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RICHARD N. TAKECHI
REGISTER OF DEEDS
DOUGLAS COUNTY, NE

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LEASE SUBORDINATION AGREEMENT

Omaha, Nebraska (108th & M)

THIS LEASE SUBORDINATION AGREEMENT (this "Agreement"), dated as of the 20th day of October, 1999, as made and entered into by and between First National Bank of Omaha, a national banking association ("Lender"), having a mailing address of 1620 Dodge Street, Omaha, Nebraska, 68102, Attention: Senior Officer, Mortgage Loan Department, and Supertel Hospitality Management, Inc., a Maryland corporation ("Tenant"), having a mailing address of 12301 Old Columbia Pike, Suite 300, Silver Spring, Maryland, 20904. The following recitals form the basis of this Agreement and are made a material part hereof.

A. Tenant and E&P Financing Limited Partnership ("Borrower") have entered into that certain Lease Agreement (as the same may be amended from time to time) (the "Lease"), dated October ____, 1999, covering certain premises (the "Premises") situated in the County of Douglas, State of Nebraska, and more particularly described in the Lease, the legal description for which is attached hereto as Exhibit "A" and by this reference incorporated herein.

B. Lender has made a \$15,000,000.00 loan (the "Loan") to Borrower, secured in part by that certain Deed of Trust (or Mortgage), Security Agreement and Assignment of Rents (as the same may be amended or restated from time to time) (the "Deed of Trust"), dated as of the date of the Loan Agreement, and other collateral documents covering the Premises, which Deed of Trust has been or will be recorded in the real estate records of the County of Douglas, State of Nebraska, at Mortgage Record Book 5873 at Page 207 in the Office of the Register of Deeds of said county. Lender is hereby authorized to insert the foregoing recording data if not available at the time of execution of this document.

C. As an inducement to Lender to consummate the Loan, Tenant wishes to confirm that its interest in the Premises and the Lease is subordinate to the Deed of Trust and other Collateral Documents, as more particularly hereinafter set forth.

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NOW, THEREFORE, for and in consideration of the foregoing premises, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Tenant hereby covenants and agrees with Lender as follows:

1. Tenant does hereby subordinate, and declare to be subordinated, all of Tenant's right, title and interest in and to the Premises and Lease thereof, to the liens and security interests granted by Borrower to Lender in the Deed of Trust and other Collateral Documents, including any modifications, extensions, replacements or renewals thereof and supplements thereto. It is agreed by Tenant that its interest in the Premises and the Lease shall be and remain subject, junior and inferior in all respects to the rights of Lender set forth in the Deed of Trust and other Collateral Documents and to all present and future advances and obligations secured by the Deed of Trust and other Collateral Documents.

2. If Lender forecloses the Premises, or causes title to the Premises to be transferred to Lender or its designee by deed in lieu of foreclosure, then Lender, at its sole option, may elect to terminate the Lease, with or without cause, upon written notice to Tenant, such notice to be given at any time after the completion of such foreclosure or deed in lieu transaction. If Lender terminates the Lease as aforesaid, then, upon request of Lender: (i) Tenant shall vacate the Premises immediately and surrender possession thereof to Lender or its designee, and (ii) Tenant shall have no further rights, and Lender, or its designee, shall have no further obligations to Tenant, under the Lease. The provisions of this paragraph shall control over any provision to the contrary in this Agreement and, without limiting the generality of the foregoing, Lender's right to terminate the Lease may be exercised regardless of whether the Tenant is then in default under the Lease.

3. Until such time, if at all, that Lender elects to terminate the Lease as provided in Section 2 above, Tenant hereby covenants and agrees to make full and complete attornment, without the necessity of any other or further agreement, to Lender, its successors and assigns, or to other purchaser or grantee of the Premises at foreclosure sale under the Deed of Trust or the grantee of a deed in lieu of foreclosure thereof, as the case may be, and upon Lender's, or such person's, election. Such attornment shall be upon the same terms, covenants and conditions as provided in the Lease (subject to the right of Lender, or such person, to terminate the Lease as provided in Section 2 above) so as to establish direct privity of estate and contract between Tenant and Lender, or such other person, with the same force and effect as though the Lease was made directly between Tenant and Lender or such other person as Tenant shall attorn as aforesaid, whether or not Tenant is then in possession of the Premises under the Lease; provided, however, that neither Lender nor any other person to whom Tenant shall attorn aforesaid shall be: (a) liable for any act or omission of any prior lessor (including Borrower) in connection with the Lease; (b) subject to any offsets or defenses which Tenant might have against any prior lessor (including Borrower); (c) bound by any rent or additional rent which Tenant might have paid to any prior lessor (including Borrower) more than one month in advance of the due dates thereof, for any period after the occurrence of the event that gave rise to attornment by Tenant; or (d) bound by any amendment or modification of the Lease or by any waiver or forbearance on the part of any prior lessor (including Borrower) made or

given without the written consent of Lender or such other person to whom Tenant shall attorn; and, further provided, that Lender and any other person to whom Tenant shall attorn shall be discharged from all responsibility under the Lease which accrues or arises after Lender or such other person disposes of its interest in the Premises, and neither Lender nor such other person shall incur any responsibility for any security deposits which it did not receive.

4. Tenant hereby covenants and agrees that, so long as the Deed of Trust has not been released, Tenant shall not, without obtaining the prior written consent of Lender: (a) enter into any agreement amending, modifying or terminating the Lease; (b) prepay any of the rents, additional rents or other sums due under the Lease for more than one (1) month in advance of the due date thereof; (c) voluntarily surrender the Premises or terminate the Lease without cause or shorten the term thereof; (d) voluntarily subordinate the Lease to any lien or encumbrance; or (e) assign the Lease or sublet the Premises or any portion thereof other than pursuant to the provisions of the Lease.--

5. Tenant represents and warrants that, as of the date hereof, (a) the Lease is in full force and effect and has not been modified or amended, except by such modifications and amendments as have been delivered by Tenant to Lender, (b) neither Tenant nor Borrower is in default under the Lease, and no event has occurred which, with the passage of time or the giving of notice or both, could become a default under the Lease, and (c) the Premises and any and all work required to be performed by Borrower have been completed, in accordance with the terms of the Lease, and the same have been accepted by Tenant.

6. In the event Tenant shall send any notice pursuant to or in connection with the Lease, Tenant shall simultaneously send a copy of said notice to Lender by certified mail, return receipt requested, addressed to Lender, at its mailing address specified above, or such other address as Lender may notify Tenant in writing. Tenant agrees that Lender shall have sixty (60) days after its actual receipt of any notice of default of the lessor under the Lease to cure such default, during which period Tenant shall not exercise any remedies available to it under the Lease (including, without limitation, any right of termination). In the event Lender is only able to cure the default by possession of the Premises through foreclosure proceedings pursuant to the Deed of Trust, Lender shall express its intent to foreclose, possess and cure by written notice to Tenant within sixty (60) days after Lender's actual receipt of the notice of default, and Lender shall then have such additional amount of time reasonably necessary to cure the default and Tenant shall not exercise any remedies available to it under the Lease during such period. Notwithstanding the foregoing, it is expressly agreed that, although Lender shall have the right under this Agreement to cure lessor's defaults under the Lease, nothing herein shall be construed as requiring or obligating Lender to cure lessor's defaults.

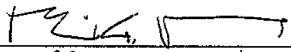
7. This Agreement shall be binding upon, and inure to the benefit of, Lender and Tenant and their respective successors and assigns. This Agreement may be modified only by a writing signed by the parties hereto, and shall be governed by and construed in

accordance with the laws of the State of Nebraska. If any litigation occurs under this Agreement, then the prevailing party shall be entitled to recover from the nonprevailing party the expenses incurred by the prevailing party in connection with such litigation, including, without limitation, all of the prevailing party's attorney's fees and expenses.

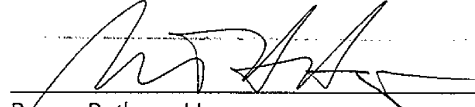
8. A counterpart of this Agreement may be recorded by Lender in the real estate records for the County and State where the Premises are located.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

FIRST NATIONAL BANK OF OMAHA, a national banking association, Lender

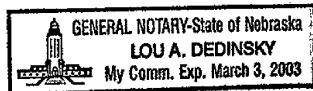

By: MICHAEL J. KUSSNER
Title: VICE PRESIDENT

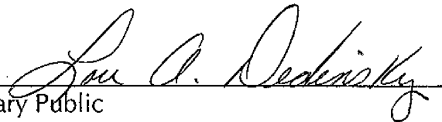
SUPERTEL HOSPITALITY MANAGEMENT, INC., a Maryland corporation, Tenant


By: Bethany Hooper
Title: Senior Vice President

STATE OF NEBRASKA)
)ss:
COUNTY OF DOUGLAS)

The foregoing was acknowledged before me, a Notary Public, this 20 day of October, 1999, by Bethany Hooper, Senior Vice President of Supertel Hospitality Management, Inc., a Maryland corporation, on behalf of said corporation.




Notary Public

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EXHIBIT A

LOT 1, EMPIRE PARK REPLAT 6, AN ADMINISTRATIVE SUBDIVISION OF LOT 3 AND THE EAST 145 FEET IN WIDTH OF LOT 4, EMPIRE PARK, AN ADDITION TO THE CITY OF OMAHA, AS SURVEYED, PLATTED AND RECORDED, IN DOUGLAS COUNTY, NEBRASKA, ON OCTOBER 5, 1999 IN BOOK 1311, PAGE 401.