more members for federal income tax purposes, the Partnership will be treated as a partnership within the meaning of Sections 7701(a)(2) and 761(a) of the Code and will not be treated as a publicly traded partnership taxable as a corporation under Section 7704 of the Code; the Company intends to continue to qualify as a REIT under the Code for all subsequent years; and the Company does not know of any event that would reasonably be expected to cause the Company to fail to qualify as a real estate investment trust under the Code for the taxable year ending December 31, 2009 or at any time thereafter.

(ggg) Tax Disclosures. The factual description of, and the assumptions and representations regarding, the Company's organization and current and proposed method of operation set forth in the Prospectus under the headings "Federal Income Tax Considerations" and "Supplement to Federal Income Tax Considerations" accurately and completely summarize the matters referred to therein in all material respects.

(hhh) Absence of Business Interruption. Neither the Company, any of its Subsidiaries, nor any Hotel has sustained, since June 19, 2009, any loss or interference with its business from fire, explosion, flood, hurricane, accident or other calamity, whether or not covered by insurance, or from any labor dispute or arbitrators' or court or governmental action, order or decree that would reasonably be expected to have a Material Adverse Effect, otherwise than as set forth in the Prospectus.

(iii) CF&Co Purchases. The Company acknowledges and agrees that CF&Co has informed the Company that CF&Co may, to the extent permitted under the Securities Act and the Exchange Act, purchase and sell shares of Common Stock for its own account while this Agreement is in effect, *provided, that* (i) no such purchase or sales shall take place while a Placement Notice is in effect (except to the extent CF&Co may engage in sales of Placement Shares purchased or deemed purchased from the Company as a "riskless principal" or in a similar capacity) and (ii) the Company shall not be deemed to have authorized or consented to any such purchases or sales by CF&Co.

(jjj) Ineligible Issuer. At the time of filing the Registration Statement and any post-effective amendments thereto, at the earliest time thereafter that the Company or another offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) of the Securities Act) of the Shares and at the date hereof, the Company was not and is not an "ineligible issuer," as defined in Rule 405 of the Securities Act.

(kkk) Officer's Certificates. Any certificate signed by any officer of the Company, the Partnership, or any Subsidiary delivered to CF&Co or to counsel for CF&Co pursuant to or in connection with this Agreement shall be deemed a representation and warranty by the Company and the Partnership to CF&Co as to the matters covered thereby.

The Company acknowledges that CF&Co and, for purposes of the opinions to be delivered pursuant to Section 7 hereof, counsel to the Company and counsel to CF&Co, will rely upon the accuracy and truthfulness of the foregoing representations and hereby consents to such reliance.

7. Covenants of the Company and the Partnership. The Company and the Partnership, jointly and severally, covenant and agree with CF&Co that:

(a) Registration Statement Amendments. After the date of this Agreement and during any period in which a Prospectus relating to any Placement Shares is required to be delivered by CF&Co under the Securities Act with respect to a pending sale of the Placement Shares (including in circumstances where such requirement may be satisfied pursuant to Rule 172 under the Securities Act), (i) the Company will notify CF&Co promptly, and confirm the notice in writing, of the time when (A) any subsequent amendment to the Registration Statement, other than documents incorporated by reference, has been filed with the Commission and/or has become effective or any subsequent supplement to the Prospectus has been filed, (B) of the receipt of any comments from the Commission, (C) of any request by the Commission for any amendment or supplement to the Registration Statement, Prospectus or any document incorporated by reference therein or for additional information and (D) the Company becomes the subject of a proceeding under Section 8A of the Securities Act in connection with the offering of the Shares, (ii) the Company will prepare and file with the Commission, promptly upon CF&Co's request, any amendments or supplements to the Registration Statement or Prospectus that, in CF&Co's reasonable opinion, may be necessary or advisable in connection with the distribution of the Placement Shares by CF&Co (*provided, however*, that the failure of CF&Co to make such request shall not relieve the Company of any obligation or liability hereunder, or affect CF&Co's right to rely on the representations and warranties made by the Company in this Agreement); (iii) the Company will not file any amendment or supplement to the Registration Statement or Prospectus, other than documents incorporated by reference, relating to the offering and sale of Placement Shares under this Agreement unless a copy thereof has been submitted to CF&Co within a reasonable period of time before the filing and CF&Co has not reasonably objected thereto (*provided, however*, that the failure of CF&Co to make such objection shall not relieve the Company of any obligation or liability hereunder, or affect CF&Co's right to rely on the representations and warranties made by the Company in this Agreement) and the Company will furnish to CF&Co at the time of filing thereof a copy of any document that upon filing is deemed to be incorporated by reference into the Registration Statement or Prospectus, except for those documents available via IDEA; and (iv) the Company will effect the filings required under Rule 424(b) of the Securities Act, including any amendments or supplements to the Prospectus, in the manner and within the time period required by Rule 424(b) (without reliance on Rule 424(b)(8) of the Securities Act).

(b) Notice of Commission Stop Orders. The Company will advise CF&Co, promptly after it receives notice or obtains knowledge thereof, of the issuance or threatened issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement, of the suspension of the qualification of the Placement Shares for offering or sale in any jurisdiction, or of the initiation or threatening of any proceeding for any such purpose; and it will use its commercially reasonable efforts to prevent the issuance of any stop order or to obtain the lifting thereof if such a stop order should be issued.

(c) Delivery of Prospectus; Subsequent Changes. During any period in which a Prospectus relating to the Placement Shares is required to be delivered by CF&Co under the Securities Act with respect to a pending sale of the Placement Shares, (including in circumstances where such requirement may be satisfied pursuant to Rule 172 under the Securities Act), the Company will comply with all requirements imposed upon it by the Securities Act, as from time to time in force, and to file on or before their respective due dates all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14, 15(d) or any other provision of or under the Exchange Act. If during such period any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances then existing, not misleading, or if during such period it is necessary to amend or supplement the Registration Statement or Prospectus to comply with the Securities Act, the Company will promptly notify CF&Co, and confirm the notice in writing, to suspend the offering of Placement Shares during such period and the Company will promptly amend or supplement the Registration Statement or Prospectus (at the expense of the Company) so as to correct such statement or omission or effect such compliance.

(d) Listing of Placement Shares. During any period in which the Prospectus relating to the Placement Shares is required to be delivered by CF&Co under the Securities Act with respect to a pending sale of the Placement Shares (including in circumstances where such requirement may be satisfied pursuant to Rule 172 under the Securities Act), the Company will use its commercially reasonable efforts to cause the Placement Shares to be listed on the Exchange and to qualify the Placement Shares for sale under the securities laws of such jurisdictions as CF&Co reasonably designates and to continue such qualifications in effect so long as required for the distribution of the Placement Shares; *provided, however,* that the Company shall not be required in connection therewith to qualify as a foreign corporation or dealer in securities or file a general consent to service of process in any jurisdiction.

(e) Delivery of Registration Statement and Prospectus. The Company will furnish to CF&Co and its counsel (at the expense of the Company) copies of the Registration Statement, the Prospectus (including all documents incorporated by reference therein) and all amendments and supplements to the Registration Statement or Prospectus that are filed with the Commission during any period in which a Prospectus relating to the Placement Shares is required to be delivered under the Securities Act (including all documents filed with the Commission during such period that are deemed to be incorporated by reference therein), in each case as soon as reasonably practicable and in such quantities as CF&Co may from time to time reasonably request and, at CF&Co's request, will also furnish copies of the Prospectus to each exchange or market on which sales of the Placement Shares may be made; *provided, however*, that the Company shall not be required to furnish any document (other than the Prospectus) to CF&Co to the extent such document is available on IDEA.

(f) Earnings Statement. The Company will timely file such reports pursuant to the Exchange Act as are necessary in order to make generally available to its securityholders as soon as practicable an earnings statement for the purposes of, and to provide to CF&Co the benefits contemplated by, the last paragraph of Section 11(a) of the Securities Act.

(g) Expenses. The Company, whether or not the transactions contemplated hereunder are consummated or this Agreement is terminated, in accordance with the provisions of Section 11 hereunder, will pay the following expenses all incident to the performance of its obligations hereunder, including, but not limited to, expenses relating to (i) the preparation, printing, filing and delivery to CF&Co of the Registration Statement and each amendment and supplement thereto, of each Prospectus and of each amendment and supplement thereto, and of this Agreement and such other documents as may be required in connection with the offering, purchase, sale, issuance or delivery of the Shares, (ii) the preparation, issuance and delivery of the Placement Shares, including any stock or other transfer taxes and any stamp or other duties payable upon the sale, issuance or delivery of the Shares to CF&Co, (iii) the qualification of the Placement Shares under securities laws in accordance with the provisions of Section 7(d) of this Agreement, including filing fees (provided, however, that any fees or disbursements of counsel for CF&Co in connection therewith shall be paid by CF&Co), (iv) the printing and delivery to CF&Co of copies of the Prospectus and any amendments or supplements thereto, and of this Agreement, (v) the fees and expenses incurred in connection with the listing or qualification of the Placement Shares for trading on the Exchange, (vi) the fees and expenses of any transfer agent or registrar for the Shares, and (vii) filing fees incident to, and fees and expenses, if any, in connection with, the review of the Commission or the FINRA.

(h) Use of Proceeds. The Company will apply the Net Proceeds in accordance in all material respects with the statements under the caption "Use of Proceeds" in the Prospectus.

(i) Notice of Other Sales. During the pendency of any Placement Notice given hereunder, the Company shall provide CF&Co notice, subject to CF&Co's agreement to keep the information in such notice confidential, as promptly as reasonably possible before it offers to sell, contracts to sell, sells, grants any option to sell or otherwise disposes of any shares of Common Stock (other than Placement Shares offered pursuant to the provisions of this Agreement) or securities convertible into or exchangeable for Common Stock, warrants or any rights to purchase or acquire Common Stock; *provided*, that such notice shall not be required in connection with the (i) issuance, grant or sale of Common Stock, options to purchase shares of Common Stock or Common Stock issuable upon the exercise of options or other equity awards pursuant to any stock option, stock bonus or other stock plan or arrangement described in the Prospectus, (ii) the issuance of securities, including Units, in connection with an acquisition, merger or sale or purchase of assets or (iii) the issuance or sale of Common Stock pursuant to any dividend reinvestment plan that the Company may adopt from time to time, provided the implementation of such is disclosed to CF&Co in advance or (iv) any shares of common stock issuable upon the redemption of Units in the Partnership.

(j) Change of Circumstances. The Company will, at any time during a fiscal quarter in which the Company tenders a Placement Notice or sells Placement Shares, advise CF&Co promptly after it shall have received notice or obtained knowledge thereof, of any information or fact that would alter or affect in any material respect any opinion, certificate, letter or other document provided to CF&Co pursuant to this Agreement.

(k) Due Diligence Cooperation. The Company will cooperate with any reasonable due diligence review conducted by CF&Co or its agents in connection with the transactions contemplated hereby, including, without limitation, providing information and making available documents and senior corporate officers, during regular business hours and at the Company's principal offices, as CF&Co may reasonably request.

(l) Required Filings Relating to Placement of Placement Shares. The Company agrees that it will (i) file and disclose in a prospectus supplement with the Commission under the applicable paragraph of Rule 424(b) under the Securities Act (each and every filing under Rule 424(b), a "**Filing Date**") or (ii) disclose in its annual reports on Form 10-K and quarterly reports on Form 10-Q, as applicable, the number of Shares sold through CF&Co under this Agreement, the Net Proceeds to the Company and the compensation paid by the Company with respect to sales of Shares pursuant to this Agreement during the relevant period; the Company agrees to deliver such number of copies of each such prospectus supplement (if any) to each exchange or market on which such sales were effected as may be required by the rules or regulations of such exchange or market.

(m) Representation Dates; Certificate. On or prior to the date that the first Shares are sold pursuant to the terms of this Agreement and each time the Company (i) files the Prospectus relating to the Placement Shares or amends or supplements the Registration Statement or the Prospectus relating to the Placement Shares (other than a prospectus supplement filed in accordance with Section 7(l) of this Agreement) by means of a post-effective amendment, sticker, or supplement but not by means of incorporation of document(s) by reference to the Registration Statement or the Prospectus relating to the Placement Shares; (ii) files an annual report on Form 10-K under the Exchange Act; (iii) files its quarterly reports on Form 10-Q under the Exchange Act; or (iv) files a report on Form 8-K containing amended financial information (other than an earnings release, to "furnish" information pursuant to Items 2.02 or 7.01 of Form 8-K or to provide disclosure pursuant to Item 8.01 of Form 8-K relating to the reclassifications of certain properties as discontinued operations in accordance with Statement of Financial Accounting Standards No. 144) under the Exchange Act (each date of filing of one or more of the documents referred to in clauses (i) through (iv) shall be a "**Representation Date**"); the Company shall furnish CF&Co with a certificate, in the form attached hereto as Exhibit 7(m) within three (3) Trading Days of any Representation Date if requested by CF&Co. The requirement to provide a certificate under this Section 7(m) shall be waived for any Representation Date occurring at a time at which no Placement Notice is pending, which waiver shall continue until the earlier to occur of the date the Company delivers a Placement Notice hereunder (which for such calendar quarter shall be considered a Representation Date) and the next occurring Representation Date. Notwithstanding the foregoing, if the Company subsequently decides to sell Placement Shares following a Representation Date when the Company relied on such waiver and did not provide CF&Co with a certificate under this Section 7(m), then before the Company delivers the Placement Notice or CF&Co sells any Placement Shares, the Company shall provide CF&Co with a certificate, in the form attached hereto as Exhibit 7(m), dated the date of the Placement Notice.

(n) Legal Opinion. On or prior to the date that the first Shares are sold pursuant to the terms of this Agreement and within three (3) Trading Days of each Representation Date with respect to which the Company is obligated to deliver a certificate in the form attached hereto as Exhibit 7(m) for which no waiver is applicable, the Company shall cause to be furnished to CF&Co (i) the written opinions of Goodwin Proctor LLP ("**Company Counsel**"), or other counsel satisfactory to CF&Co, in form and substance satisfactory to CF&Co and its counsel, dated the date that the opinion is required to be delivered, substantially similar to the form attached hereto as Exhibit 7(n)(i) and Exhibit 7(n)(ii), and (ii) a written opinion of Michael D. Schecter, Esq., General Counsel of the Company ("**General Counsel**"), in form and substance satisfactory to CF&Co and its counsel, dated the date that the opinion is required to be delivered, substantially similar to the form attached hereto as Exhibit 7(n)(iii), each such opinion modified, as necessary, to relate to the Registration Statement and the Prospectus as then amended or supplemented; *provided*, *however*, that in lieu of such opinions for subsequent Representation Dates, counsel may furnish CF&Co with a letter (a "**Reliance Letter**") to the effect that CF&Co may rely on a prior opinion delivered under this Section 7(n) to the same extent as if it were dated the date of such letter (except that statements in such prior opinion shall be deemed to relate to the Registration Statement and the Prospectus as amended or supplemented at such Representation Date).

(o) Comfort Letter. On or prior to the date that the first Shares are sold pursuant to the terms of this Agreement and within three (3) Trading Days of each Representation Date with respect to which the Company is obligated to deliver a certificate in the form attached hereto as Exhibit 7(m) for which no waiver is applicable, the Company shall cause its independent accountants to furnish CF&Co letters (the "**Comfort Letters**"), dated the date the Comfort Letter is delivered, in form and substance satisfactory to CF&Co, (i) confirming that they are an independent registered public accounting firm within the meaning of the Securities Act and the PCAOB, (ii) stating, as of such date, the conclusions and findings of such firm with respect to the financial information and other matters ordinarily covered by accountants' "comfort letters" to CF&Co in connection with registered public offerings (the first such letter, the "**Initial Comfort Letter**") and (iii) updating the Initial Comfort Letter with any information that would have been included in the Initial Comfort Letter had it been given on such date and modified as necessary to relate to the Registration Statement and the Prospectus, as amended and supplemented to the date of such letter.

(p) Market Activities. The Company will not, directly or indirectly, (i) take any action designed to cause or result in, or that constitutes or might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares or (ii) sell, bid for, or purchase the Shares to be issued and sold pursuant to this Agreement, or pay anyone any compensation for soliciting purchases of the Shares other than CF&Co; provided, however, that the Company may bid for and purchase shares of its common stock in accordance with Rule 10b-18 under the Exchange Act.

(q) Insurance. The Company and its Subsidiaries shall maintain, or caused to be maintained, insurance of the types and with policies in such amounts and with such deductibles and covering such risks as are in the reasonable opinion of management prudent for their respective businesses.

(r) Compliance with Laws. The Company will comply in all material respects with all applicable securities and other applicable laws, rules and regulations, including, without limitation, the Sarbanes-Oxley Act, and use its commercially reasonable efforts to cause the Company's directors and officers, in their capacities as such, to comply in all material respects with such laws, rules and regulations, including, without limitation, the provisions of the Sarbanes-Oxley Act.

(s) REIT Qualification. The Company shall not take any action to revoke or otherwise terminate the Company's REIT election pursuant to Section 856(g) of the Code, except as otherwise determined by the Board of Directors of the Company to be in the best interests of stockholders.

(t) Investment Company Act. The Company shall not invest, or otherwise use the proceeds received by the Company from its sale of the Shares in such a manner as would require the Company or any of its Subsidiaries to register as an investment company under the Investment Company Act.

(u) No Offer to Sell. Other than a free writing prospectus (as defined in Rule 405 under the Act) approved in advance by the Company and CF&Co in its capacity as principal or agent hereunder, neither CF&Co nor the Company or the Partnership (including its agents and representatives, other than CF&Co in its capacity as such) will make, use, prepare, authorize, approve or refer to any written communication (as defined in Rule 405 under the Act), required to be filed with the Commission, that constitutes an offer to sell or solicitation of an offer to buy the Shares as contemplated to be sold pursuant to this Agreement.

(v) Undertakings. The Company will comply with all of the provisions of any undertakings in the Registration Statement.

8. Conditions to CF&Co's Obligations. The obligations of CF&Co hereunder with respect to a Placement will be subject to the continuing accuracy and completeness of the representations and warranties made by the Company and the Partnership herein, to the due performance by the Company and the Partnership of their obligations hereunder, to the completion by CF&Co of a due diligence review satisfactory to CF&Co in its reasonable judgment, and to the continuing satisfaction (or waiver by CF&Co in its sole discretion) of the following additional conditions:

(a) Registration Statement Effective. The Registration Statement shall be effective and shall be available for (i) all sales of Placement Shares issued pursuant to all prior Placement Notices and (ii) the sale of all Placement Shares contemplated to be issued by any Placement Notice.

(b) No Material Notices. None of the following events shall have occurred and be continuing: (i) receipt by the Company or any of its Subsidiaries of any request for additional information from the Commission or any other federal or state governmental authority during the period of effectiveness of the Registration Statement, the response to which would require any post-effective amendments or supplements to the Registration Statement or the Prospectus; (ii) the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose; (iii) receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Placement Shares for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; (iv) the occurrence of any event that makes any material statement made in the Registration Statement or the Prospectus or any material document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in the Registration Statement, related Prospectus or such documents so that, in the case of the Registration Statement, it will not contain any materially untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and, that in the case of the Prospectus, it will not contain any materially untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(c) No Misstatement or Material Omission. CF&Co shall not have advised the Company that the Registration Statement or Prospectus, or any amendment or supplement thereto, contains an untrue statement of fact that in CF&Co's reasonable opinion is material, or omits to state a fact that in CF&Co's opinion is material and is required to be stated therein or is necessary to make the statements therein not misleading.

(d) Material Changes. Except as contemplated in the Prospectus, or disclosed in the Company's reports filed with the Commission and incorporated by reference in the Prospectus, there shall not have been any material adverse change, on a consolidated basis, in the authorized capital stock of the Company or any Material Adverse Effect or any development that could reasonably be expected to result in a Material Adverse Effect, or any downgrading in or withdrawal of the rating assigned to any of the Company's securities (other than asset backed securities) by any rating organization or a public announcement by any rating organization that it has under surveillance or review its rating of any of the Company's securities (other than asset backed securities), the effect of which, in the case of any such action by a rating organization described above, in the reasonable judgment of CF&Co (without relieving the Company of any obligation or liability it may otherwise have), is so material as to make it impracticable or inadvisable to proceed with the offering of the Placement Shares on the terms and in the manner contemplated in the Prospectus.

(e) Legal Opinions. CF&Co shall have received the opinions of each of Company Counsel and General Counsel required to be delivered pursuant Section 7(n) on or before the date on which such delivery of such opinion is required pursuant to Section 7(n).

(f) Comfort Letter. CF&Co shall have received the Comfort Letter required to be delivered pursuant Section 7(o) on or before the date on which such delivery of such letter is required pursuant to Section 7(o).

(g) Representation Certificate. CF&Co shall have received the certificate required to be delivered pursuant to Section 7(m) on or before the date on which delivery of such certificate is required pursuant to Section 7(m) .

(h) No Suspension. Trading in the Shares shall not have been suspended on the New York Stock Exchange.

(i) Other Materials. On each date on which the Company is required to deliver a certificate pursuant to Section 7(m), the Company shall have furnished to CF&Co such appropriate further information, certificates and documents as CF&Co may have reasonably requested. All such opinions, certificates, letters and other documents shall have been in compliance with the provisions hereof. The Company will furnish CF&Co with such conformed copies of such opinions, certificates, letters and other documents as CF&Co shall have reasonably requested.

(j) Securities Act Filings Made. All filings with the Commission required by Rule 424 under the Securities Act to have been filed prior to the issuance of any Placement Notice hereunder shall have been made within the applicable time period prescribed for such filing by Rule 424.

(k) Approval for Listing. The Placement Shares shall either have been (i) approved for listing on the NYSE, subject only to notice of issuance, or (ii) the Company shall have filed an application for listing of the Placement Shares on the NYSE at, or prior to, the issuance of any Placement Notice.

(l) No Termination Event. There shall not have occurred any event that would permit CF&Co to terminate this Agreement pursuant to Section 11(a).

9. Indemnification and Contribution.

(a) Company Indemnification. The Company and the Partnership, jointly and severally, agree to indemnify and hold harmless CF&Co, the directors, officers, partners, employees and agents of CF&Co and each person, if any, who (i) controls CF&Co within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, or (ii) is controlled by or is under common control with CF&Co (a "**CF&Co Affiliate**") from and against any and all losses, claims, liabilities, expenses and damages (including, but not limited to, any and all reasonable investigative, legal and other expenses incurred in connection with, and any and all amounts paid in settlement (in accordance with Section 9(c)) of, any action, suit or proceeding between any of the indemnified parties and any indemnifying parties or between any indemnified party and any third party, or otherwise, or any claim asserted), as and when incurred, to which CF&Co, or any such person, may become subject under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, liabilities, expenses or damages arise out of or are based, directly or indirectly, on (x) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the Prospectus or any amendment or supplement to the Registration Statement or the Prospectus or in any free writing prospectus or in any application or other document executed by or on behalf of the Company or based on written information furnished by or on behalf of the Company filed in any jurisdiction in order to qualify the Shares under the securities laws thereof or filed with the Commission, (y) the omission or alleged omission to state in any such document a material fact required to be stated in it or necessary to make the statements in it not misleading or (z) any breach by any of the indemnifying parties of any of their respective representations, warranties and agreements contained in this Agreement; *provided*, *however*, that this indemnity agreement shall not apply to the extent that such loss, claim, liability, expense or damage arises from the sale of the Placement Shares pursuant to this Agreement and is caused directly or indirectly by an untrue statement or omission made in reliance upon and in conformity with written information relating to CF&Co and furnished to the Company by CF&Co expressly for inclusion in any document as described in clause (x) of this Section 9(a). This indemnity agreement will be in addition to any liability that the Company might otherwise have.

(b) CF&Co Indemnification. CF&Co agrees to indemnify and hold harmless the Company, its directors, each officer of the Company that signed the Registration Statement, the Partnership and each person, if any, who (i) controls the Company or the Partnership within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act or (ii) is controlled by or is under common control with the Company or the Partnership (a "**Company Affiliate**") against any and all loss, liability, claim, damage and expense described in the indemnity contained in Section 9(a), as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendments thereto) or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information relating to CF&Co and furnished to the Company by CF&Co expressly for inclusion in any document as described in clause (x) of Section 9(a).

(c) Procedure. Any party that proposes to assert the right to be indemnified under this Section 9 will, promptly after receipt of notice of commencement of any action against such party in respect of which a claim is to be made against an indemnifying party or parties under this Section 9, notify each such indemnifying party of the commencement of such action, enclosing a copy of all papers served, but the omission so to notify such indemnifying party will not relieve the indemnifying party from (i) any liability that it might have to any indemnified party otherwise than under this Section 9 and (ii) any liability that it may have to any indemnified party under the foregoing provision of this Section 9 unless, and only to the extent that, such omission results in the forfeiture of substantive rights or defenses by the indemnifying party. If any such action is brought against any indemnified party and it notifies the indemnifying party of its commencement, the indemnifying party will be entitled to participate in and, to

the extent that it elects by delivering written notice to the indemnified party promptly after receiving notice of the commencement of the action from the indemnified party, jointly with any other indemnifying party similarly notified, to assume the defense of the action, with counsel reasonably satisfactory to the indemnified party, and after notice from the indemnifying party to the indemnified party of its election to assume the defense, the indemnifying party will not be liable to the indemnified party for any legal or other expenses except as provided below and except for the reasonable costs of investigation subsequently incurred by the indemnified party in connection with the defense. The indemnified party will have the right to employ its own counsel in any such action, but the fees, expenses and other charges of such counsel will be at the expense of such indemnified party unless (1) the employment of counsel by the indemnified party has been authorized in writing by the indemnifying party, (2) the indemnified party has reasonably concluded (based on advice of counsel) that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party, (3) a conflict or potential conflict exists (based on advice of counsel to the indemnified party) between the indemnified party and the indemnifying party (in which case the indemnifying party will not have the right to direct the defense of such action on behalf of the indemnified party) or (4) the indemnifying party has not in fact employed counsel to assume the defense of such action within a reasonable time after receiving notice of the commencement of the action, in each of which cases the reasonable fees, disbursements and other charges of counsel will be at the expense of the indemnifying party or parties. It is understood that the indemnifying party or parties shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees, disbursements and other charges of more than one separate firm admitted to practice in such jurisdiction at any one time for all such indemnified party or parties. All such fees, disbursements and other charges will be reimbursed by the indemnifying party promptly as they are incurred. An indemnifying party will not, in any event, be liable for any settlement of any action or claim effected without its written consent. No indemnifying party shall, without the prior written consent of each indemnified party, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding relating to the matters contemplated by this Section 9 (whether or not any indemnified party is a party thereto), unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising or that may arise out of such claim, action or proceeding.

(d) Contribution. In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in the foregoing paragraphs of this Section 9 is applicable in accordance with its terms but for any reason is held to be unavailable from the Company, the Partnership or CF&Co, the Company, the Partnership and CF&Co will contribute to the total losses, claims, liabilities, expenses and damages (including any investigative, legal and other expenses reasonably incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claim asserted, but after deducting any contribution received by the Company or the Partnership from persons other than CF&Co, such as persons who control the Company within the meaning of the Securities Act, officers of the Company who signed the Registration Statement and directors of the Company, who also may be liable for contribution) to which the Company, the Partnership and CF&Co may be subject in such proportion as shall be appropriate to reflect the relative benefits received by the Company and the Partnership on the one hand and CF&Co on the other. The relative benefits received by the Company and the Partnership on the one hand and CF&Co on the other hand shall be deemed to be in the same proportion as the total Net Proceeds received by the Company from the sale of the Placement Shares (before deducting expenses) bear to the total compensation received by CF&Co from the sale of Placement Shares on behalf of the Company. If, but only if, the allocation provided by the foregoing sentence is not permitted by applicable law, the allocation of contribution shall be made in such proportion as is appropriate to reflect not only the relative benefits referred to in the foregoing sentence but also the relative fault of the Company and the Partnership, on the one hand, and CF&Co, on the other, with respect to the statements or omission that resulted in such loss, claim, liability, expense

or damage, or action in respect thereof, as well as any other relevant equitable considerations with respect to such offering. Such relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company, the Partnership or CF&Co, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, the Partnership and CF&Co agree that it would not be just and equitable if contributions pursuant to this Section 9(d) were to be determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, liability, expense, or damage, or action in respect thereof, referred to above in this Section 9(d) shall be deemed to include, for the purpose of this Section 9(d) , any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim to the extent consistent with Section 9(c) hereof. Notwithstanding the foregoing provisions of this Section 9(d), CF&Co shall not be required to contribute any amount in excess of the commissions received by it under this Agreement and no person found guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 9(d), any person who controls a party to this Agreement within the meaning of the Securities Act, and any officers, directors, partners, employees or agents of CF&Co, will have the same rights to contribution as that party, and each officer of the Company who signed the Registration Statement will have the same rights to contribution as the Company, subject in each case to the provisions hereof. Any party entitled to contribution, promptly after receipt of notice of commencement of any action against such party in respect of which a claim for contribution may be made under this Section 9(d), will notify any such party or parties from whom contribution may be sought, but the omission to so notify will not relieve that party or parties from whom contribution may be sought from any other obligation it or they may have under this Section 9(d) except to the extent that the failure to so notify such other party materially prejudiced the substantive rights or defenses of the party from whom contribution is sought. Except for a settlement entered into pursuant to the last sentence of Section 9(c) hereof, no party will be liable for contribution with respect to any action or claim settled without its written consent if such consent is required pursuant to Section 9(c) hereof.

10. Representations and Agreements to Survive Delivery. The indemnity and contribution agreements contained in Section 9 of this Agreement and all representations and warranties of the Company herein or in certificates delivered pursuant hereto shall survive, as of their respective dates, regardless of (i) any investigation made by or on behalf of CF&Co, any controlling persons, or the Company (or any of their respective officers, directors or controlling persons), (ii) delivery and acceptance of the Placement Shares and payment therefor or (iii) any termination of this Agreement.

11. Termination.

(a) CF&Co shall have the right by giving notice as hereinafter specified at any time to terminate this Agreement if (i) any Material Adverse Effect, or any development that has actually occurred and that would reasonably be expected to result in a Material Adverse Effect has occurred that, in the reasonable judgment of CF&Co, may materially impair the ability of CF&Co to sell the Placement Shares hereunder, (ii) the Company shall have failed, refused or been unable to perform any agreement on its part to be performed hereunder; *provided, however,* in the case of any failure of the Company to deliver (or cause another person to deliver) any certification, opinion, or letter required under Sections 7(m), 7(n), or 7(o), CF&Co's right to terminate shall not arise unless such failure to deliver (or cause to be delivered) continues for more than thirty (30) days from the date such delivery was required; or (iii) any other condition of CF&Co's obligations hereunder is not fulfilled, or (iv), any suspension or limitation of trading in the Placement Shares or in securities generally on the New York Stock Exchange shall have occurred. Any such termination shall be without liability of any party to any other party except that the provisions of Section 7(g), Section 9, Section 10, Section 16 and Section 17 hereof shall remain in full force and effect notwithstanding such termination. If CF&Co elects to terminate this Agreement as provided in this Section 11(a), CF&Co shall provide the required notice as specified in Section 12.

(b) The Company shall have the right, by giving ten (10) days notice as hereinafter specified to terminate this Agreement in its sole discretion at any time after the date of this Agreement. Any such termination shall be without liability of any party to any other party except that the provisions of Section 7(g), Section 9, Section 10, Section 16 and Section 17 hereof shall remain in full force and effect notwithstanding such termination.

(c) CF&Co shall have the right, by giving ten (10) days notice as hereinafter specified to terminate this Agreement in its sole discretion at any time after the date of this Agreement. Any such termination shall be without liability of any party to any other party except that the provisions of Section 7(g), Section 9, Section 10, Section 16 and Section 17 hereof shall remain in full force and effect notwithstanding such termination.

(d) Unless earlier terminated pursuant to this Section 11, this Agreement shall automatically terminate upon the issuance and sale of all of the Placement Shares through CF&Co on the terms and subject to the conditions set forth herein; *provided*, that the provisions of Section 7(g), Section 9, Section 10, Section 16 and Section 17 hereof shall remain in full force and effect notwithstanding such termination.

(e) This Agreement shall remain in full force and effect unless terminated pursuant to Sections 11(a), (b), (c), or (d) above or otherwise by mutual agreement of the parties; *provided, however,* that any such termination by mutual agreement shall in all cases be deemed to provide that Section 7(g), Section 9, Section 10, Section 16 and Section 17 shall remain in full force and effect.

(f) Any termination of this Agreement shall be effective on the date specified in such notice of termination; *provided, however,* that such termination shall not be effective until the close of business on the date of receipt of such notice by CF&Co or the Company, as the case may be. If such termination shall occur prior to the Settlement Date for any sale of Placement Shares, such termination shall not become effective until the close of business on such Settlement Date, with Placement Shares settling in accordance with the provisions of this Agreement.

12. Notices. All notices or other communications required or permitted to be given by any party to any other party pursuant to the terms of this Agreement shall be in writing, unless otherwise specified in this Agreement, and if sent to CF&Co, shall be delivered to CF&Co at Cantor Fitzgerald & Co., 499 Park Avenue, New York, New York 10022, fax no. (212) 308-3730, Attention: Capital Markets/Jeff Lumby, with copies to Stephen Merkel, General Counsel, at the same address, and Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond Virginia 23219, fax no. (804) 788-8218, Attention: David C. Wright; or if sent to the Company or the Partnership, shall be delivered to DiamondRock Hospitality Company, 6903 Rockledge Drive, Suite 800, Bethesda, Maryland 20817, fax no. (301) 380-6727, attention: Michael D. Schecter, with a copy to Goodwin Proctor LLP, Exchange Place, Boston, Massachusetts 02109, fax no. (617) 523-1231, attention: Suzanne Lecaroz. Each party to this Agreement may change such address for notices by sending to the parties to this Agreement written notice of a new address for such purpose. Each such notice or other communication shall be deemed given (i) when delivered personally or by verifiable facsimile transmission (with an original to follow) on or before 4:30 p.m., New York City time, on a Business Day (as defined below), or, if such day is not a Business Day on the next succeeding Business Day, (ii) on the next Business Day after timely delivery to a nationally-recognized overnight courier and (iii) on the Business Day actually received if deposited in the U.S. mail (certified or registered mail, return receipt requested, postage prepaid). For purposes of this Agreement, "**Business Day**" shall mean any day on which the NYSE and commercial banks in the City of New York are open for business.

13. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Company, the Partnership and CF&Co and their respective successors and the affiliates, controlling persons, officers and directors referred to in Section 9 hereof. References to any of the parties contained in this Agreement shall be deemed to include the successors and permitted assigns of such party. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party; *provided*, *however*, that CF&Co may assign its rights and obligations hereunder to an affiliate of CF&Co without obtaining the Company's consent.

14. Adjustments for Share Splits. The parties acknowledge and agree that all share-related numbers contained in this Agreement shall be adjusted to take into account any share split, share dividend or similar event effected with respect to the Shares.

15. Entire Agreement; Amendment; Severability. This Agreement (including all schedules and exhibits attached hereto and Placement Notices issued pursuant hereto) constitutes the entire agreement and supersedes all other prior and contemporaneous agreements and undertakings, both written and oral, among the parties hereto with regard to the subject matter hereof. Neither this Agreement nor any term hereof may be amended except pursuant to a written instrument executed by the Company, the Partnership and CF&Co. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable as written by a court of competent jurisdiction, then such provision shall be given full force and effect to the fullest possible extent that it is valid, legal and enforceable, and the remainder of the terms and provisions herein shall be construed as if such invalid, illegal or unenforceable term or provision was not contained herein, but only to the extent that giving effect to such provision and the remainder of the terms and provisions hereof shall be in accordance with the intent of the parties as reflected in this Agreement.

16. Applicable Law; Consent to Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York without regard to the principles of conflicts of laws. Each party hereby irrevocably submits to the non-exclusive jurisdiction of the state and federal courts sitting in the City of New York, borough of Manhattan, for the adjudication of any dispute hereunder or in connection with any transaction contemplated hereby, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof (certified or registered mail, return receipt requested) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law.

17. Waiver of Jury Trial. The Company, the Partnership and CF&Co each hereby irrevocably waives any right it may have to a trial by jury in respect of any claim based upon or arising out of this Agreement or any transaction contemplated hereby.

18. Absence of Fiduciary Relationship. The Company and the Partnership, jointly and severally, acknowledge and agree that:

(a) CF&Co has been retained solely to act as underwriter in connection with the sale of the Shares and that no fiduciary, advisory or agency relationship between the Company, the Partnership and CF&Co has been created in respect of any of the transactions contemplated by this Agreement, irrespective of whether CF&Co has advised or is advising the Company or the Partnership on other matters;

(b) each of the Company and the Partnership is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated by this Agreement;

(c) each of the Company and the Partnership has been advised that CF&Co and its affiliates are engaged in a broad range of transactions which may involve interests that differ from those of the Company or the Partnership and that CF&Co has no obligation to disclose such interests and transactions to the Company or the Partnership by virtue of any fiduciary, advisory or agency relationship; and

(d) each of the Company and the Partnership waives, to the fullest extent permitted by law, any claims it may have against CF&Co, for breach of fiduciary duty or alleged breach of fiduciary duty and agrees that CF&Co shall have no liability (whether direct or indirect) to the Company or the Partnership in respect of such a fiduciary claim or to any person asserting a fiduciary duty claim on behalf of or in right of the Company or the Partnership, including stockholders, partners, employees or creditors of the Company or the Partnership.

19. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed Agreement by one party to the other may be made by facsimile transmission.

[Remainder of Page Intentionally Blank]

If the foregoing correctly sets forth the understanding between the Company and CF&Co, please so indicate in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement between the Company and CF&Co.

Very truly yours,

DIAMONDROCK HOSPITALITY COMPANY

By: /s/ Michael D. Schecter
Name: Michael D. Schecter
Title: Executive Vice President, General Counsel Corporate Secretary

DIAMONDROCK HOSPITALITY LIMITED PARTNERSHIP

By: DiamondRock Hospitality Company, its general partner

By: /s/ Michael D. Schecter
Name: Michael D. Schecter
Title: Executive Vice President, General Counsel Corporate Secretary

ACCEPTED as of the date
first-above written:

CANTOR FITZGERALD & CO.

By: /s/ Jeffrey Lumby
Name: Jeffrey Lumby
Title: Managing Director

SCHEDULE 1

FORM OF PLACEMENT NOTICE

From: [_____]

Cc: [_____]

To: [_____]

Subject: Controlled Equity Offering—Placement Notice

Gentlemen:

Pursuant to the terms and subject to the conditions contained in the Controlled Equity OfferingSM Sales Agreement between DiamondRock Hospitality Company (the "Company"), DiamondRock Hospitality Limited Partnership, and Cantor Fitzgerald & Co. ("CF&Co") dated July 27, 2009 (the "Agreement"), I hereby request on behalf of the Company that CF&Co sell up to [____] shares of the Company's common stock, par value $0.01 per share, at a minimum market price of $_____ per share until [date]*.

* The Company shall add additional parameters, such as the bracketed text above regarding a termination date, to the Placement Notice as it may deem necessary at any time.

SCHEDULE 2

CANTOR FITZGERALD & CO.

Peter Dippolito	pdippolito@cantor.com
Joshua Feldman	jfeldman@cantor.com
Jeff Lumby	jlumby@cantor.com

DIAMONDROCK HOSPITALITY COMPANY

Mark Brugger	mark.brugger@drhc.com
Sean Mahoney	sean.mahoney@drhc.com
Michael Schecter	michael.schecter@drhc.com

SCHEDULE 3

Compensation

CF&Co shall be paid compensation equal to up to two percent (2%) of the gross proceeds from the sales of Shares pursuant to the terms of this Agreement.

SCHEDULE 4

Subsidiaries

DiamondRock Hospitality Company
Subsidiaries

7/2009

SUBSIDIARY	JURISDICTION OF ORGANIZATION	JURISDICTION IN WHICH QUALIFIED TO DO BUSINESS
1 Bloodstone TRS, Inc.	Delaware	Massachusetts
2 DiamondRock Alpharetta Owner, LLC	Delaware	Georgia
3 DiamondRock Alpharetta Tenant, LLC	Delaware	Georgia
4 DiamondRock Atlanta Perimeter Owner, LLC	Delaware	Georgia
5 DiamondRock Atlanta Perimeter Tenant, LLC	Delaware	Georgia
6 DiamondRock Bethesda General, LLC	Delaware	Maryland
7 DiamondRock Bethesda Limited, LLC	Delaware	Maryland
8 DiamondRock Bethesda Owner Limited Partnership	Maryland	N/A
9 DiamondRock Bethesda Tenant, LLC	Delaware	Maryland
10 DiamondRock Boston Expansion Owner, LLC	Delaware	Massachusetts
11 DiamondRock Boston Owner, LLC	Delaware	Massachusetts
12 DiamondRock Boston Retail Owner, LLC	Delaware	Massachusetts
13 DiamondRock Boston Tenant, LLC	Delaware	Massachusetts
14 DiamondRock Buckhead Owner, LLC	Delaware	Georgia
15 DiamondRock Buckhead Tenant, LLC	Delaware	Georgia
16 DiamondRock Cayman Islands, Inc.	Cayman Islands	N/A
17 DiamondRock Chicago Conrad Owner, LLC	Delaware	Illinois
18 DiamondRock Chicago Conrad Tenant, LLC	Delaware	Illinois
19 DiamondRock Chicago Owner, LLC	Delaware	Illinois

DiamondRock Hospitality Company
Subsidiaries

7/2009

SUBSIDIARY	JURISDICTION OF ORGANIZATION	JURISDICTION IN WHICH QUALIFIED TO DO BUSINESS
20 DiamondRock Chicago Tenant, LLC	Delaware	Illinois
21 DiamondRock East 40th Street NYC Owner Holdings, LLC	Delaware	New York
22 DiamondRock East 40th Street NYC Owner, LLC	Delaware	New York
23 DiamondRock East 40th Street NYC Tenant, LLC	Delaware	New York
24 DiamondRock Frenchman's Holdings, LLC	Delaware	N/A
25 DiamondRock Frenchman's Owner, Inc.	U.S. Virgin Islands	N/A
26 DiamondRock Griffin Gate Owner, LLC	Delaware	Kentucky
27 DiamondRock Griffin Gate Tenant, LLC	Delaware	Kentucky
28 DiamondRock Hospitality Limited Partnership	Delaware	Massachusetts
29 DiamondRock Hospitality, LLC	Delaware	N/A
30 DiamondRock LAX Owner, LLC	Delaware	California
31 DiamondRock LAX Tenant, LLC	Delaware	California
32 DiamondRock Manhattan/Midtown East Owner, LLC	Delaware	New York
33 DiamondRock Manhattan/Midtown East Tenant Holdings, LLC	Delaware	New York
34 DiamondRock Manhattan/Midtown East Tenant, LLC	Delaware	New York
35 DiamondRock Oak Brook Owner, LLC	Delaware	Illinois
36 DiamondRock Oak Brook Tenant, LLC	Delaware	Illinois
37 DiamondRock Orlando Airport Owner, LLC	Delaware	Florida
38 DiamondRock Orlando Airport Tenant, LLC	Delaware	Florida
39 DiamondRock Salt Lake Owner, LLC	Delaware	Utah
40 DiamondRock Salt Lake Tenant, LLC	Delaware	Utah

SCHEDULE 4

DiamondRock Hospitality Company
Subsidiaries

7/2009

SUBSIDIARY	JURISDICTION OF ORGANIZATION	JURISDICTION IN WHICH QUALIFIED TO DO BUSINESS
41 DiamondRock Sonoma Owner, LLC	Delaware	California
42 DiamondRock Sonoma Tenant, LLC	Delaware	California
43 DiamondRock Torrance Owner, LLC	Delaware	California
44 DiamondRock Torrance Tenant, LLC	Delaware	California
45 DiamondRock Vail Owner, LLC	Delaware	Colorado
46 DiamondRock Vail Tenant, LLC	Delaware	Colorado
47 DiamondRock Waverly Owner, LLC	Delaware	Georgia
48 DiamondRock Waverly Tenant, LLC	Delaware	Georgia
49 DRH Austin Owner General, LLC	Delaware	Texas
50 DRH Austin Owner Limited, LLC	Delaware	N/A
51 DRH Austin Owner Limited Partnership	Delaware	Texas
52 DRH Austin Tenant General, LLC	Delaware	Texas
53 DRH Austin Tenant Limited, LLC	Delaware	N/A
54 DRH Austin Tenant Limited Partnership	Delaware	Texas
55 DRH Worthington Owner General, LLC	Delaware	Texas
56 DRH Worthington Owner Limited, LLC	Delaware	N/A
57 DRH Worthington Owner Limited Partnership	Delaware	Texas
58 DRH Worthington Tenant General, LLC	Delaware	Texas
59 DRH Worthington Tenant Limited, LLC	Delaware	N/A
60 DRH Worthington Tenant Limited Partnership	Delaware	Texas

SCHEDULE 4

Exhibit 7(n)(i)

MATTERS TO BE COVERED BY INITIAL OPINION OF

GOODWIN PROCTER LLP

1. The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Maryland.

2. The Partnership has been duly formed and is validly existing as a partnership in good standing under the laws of the State of Delaware.

3. Each of the Company and the Partnership has the corporate power or limited partnership power to conduct its business and to own, lease and operate its respective properties as such business and properties are described in the Registration Statement and the Prospectus and to execute and to perform its obligations under the Agreement.

4. Each Subsidiary listed on Exhibit A is validly existing as a corporation or limited liability company and in good standing under the law of its jurisdiction of organization as set forth opposite its name on Exhibit A attached hereto.

5. Each of the Subsidiaries has the corporate power or limited liability company power, as the case may be, to conduct its respective business and to own, lease and operate its respective properties as such business and properties are described in the Registration Statement and the Prospectus.

6. The Common Stock Certificate complies in all material respects with the applicable requirements of the Maryland General Corporation Law ("MGCL"), the Articles of Amendment and Restatement of the Company (the "Articles") and the Second Amended and Restated Bylaws of the Company (the "Bylaws").

7. The capital stock of the Company conforms in all material respects to the description thereof contained in the Registration Statement and the Prospectus under the captions "Description of Capital Stock," "Description of Common Stock," Description of Preferred Stock," and "Description of Certain Material Provisions of Maryland Law, Our Charter and Our Bylaws."

8. The Registration Statement has become effective under the Securities Act. Any required filing of the Prospectus pursuant to Rule 424(b) has been made in the manner and within the time period required by Rule 424(b). To our knowledge, (i) no stop order suspending the effectiveness of the Registration Statement has been issued under the Securities Act and (ii) no proceedings for that purpose have been instituted or are pending or threatened by the Commission.

9. The Agreement has been duly authorized, executed and delivered by the Company and the Partnership.

10. The Shares have been duly authorized and, when issued in accordance with the Agreement against payment of the consideration set forth therein, will be validly issued, fully paid and non-assessable, and will not be subject to any preemptive right in the Articles or the Bylaws of the Company or arising under the MGCL.

EXHIBIT 7(n)(i)

11. The execution, delivery and performance of the Agreement by the Company and the Partnership and the issuance by the Company of the Shares in accordance therewith: (a) do not require any consent, approval, authorization, license or exemption by, or order of or filing by the Company or the Partnership with, any governmental authority, except such as has been made or obtained under the Securities Act, and except as may be required under the securities or Blue Sky laws of any foreign jurisdiction or of any state or other jurisdiction of the United States, as to which we express no opinion, (b) will not violate (i) the provisions of the Articles or Bylaws of the Company, (ii) the provisions of the certificate of limited partnership or the Partnership Agreement of the Partnership or (iii) the provisions of the organizational documents of the Subsidiaries, (c) will not violate any law or regulation of the United States, the MGCL, the Revised Uniform Limited Partnership Act of the State of Delaware or the Limited Liability Company Act of the State of Delaware applicable to the Company or the Partnership, or any order, judgment or decree of any Maryland, Delaware, Massachusetts instrumentality or court, specifically naming the Company or the Partnership of which we are aware and (d) will not result in a breach of, or default under, any of the material contracts filed with or incorporated by reference into the Registration Statement.

12. The Shares have been approved for listing, subject to notice of issuance, on the New York Stock Exchange.

13. The statements set forth under the headings captioned “Description of Capital Stock,” “Description of Certain Material Provisions of Maryland Law, Our Charter and Our Bylaws” and “Description of The Partnership Agreement of Diamond Rock Hospitality Limited Partnership” in the Registration Statement and the Prospectus, insofar as such statements contain description of laws, rules or regulations, and insofar as they describe the terms of agreements or the Company’s Articles or Bylaws have been reviewed by us and are correct in all material respects.

14. The Company is not, and after giving effect to the issuance of the Shares and the application of the proceeds as described in the Prospectus, will not be, an “investment company,” as that term is defined in the Investment Company Act of 1940, as amended.

We understand that Hunton & Williams LLP will rely upon paragraphs 1, 3, 6, 7, 10 and 11 of this opinion only to the extent that such paragraphs relate to the MGCL in connection with the rendering of its opinions of even date herewith to the addressees hereof.

This opinion letter is furnished by us as counsel for the Company to you and is solely for your benefit as sales agent in connection with the issuance of the Shares, and, except as set forth in the paragraph above, may not be relied on by you for any other purpose, or furnished to, quoted to, or relied on by, in whole or in part, any other person, firm or corporation for any purpose, without our prior written consent.

****

Reference is made to the registration under the Securities Act of 1933, as amended (the “Securities Act”) of _____ shares of common stock, $0.01 par value per share (the “Shares”), of DiamondRock Hospitality Company, a Maryland corporation (the “Company”), pursuant to a Registration Statement on Form S-3 (No. 333-157753), together with all amendments thereto (the “Registration Statement), all as filed prior to the date hereof with the Securities and Exchange Commission (the “Commission”) under the Securities Act, and the form of prospectus supplement dated July 27, 2009, relating to the Shares (the “Prospectus Supplement”). The Registration Statement was declared effective by the Commission on March 23, 2009. The form of prospectus included in the Registration Statement when the Registration Statement became effective, as supplemented by the Prospectus Supplement and filed with the Commission on July 27, 2009 pursuant to Rule 424(b)(5) under the Securities Act, is herein referred to as the “Prospectus.” When the Registration Statement became effective, the form of prospectus included in it omitted certain information in reliance upon Rule 430B under the Securities Act. That information is contained in the Prospectus, which is deemed to be a part of the Registration Statement as of the time specified in Rule 430B(f)(1). The Prospectus also updates or supplements certain information contained in the Registration Statement.

EXHIBIT 7(n)(i)

This letter is being furnished to you at the request of the Company and pursuant to Section 7(n)(ii) of the Sales Agreement (the "Agreement"), dated as of July 27, 2009, among the Company, DiamondRock Hospitality Limited Partnership, a Delaware limited partnership (the "Partnership"), and you (the "CF&Co").

As counsel to the Company, we reviewed the Registration Statement and the Prospectus, and participated in discussions with your representatives, those of your counsel and those of the Company and its independent registered public accounting firm, at which the contents of the Registration Statement and the Prospectus were discussed.

The purpose of our engagement was not to establish or to confirm factual matters set forth in the Registration Statement and the Prospectus, and we have not undertaken any obligation to verify independently any of the factual matters set forth in the Registration Statement and the Prospectus. Moreover, many of the determinations required to be made in the preparation of the Registration Statement and the Prospectus involve matters of a non-legal nature.

Subject to the foregoing, we confirm to you that: (i) on the basis of the information that we gained in the course of performing the services referred to above, nothing came to our attention that caused us to believe that (a) the Registration Statement, at the date and time it became effective, contained an untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and (b) the Prospectus, as of its date and the date of the Agreement, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (ii) nothing further came to our attention in the course of the procedures described in the second sentence of the third paragraph of this letter that caused us to believe that the Prospectus, as of the date and time of delivery of this letter, contains an untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of circumstances under which they were made, not misleading; *provided, however*, except as set forth in paragraph 13 of our letter to you as of even date herewith, we do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement and the Prospectus and we do not express any belief as to the financial statements and related notes, financial statement schedules or financial or accounting data contained in the Registration Statement and the Prospectus. In the first sentence of this paragraph, "attention" refers to the actual knowledge of each of the lawyers of our firm who actively participated in the preparation of the Registration Statement and the Prospectus after such inquiries as they deemed appropriate with other lawyers in our firm providing substantive attention to other legal matters on behalf of the Company and the Partnership; and "believe" refers to the good faith belief of each of those lawyers.

Based solely upon oral telephonic advice from one or more members of the Commission's staff, we inform you that no stop order suspending the effectiveness of the Registration Statement has been issued under the Securities Act and no proceedings for that purpose have been instituted or are pending or threatened by the Commission.

We are not representing the Company, the Partnership or any Subsidiary in any pending litigation in which it is a named defendant that challenges the validity or enforceability of, or seeks to enjoin the performance of, the Agreement.

EXHIBIT 7(n)(i)

Further, we confirm to you that the Registration Statement, as of its effective time and date, and the Prospectus, as of the date of the Prospectus, appeared to us on their face to be responsive in all material respects to the requirements of the form on which the Registration Statement was filed, as well as the applicable requirements of Regulation C under the Securities Act, except that the foregoing statement does not address any requirement relating to financial statements and related notes, financial statement schedules or financial or accounting data contained in the Registration Statement or the Prospectus.

This letter is furnished by us as counsel for the Company to you in connection with the Agreement and is solely for your benefit in connection with the issuance to you of the Shares, and may not be relied on for any other purpose by you or anyone else.

EXHIBIT 7(n)(i)

Exhibit 7(n)(ii)

FORM OF TAX OPINION OF GOODWIN PROCTER LLP
TO BE DELIVERED PURSUANT TO SECTION 7(n)(i)

Ladies and Gentlemen:

We have acted as counsel for DiamondRock Hospitality Company, a Maryland corporation (the "Company"), in connection with the Company's automatic shelf registration statement on Form S-3, as amended by a post-effective amendment filed on March 9, 2009 (File No. 333-157753) filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended, on March 6, 2009, as amended by the prospectus supplement dated July 27, 2009 (as so amended or supplanted, the "Registration Statement"), and sale by the Company through Cantor Fitzgerald & Co ("CF&Co), in one or more offerings, of up to $75,000,000 aggregate maximum offering price of shares of common stock, $0.01 par value per share (the "Shares"), of the Company pursuant to the sales agreement dated July 27, 2009 (the "Sales Agreement") among the Company, DiamondRock Hospitality Limited Partnership, a Delaware limited partnership (the "Operating Partnership"), and CF&Co. This opinion letter addresses the Company's qualification as a real estate investment trust (a "REIT") under the Internal Revenue Code of 1986, as amended (the "Code"), the classification of the Operating Partnership for federal income tax purposes, and the accuracy of certain matters discussed in the Registration Statement under the heading "Federal Income Tax Considerations Related to our REIT Election" and in the prospectus supplement under the heading "Supplement to Federal Income Tax Considerations."

The advice set forth herein is not intended for or written to be used, nor can it be used, by any taxpayer for the purpose of avoiding United States tax penalties that may be imposed on the taxpayer. The advice contained herein was written to support the issuance and sale of the Shares. You should seek advice based on your particular circumstances from an independent tax advisor. The foregoing language is intended to satisfy the requirements under the regulations in Section 10.35 of Treasury Department Circular 230.

In rendering the following opinions, we have reviewed and relied upon the Articles of Amendment and Restatement of Articles of Incorporation dated as of June 25, 2004 and Second Amended and Restated Bylaws of the Company dated as of April 20, 2005, each as amended from time to time and as in effect as of the date of this opinion letter, the Limited Partnership Agreement of the Operating Partnership dated as of June 4, 2004 and as in effect as of the date hereof, and such other records, certificates, and documents as we have deemed necessary or appropriate for purposes of rendering the opinions set forth herein, including the documents pertaining to the loan to Palomar Holding Inc. made as of January 31, 2007. For purposes of this opinion letter, we have assumed (i) the genuineness of all signatures on documents we have examined, (ii) the authenticity of all documents submitted to us as originals, (iii) the conformity to the original documents of all documents submitted to us as copies, (iv) the conformity, to the extent relevant to our opinions, of final documents to all documents submitted to us as drafts, (v) the authority and capacity of the individual or individuals who executed any such documents on behalf of any person, (vi) due execution and delivery of all such documents by all the parties thereto, (vii) the compliance of each party with all material provisions of such documents, and (viii) the accuracy and completeness of all records made available to us.

We also have reviewed and relied upon the representations, as to factual matters, and covenants of the Company and the Operating Partnership contained in a letter that the Company provided to us in connection with the preparation of this opinion letter (the "REIT Certificate"), and that we have discussed with the Company's representative, regarding the organization and operations of the Company and the Operating Partnership and other matters affecting the Company's ability to qualify as a REIT. For purposes of this opinion letter, we assume that each such representation and covenant has been, is and will be true, correct and complete, that the Company, the Operating Partnership and any subsidiaries have been, are and will be owned and operated in accordance with the REIT Certificate and that all representations that speak to the best of the belief and/or knowledge of any person(s) or party(ies), or are subject to similar qualification, have been, are and will continue to be true, correct and complete as if made without such qualification. To the extent such representations and covenants speak to the intended ownership or operations of the Company or the Operating Partnership, we assume that each of the Company and the Operating Partnership will in fact be owned and operated in accordance with such stated intent.

Based upon the foregoing and subject to the limitations set forth herein, we are of the opinion that:

(i) commencing with the Company's taxable year ended December 31, 2005, the Company has been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code and its current and proposed ownership and operations will allow the Company to continue to satisfy the requirements for qualification and taxation as a REIT under the Code for subsequent taxable years;

(ii) as long as the Operating Partnership has only one partner for federal income tax purposes, it will be disregarded as an entity separate from the Company and if and when the Operating Partnership has two or more partners for federal income tax purposes, the Operating Partnership will be treated as a partnership within the meaning of Code Sections 7701(a)(2) and 761(a) and will not be treated as a publicly traded partnership taxable as a corporation under the rules of Code Section 7704; and

(iii) the statements set forth under the heading "Federal Income Tax Considerations Related to our REIT Election" in the Registration Statement and under the heading "Supplement to Federal Income Tax Considerations" in the prospectus supplement, insofar as such statements constitute matters of law, summaries of legal matters, legal documents, contracts or legal proceedings, or legal conclusions, are correct in all material respects and do not omit to state a matter of law necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

* * * * *

We express no opinion other than the opinions expressly set forth herein. Our opinions are not binding on the Internal Revenue Service. The Internal Revenue Service may disagree with and challenge our conclusions, and a court could sustain such a challenge. Our opinions are based upon the Code, the Income Tax Regulations and Procedure and Administration Regulations promulgated thereunder and existing administrative and judicial interpretations thereof, all as in effect as of the date of this opinion letter. Changes in applicable law could cause the federal income tax treatment of the Company or the Operating Partnership to differ materially and adversely from the treatment described above and render the tax discussion in the Registration Statement incorrect or incomplete.

We are rendering this opinion letter to you pursuant to Section 7(n)(i) of the Sales Agreement in connection with the sale of Shares and this opinion letter may not be relied upon by any other person or for any other purpose without our prior written consent. This opinion letter speaks only as of the date hereof, and we undertake no obligation to update this opinion letter or to notify any person of any changes in facts, circumstances or applicable law (including without limitation any discovery of any facts that are inconsistent with the REIT Certificate).

Very truly yours

EXHIBIT 7(n)(ii)

Exhibit 7(n)(iii)

FORM OF OPINION OF MICHAEL D. SCHECTER, ESQ.,
TO BE DELIVERED PURSUANT TO SECTION 7(n)(ii)

I am the general counsel of DiamondRock Hospitality Company, a Maryland corporation (the "***Company***"). I have represented the Company and DiamondRock Hospitality Limited Partnership, a Delaware limited partnership (the "***Partnership***"), in connection with, among other things, the execution and delivery of the Sales Agreement, dated as of July 27, 2009 (the "***Agreement***"), among the Company, the Partnership and you ("**CF&C**o").

I am furnishing this opinion letter pursuant to Section 7(n) of the Agreement. Capitalized terms that are not defined herein but are defined in the Agreement shall have the meaning ascribed to them in the Agreement.

In connection with the delivery of this opinion, I have examined such corporate or partnership records, certificates and other documents or other agreements and such questions of law that I have considered necessary or appropriate for the purposes of this opinion. Upon the basis of such examination, I advise you that, in my opinion:

1. Except as disclosed in the Registration Statement and the Prospectus, there are no outstanding (i) securities or obligations of the Company, the Partnership or any Subsidiary convertible into or exchangeable for any capital stock of the Company, (ii) warrants, rights or options to subscribe for or purchase from the Company, the Partnership or any Subsidiary any such capital stock or any such convertible or exchangeable securities or obligations or (iii) obligations of the Company, the Partnership or any Subsidiary to issue or sell any shares of capital stock, partnership interests or membership interests, as applicable, any such convertible or exchangeable securities or obligation, or any such warrants, rights or options.

2. To my knowledge, no actions, suits, proceedings, investigations, legal or governmental proceedings are pending or overtly threatened to which the Company or the Partnership or any Subsidiary or any of their directors, officers or employees is a party or to which the properties, assets or rights of the Company or the Partnership or any Subsidiary is subject, at law or in equity, before any federal, state, local or foreign governmental or regulatory commission, board, body, authority, arbitral panel or agency that are required to be described in the Registration Statement or the Prospectus.

3. Neither the Company nor the Partnership, nor, to my knowledge, any Subsidiary is (i) in breach of, or in default under (nor has any event occurred which with notice, lapse of time, or both would constitute a breach of, or default under), its charter, bylaws, certificate of limited partnership, partnership agreement or other organizational documents or (ii) in breach or default (nor has any event occurred which with notice, lapse of time or both would constitute a breach or default) in the performance or observance of any of its obligations, agreements, covenants or conditions contained in any license, indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument known to me which the Company, the Partnership or any Subsidiary is a party or by which it or its properties are bound or affected, except for such breaches or defaults which would not individually or in the aggregate, have a Material Adverse Effect.

EXHIBIT 7(n)(iii)

4. Each Subsidiary listed on Exhibit A (the "***Designated Subsidiaries***") is validly existing as a corporation, limited liability company, or limited partnership, and in good standing under the law of its jurisdiction of organization. Each of the Designated Subsidiaries is duly qualified to do business and is in good standing as a foreign corporation in the jurisdictions set forth opposite its name on Exhibit A hereto.

5. With the exception of its interests in the Designated Subsidiaries, the Company does not own, directly or indirectly, capital stock or other equity interests in any other corporation, limited liability company, partnership, joint venture, trust or other entity.

6. The Shares, when issued in accordance with the Agreement against payment of the consideration set forth therein, will be free and clear of any pledge, lien, encumbrance, security interest or claim created by the Company.

7. The issued and outstanding shares of capital stock of the Company have been duly authorized and validly issued, and are fully paid and non-assessable.

8. The issued and outstanding units of partnership interests or membership interests of the Partnership and each Subsidiary have been duly authorized and validly issued, are fully paid and non-assessable, and are owned of record directly or indirectly by the Company.

9. To my knowledge, there are no contracts or documents of a character required to be filed as exhibits to the Registration Statement or summarized in the Registration Statement and the Prospectus that have not been so filed, summarized or described.

10. The execution, delivery and performance of the Agreement by the Company and the Partnership and the issuance by the Company of the Shares in accordance therewith will not, to my knowledge, result in a breach of, or default that would reasonably be expected to have a Material Adverse Effect under any agreement, license, instrument, indenture, mortgage or deed of trust known to me to which the Company, the Partnership or any Subsidiary is a party or by which any of them or their respective properties may be bound.

11. Except as described in the Registration Statement and the Prospectus, to my knowledge, no agreement grants to any person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Securities Act, except for any such rights that have been waived.

The foregoing opinions are limited to the Federal laws of the United States and the laws of the States of New York, Delaware (but only insofar as set forth in the Revised Uniform Limited Partnership Act of the State of Delaware) and Maryland (but only insofar as set forth in the Maryland General Corporation Law).

EXHIBIT 7(n)(iii)

I have relied as to certain matters on information obtained from public officials and other sources believed by me to be responsible, and I have assumed that the original documents conformed to the specimens examined by me and that the signatures on all documents examined by me are genuine, assumptions which I have not independently verified but have no information to the contrary.

This opinion letter is furnished by me as counsel for the Company and the Partnership and may be relied upon by you, your successors and assigns. I also consent to reliance on this opinion by Goodwin Procter LLP ("***Goodwin Procter***") and Hunton & Williams LLP ("***Hunton & Williams***") in connection with the rendering of their opinions of even date herewith to the addressees hereof. Except as set forth above, this opinion letter may not be used or relied upon by you, Goodwin Procter or Hunton & Williams, or quoted by you, Goodwin Procter or Hunton & Williams, for any other purpose or by any other person, nor may copies be delivered to any other person, without in each instance, my prior written consent.

This opinion letter is given as of the date hereof. I assume no obligation to update or supplement this opinion letter to reflect any facts or circumstances which may hereafter come to my attention, including any subsequent changes in law or regulation, or the interpretation thereof.

EXHIBIT 7(n)(iii)

Exhibit 7(m)

OFFICER CERTIFICATE

The undersigned, the duly qualified and elected [Chief Executive Officer, Chief Financial Officer, or Executive Vice President and General Counsel], of **DIAMONDROCK HOSPITALITY COMPANY** ("**Company**"), a Maryland corporation, does hereby certify in such capacity and on behalf of the Company, for itself and as the general partner of DiambondRock Hospitality Limited Partnership, a Delaware limited partnership (the "**Partnership**") pursuant to Section 7(m) of the Sales Agreement dated July 27, 2009 (the "**Sales Agreement**") between the Company, the Partnership and Cantor Fitzgerald & Co., that to the best of the knowledge of the undersigned:

(i) The representations and warranties of the Company in Section 6 of the Sales Agreement (A) to the extent such representations and warranties are subject to qualifications and exceptions contained therein relating to materiality or Material Adverse Effect, are true and correct on and as of the date hereof with the same force and effect as if expressly made on and as of the date hereof, except for those representations and warranties that speak solely as of a specific date and which were true and correct as of such date, and (B) to the extent such representations and warranties are not subject to any qualifications or exceptions, are true and correct in all material respects as of the date hereof as if made on and as of the date hereof with the same force and effect as if expressly made on and as of the date hereof, except for those representations and warranties that speak solely as of a specific date and which were true and correct as of such date; and

(ii) The Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied pursuant to the Sales Agreement at or prior to the date hereof.

By: _____
Name: _____
Title: _____

Date: _____, 2009

EXHIBIT 7(m)

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to Rule 13a—14(a)

I, Mark W. Brugger, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q/A of DiamondRock Hospitality Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 7, 2009

/s/ Mark W. Brugger
Mark W. Brugger
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of Chief Financial Officer
Pursuant to Rule 13a—14(a)

I, Sean M. Mahoney, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q/A of DiamondRock Hospitality Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 7, 2009

/s/ Sean M. Mahoney
Sean M. Mahoney
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Certification
Pursuant to Rule 13a-14(b) and Section 906 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. Section 1350(a) and (b))

The undersigned officers, who are the Chief Executive Officer and Chief Financial Officer of DiamondRock Hospitality Company (the "Company"), each hereby certifies to the best of his knowledge, that the Company's Quarterly Report on Form 10-Q/A (the "Report") to which this certification is attached, as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mark W. Brugger
Mark W. Brugger
Chief Executive Officer
December 7, 2009

/s/ Sean M. Mahoney
Sean M. Mahoney
Executive Vice President and Chief Financial Officer
December 7, 2009