

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31 , 2023

OR

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

For the transition period from _____ to _____

Commission file number: 001-31775

ASHFORD HOSPITALITY TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland

86-1062192

(State or other jurisdiction of incorporation or organization)

(IRS employer identification number)

14185 Dallas Parkway

Suite 1200

Dallas

Texas

75254

(Address of principal executive offices)

(Zip code)

(972) 490-9600

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	AHT	New York Stock Exchange
Preferred Stock, Series D	AHT-PD	New York Stock Exchange
Preferred Stock, Series F	AHT-PF	New York Stock Exchange
Preferred Stock, Series G	AHT-PG	New York Stock Exchange
Preferred Stock, Series H	AHT-PH	New York Stock Exchange
Preferred Stock, Series I	AHT-PI	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐ Yes ☒ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

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 ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files) ☒ Yes ☐ No

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

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 USC. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

As of June 30, 2023, the aggregate market value of 34,255,008 shares of the registrant's common stock held by non-affiliates was approximately \$ 127,771,000 .

As of March 12, 2024, the registrant had 39,625,211 shares of common stock issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

ASHFORD HOSPITALITY TRUST, INC.
YEAR ENDED DECEMBER 31, 2023
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This Annual Report is filed by Ashford Hospitality Trust, Inc., a Maryland corporation (the "Company"). Unless the context otherwise requires, all references to the Company include those entities owned or controlled by the Company. In this report, the terms the "Company," "Ashford Trust," "we," "us" or "our" mean Ashford Hospitality Trust, Inc. and all entities included in its consolidated financial statements.

FORWARD-LOOKING STATEMENTS

Throughout this Annual Report on Form 10-K and documents incorporated herein by reference, we make forward-looking statements that are subject to risks and uncertainties. Forward-looking statements are generally identifiable by use of forward-looking terminology such as "may," "will," "should," "potential," "intend," "expect," "anticipate," "estimate," "approximately," "believe," "could," "project," "predict," or other similar words or expressions. Additionally, statements regarding the following subjects are forward-looking by their nature:

- the factors discussed in this Annual Report under the sections entitled "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business," and "Properties," as updated in our subsequent Quarterly Reports on Form 10-Q and other filings under the Securities Exchange Act of 1934, as amended (the "Exchange Act");
- our business and investment strategy;
- anticipated or expected purchases, sales or dispositions of assets;
- our projected operating results;
- completion of any pending transactions;
- our plan to pay off strategic financing;
- our ability to restructure existing property-level indebtedness;
- our ability to secure additional financing to enable us to operate our business;
- our understanding of our competition;
- projected capital expenditures; and
- the impact of technology on our operations and business.

Such forward-looking statements are based on our beliefs, assumptions, and expectations of our future performance taking into account all information currently known to us. These beliefs, assumptions, and expectations can change as a result of many potential events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity, results of operations, plans, and other objectives may vary materially from those expressed in our forward-looking statements. You should carefully consider this risk when you make an investment decision concerning our securities. Additionally, the following factors could cause actual results to vary from our forward-looking statements:

- the factors discussed in this Annual Report under the sections entitled "Risk Factors," "Legal Proceedings," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business," and "Properties," as updated in our subsequent Quarterly Reports on Form 10-Q and other filings under the Exchange Act;
- changes in interest rates and inflation;
- macroeconomic conditions, such as a prolonged period of weak economic growth and volatility in capital markets;
- uncertainty in the banking sector and market volatility due to the 2023 failures of Silicon Valley Bank, New York Signature Bank and First Republic Bank;
- catastrophic events or geopolitical conditions, such as the conflict between Russia and Ukraine and the more recent Israel-Hamas war;
- extreme weather conditions may cause property damage or interrupt business;
- actions by the lenders of the Oaktree Credit Agreement to foreclose on our assets which are pledged as collateral;
- general volatility of the capital markets and the market price of our common and preferred stock;
- general and economic business conditions affecting the lodging and travel industry;
- changes in our business or investment strategy;
- our ability to successfully pay off our strategic financing on terms favorable to us;
- availability, terms, and deployment of capital;
- unanticipated increases in financing and other costs;
- changes in our industry and the market in which we operate and local economic conditions;
- the degree and nature of our competition;

- actual and potential conflicts of interest with Ashford Hospitality Advisors LLC ("Ashford LLC"), Remington Lodging & Hospitality, LLC ("Remington Hospitality"), Premier Project Management LLC ("Premier"), Braemar Hotels & Resorts Inc. ("Braemar"), our executive officers and our non-independent directors;
- changes in personnel of Ashford LLC or the lack of availability of qualified personnel;
- changes in governmental regulations, accounting rules, tax rates and similar matters;
- legislative and regulatory changes, including changes to the Internal Revenue Code of 1986, as amended (the "Code"), and related rules, regulations and interpretations governing the taxation of real estate investment trusts ("REITs");
- limitations imposed on our business and our ability to satisfy complex rules in order for us to qualify as a REIT for U.S. federal income tax purposes; and
- future sales and issuances of our common stock or other securities might result in dilution and could cause the price of our common stock to decline.

When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this Annual Report on Form 10-K. The matters summarized under "Item 1A. Risk Factors," and elsewhere, could cause our actual results and performance to differ significantly from those contained in our forward-looking statements. Accordingly, we cannot guarantee future results or performance. Readers are cautioned not to place undue reliance on any of these forward-looking statements, which reflect our views as of the date of this Annual Report on Form 10-K. Furthermore, we do not intend to update any of our forward-looking statements after the date of this Annual Report on Form 10-K to conform these statements to actual results and performance, except as may be required by applicable law.

PART I

Item 1. *Business*

GENERAL

Ashford Hospitality Trust, Inc., together with its subsidiaries, is a REIT. While our portfolio currently consists of upscale hotels and upper upscale full-service hotels, our investment strategy is predominantly focused on investing in upper upscale full-service hotels in the United States that have revenue per available room ("RevPAR") generally less than twice the U.S. national average, and in all methods including direct real estate, equity, and debt. We currently anticipate future investments will predominantly be in upper upscale hotels. We own our lodging investments and conduct our business through Ashford Hospitality Limited Partnership ("Ashford Trust OP"), our operating partnership. Ashford OP General Partner LLC, a wholly owned subsidiary of Ashford Trust, serves as the sole general partner of our operating partnership.

Our hotel properties are primarily branded under the widely recognized upscale and upper upscale brands of Hilton, Hyatt, Marriott and Intercontinental Hotel Group. As of December 31, 2023, we held interests in the following assets:

- 90 consolidated hotel properties, which represent 20,549 total rooms;
- Four consolidated operating hotel properties, which represent 405 total rooms owned through a 99.4% ownership interest in Stirling REIT OP, LP ("Stirling OP"), which was formed by Stirling Hotels & Resorts, Inc. ("Stirling Inc.") to acquire and own a diverse portfolio of stabilized income-producing hotels and resorts. See note 4 to our consolidated financial statements;
- one consolidated hotel property under development through a 32.5% owned investment in a consolidated entity;
- 15.1% ownership in OpenKey with a carrying value of \$1.6 million; and
- an investment in an entity that owns the Meritage Resort and Spa and the Grand Reserve at the Meritage (the "Meritage Investment") in Napa, CA, with a carrying value of approximately \$8.4 million.

For U.S. federal income tax purposes, we have elected to be treated as a REIT, which imposes limitations related to operating hotels. As of December 31, 2023, our 90 hotel properties and four Stirling OP hotel properties were leased or owned by our wholly owned or majority owned subsidiaries that are treated as taxable REIT subsidiaries for U.S. federal income tax purposes (collectively, these subsidiaries are referred to as "Ashford TRS"). Ashford TRS then engages third-party or affiliated hotel management companies to operate the hotels under management contracts. Hotel operating results related to these properties are included in the consolidated statements of operations.

We are advised by Ashford LLC, a subsidiary of Ashford Inc., through an advisory agreement. All of the hotel properties in our portfolio are currently asset-managed by Ashford LLC. We do not have any employees. All of the services that might be provided by employees are provided to us by Ashford LLC.

We do not operate any of our hotel properties directly; instead, we contractually engage hotel management companies to operate them for us under management contracts. Remington Hospitality, a subsidiary of Ashford Inc., manages 61 of our 90 hotel properties and three of the four Stirling OP hotel properties. Third-party management companies manage the remaining hotel properties.

Ashford Inc. also provides other products and services to us or our hotel properties through certain entities in which Ashford Inc. has an ownership interest. These products and services include, but are not limited to, design and construction services, debt placement and related services, audio visual services, real estate advisory and brokerage services, insurance policies covering general liability, workers' compensation and business automobile claims, insurance claims services, hypoallergenic premium rooms, broker-dealer and distribution services, mobile key technology and cash management services. See note 17 to our consolidated financial statements.

Mr. Monty J. Bennett is chairman and chief executive officer of Ashford Inc. and, together with his father Mr. Archie Bennett, Jr., as of December 31, 2023, holds a controlling interest in Ashford Inc. As of December 31, 2023, the Bennetts owned approximately 610,261 shares of Ashford Inc. common stock, which represented an approximate 19.0% ownership interest in Ashford Inc., and owned 18,758,600 shares of Ashford Inc. Series D Convertible Preferred Stock, which, along with all unpaid accrued and accumulated dividends thereon, was convertible (at a conversion price of \$117.50 per share) into an additional approximate 4,229,668 shares of Ashford Inc. common stock, which if converted as of December 31, 2023, would have increased the Bennetts' ownership interest in Ashford Inc. to 65.0%. The 18,758,600 shares of Series D Convertible Preferred Stock owned by Mr. Monty J. Bennett and Mr. Archie Bennett, Jr. include 360,000 shares owned by trusts.

Liquidity

As of December 31, 2023, the Company held cash and cash equivalents of \$165.2 million and restricted cash of \$146.3 million (including amounts held for sale). The vast majority of the restricted cash comprises lender and manager held reserves.

BUSINESS STRATEGIES

Based on our primary business objectives and forecasted operating conditions, our current key priorities and financial strategies include, among other things:

- preserving capital and maintaining significant cash and cash equivalents liquidity;
- disposition of non-core hotel properties;
- acquisition of hotel properties, in whole or in part, that we expect will be accretive to our portfolio;
- pursuing capital market activities and implementing strategies to enhance long-term stockholder value;
- accessing cost effective capital, including through the issuance of non-traded preferred securities;
- opportunistically exchanging preferred stock into common stock;
- implementing selective capital improvements designed to increase profitability and maintain the quality of our assets;
- implementing effective asset management strategies to minimize operating costs and increase revenues;
- financing or refinancing hotels on competitive terms;
- modifying or extending property-level indebtedness;
- utilizing hedges, derivatives and other strategies to mitigate risks;
- pursuing opportunistic value-add additions to our hotel portfolio; and
- making other investments or divestitures that our board of directors deems appropriate.

Our current investment strategy is to focus on owning predominantly full-service hotels in the upper upscale segment in domestic markets that have RevPAR generally less than twice the U.S. national average. We believe that as supply, demand, and capital market cycles change, we will be able to shift our investment strategy to take advantage of new lodging-related investment opportunities as they may develop. Our investments may include: (i) direct hotel investments; (ii) mezzanine financing through origination or acquisition; (iii) first mortgage financing through origination or acquisition; (iv) sale-leaseback transactions; and (v) other hospitality transactions.

Our strategy is designed to take advantage of lodging industry conditions and adjust to changes in market circumstances over time. Our assessment of market conditions will determine asset reallocation strategies. While we seek to capitalize on favorable market fundamentals, conditions beyond our control may have an impact on overall profitability, our investment opportunities and our investment returns. We will continue to seek ways to benefit from the cyclical nature of the hotel industry.

To take full advantage of future investment opportunities in the lodging industry, we intend to seek our investment opportunities according to the asset allocation strategies described below. However, due to ongoing changes in market conditions, we will continually evaluate the appropriateness of our investment strategies. Our board of directors may change any or all of these strategies at any time without stockholder approval or notice.

Direct Hotel Investments—In selecting hotels to acquire, we target hotels that offer either a high current return or the opportunity to increase in value through repositioning, capital investments, market-based recovery, or improved management practices. Our direct hotel acquisition strategy primarily targets full-service upscale and upper upscale hotels with RevPAR less than twice the national average in primary, secondary, and resort markets, typically throughout the U.S. and will seek to achieve both current income and appreciation. In addition, we will continue to assess our existing hotel portfolio and make strategic decisions to sell certain under-performing or non-strategic hotels that no longer fit our investment strategy or criteria due to micro or macro market changes or other reasons.

Other Transactions—We may also seek investment opportunities in other lodging-related assets or businesses that offer diversification, attractive risk adjusted returns, and/or capital allocation benefits, including mezzanine financing, first mortgage financing, and/or sale-leaseback transactions.

BUSINESS SEGMENTS

We currently operate in one business segment within the hotel lodging industry: direct hotel investments. A discussion of our operating segment is incorporated by reference from note 24 to our consolidated financial statements set forth in Part II, Item 8. Financial Statements and Supplementary Data.

FINANCING STRATEGY

We often utilize debt to increase equity returns. When evaluating our future level of indebtedness and making decisions regarding the incurrence of indebtedness, we consider a number of factors, including:

- our leverage levels across the portfolio;
- the purchase price of our investments to be acquired with debt financing;
- impact on financial covenants;
- cost of debt;
- loan maturity schedule;
- the estimated market value of our investments upon refinancing;
- the ability of particular investments, and our Company as a whole, to generate cash flow to cover expected debt service; and
- trailing twelve months net operating income of the hotel to be financed.

We may incur debt in the form of purchase money obligations to the sellers of properties, publicly or privately placed debt instruments, or financing from banks, institutional investors, or other lenders. Any such indebtedness may be secured or unsecured by mortgages or other interests in our properties. This indebtedness may be recourse, non-recourse, or cross-collateralized. If recourse, such recourse may include our general assets or be limited to the particular investment to which the indebtedness relates. In addition, we may invest in properties or loans subject to existing loans secured by mortgages or similar liens on the properties, or we may refinance properties acquired on a leveraged basis.

We may use the proceeds from any borrowings for working capital, consistent with industry practice, to:

- purchase interests in partnerships or joint ventures;
- finance the origination or purchase of debt investments; or
- finance acquisitions, expand, redevelop or improve existing properties, or develop new properties or other uses.

In addition, if we do not have sufficient cash available, we may need to borrow to meet taxable income distribution requirements under the Code. No assurances can be given that we will obtain additional financings or, if we do, what the amount and terms will be. Our failure to obtain future financing under favorable terms could adversely impact our ability to execute our business strategy. In addition, we may selectively pursue debt financing on our individual properties and debt investments.

DISTRIBUTION POLICY

No dividends can be paid on our common stock unless and until all accumulated and unpaid dividends on our outstanding preferred stock have been declared and paid or set aside for payment. As of March 12, 2024, the Company had no accumulated unpaid dividends on its outstanding preferred stock. Additionally, under Maryland law and except for an ability to pay a dividend out of current earnings in certain limited circumstances, no dividend (except a dividend in shares of stock) may be declared or paid by a Maryland corporation unless, after giving effect to the dividend, assets will continue to exceed liabilities and the corporation will be able to continue to pay its debts as they become due in the usual course. Maryland law permits these determinations to be made by our board of directors based on either a book value basis or a reasonable fair value basis. As of December 31, 2023, the Company had a deficit in stockholders' equity of approximately \$345.9 million and had not generated current earnings from which a dividend is potentially payable since the year ended December 31, 2015. There is no expectation that a dividend on our common stock can or would be considered or declared at any time in the foreseeable future.

Distributions are authorized by our board of directors and declared by us based upon a variety of factors deemed relevant by our directors. The board of directors will continue to review our distribution policy on at least a quarterly basis. Our ability to pay distributions to our preferred or common stockholders will depend, in part, upon our receipt of distributions from our operating partnership. This, in turn, may depend upon receipt of lease payments with respect to our properties from indirect subsidiaries of our operating partnership, the management of our properties by our hotel managers and general business conditions. Distributions to our stockholders are generally taxable to our stockholders as ordinary income. However, since a portion of our investments are equity ownership interests in hotels, which result in depreciation and non-cash charges against our income, a portion of our distributions may constitute a non-taxable return of capital, to the extent of a stockholder's tax basis in the stock. To the extent that it is consistent with maintaining our REIT status, we may maintain accumulated earnings of Ashford TRS in that entity.

On December 5, 2023, our board of directors reviewed and approved our 2024 dividend policy. We do not anticipate paying any dividends on our outstanding common stock for any quarter during 2024 and expect to pay dividends on our outstanding Preferred Stock (as defined below) during 2024. Declaration of dividends in 2024 on our preferred stock may require a determination by our board of directors, at the time of any determination, that the Company would continue to have positive equity on a fair value basis, among other considerations. Our board of directors will continue to review our dividend policy and make future announcements with respect thereto. We may incur indebtedness to meet distribution requirements imposed on REITs under the Code to the extent that working capital and cash flow from our investments are insufficient to fund required distributions.

Our corporate charter allows us to issue preferred stock with a preference on distributions, such as our 8.45% Series D Cumulative Preferred Stock, par value \$0.01 per share (the "Series D Preferred Stock"), 7.375% Series F Cumulative Preferred Stock, par value \$0.01 per share (the "Series F Preferred Stock"), 7.375% Series G Cumulative Preferred Stock, par value \$0.01 per share (the "Series G Preferred Stock"), 7.50% Series H Cumulative Preferred Stock, par value \$0.01 per share (the "Series H Preferred Stock"), 7.50% Series I Cumulative Preferred Stock, par value \$0.01 per share (the "Series I Preferred Stock"), 8.0% Series J Redeemable Preferred Stock, par value \$0.01 per share (the "Series J Preferred Stock"), Series K Redeemable Preferred Stock, par value \$0.01 per share (the "Series K Preferred Stock,") (together the "Preferred Stock"). The partnership agreement of our operating partnership also allows the operating partnership to issue units with a preference on distributions. The issuance of these series of Preferred Stock and units together with any similar issuance in the future, given the dividend preference on such stock or units, could limit our ability to make a dividend distribution to our common stockholders.

COMPETITION

The hotel industry is highly competitive, and the hotels in which we invest are subject to competition from other hotels for guests. Competition is based on a number of factors, most notably convenience of location, availability of rooms, brand affiliation, price, range of services, guest amenities or accommodations offered, and quality of customer service. Competition is often specific to the individual markets in which our properties are located and includes competition from existing and new hotels. Increased competition could have a material adverse effect on the occupancy rate, average daily room rate and revenue per available room of our hotels or may require us to make capital improvements that we otherwise would not have to make, which may result in decreases in our profitability.

Our principal competitors include other hotel operating companies, ownership companies and national and international hotel brands. We face increased competition from providers of less expensive accommodations, such as select-service hotels or independent owner-managed hotels, during periods of economic downturn when leisure and business travelers become more sensitive to room rates. We also experience competition from alternative types of accommodations such as home sharing companies and apartment operators offering short-term rentals.

EMPLOYEES

We have no employees. Our appointed officers are provided by Ashford LLC, a subsidiary of Ashford Inc. (collectively, our “advisor”). Advisory services which would otherwise be provided by employees are provided by subsidiaries of Ashford Inc. and by our appointed officers. Subsidiaries of Ashford Inc. have approximately 105 full-time employees who provide advisory services to us. These employees directly or indirectly perform various acquisition, development, asset management, capital markets, accounting, tax, risk management, legal, redevelopment, and corporate management functions pursuant to the terms of our advisory agreement.

GOVERNMENTAL REGULATIONS

Our properties are subject to various federal, state and local regulatory laws and requirements, including, but not limited to, the Americans with Disabilities Act of 1990, as amended (the “ADA”), zoning regulations, building codes and land use laws, and building, occupancy and other permit requirements. Noncompliance could result in the imposition of governmental fines or the award of damages to private litigants. While we believe that we are currently in material compliance with these regulatory requirements, the requirements may change or new requirements may be imposed that could require significant unanticipated expenditures by us. Additionally, local zoning and land use laws, environmental statutes, health and safety rules and other governmental requirements may restrict, or negatively impact, our property operations, or expansion, rehabilitation and reconstruction activities and such regulations may prevent us from taking advantage of economic opportunities. Future changes in federal, state or local tax regulations applicable to REITs, real property or income derived from our real estate could impact the financial performance, operations, and value of our properties and the Company.

ENVIRONMENTAL MATTERS

Under various federal, state, and local laws and regulations, an owner or operator of real estate may be liable for the costs of removal or remediation of certain hazardous or toxic substances on such property. These laws often impose liability without regard to whether the owner knew of, or was responsible for, the presence of hazardous or toxic substances. Furthermore, a person who arranges for the disposal of a hazardous substance or transports a hazardous substance for disposal or treatment from property owned by another may be liable for the costs of removal or remediation of hazardous substances released into the environment at that property. The costs of remediation or removal of such substances may be substantial, and the presence of such substances, or the failure to promptly remediate such substances, may adversely affect the owner's ability to sell the affected property or to borrow using the affected property as collateral. In connection with the ownership and operation of our properties, we, our operating partnership, or Ashford TRS may be potentially liable for any such costs. In addition, the value of any lodging property loan we originate or acquire would be adversely affected if the underlying property contained hazardous or toxic substances.

Phase I environmental assessments, which are intended to identify potential environmental contamination for which our properties may be responsible, have been obtained on substantially all of our properties. Such Phase I environmental assessments included:

- historical reviews of the properties;
- reviews of certain public records;
- preliminary investigations of the sites and surrounding properties;
- screening for the presence of hazardous substances, toxic substances, and underground storage tanks; and
- the preparation and issuance of a written report.

Such Phase I environmental assessments did not include invasive procedures, such as soil sampling or ground water analysis. Such Phase I environmental assessments have not revealed any environmental liability that we believe would have a material adverse effect on our business, assets, results of operations, or liquidity, and we are not aware of any such liability. To the extent Phase I environmental assessments reveal facts that require further investigation, we would perform a Phase II environmental assessment. However, it is possible that these environmental assessments will not reveal all environmental liabilities. There may be material environmental liabilities of which we are unaware, including environmental liabilities that may have arisen since the environmental assessments were completed or updated. No assurances can be given that: (i) future laws, ordinances, or regulations will not impose any material environmental liability; or (ii) the current environmental condition of our properties will not be affected by the condition of properties in the vicinity (such as the presence of leaking underground storage tanks) or by third parties unrelated to us.

We believe our properties are in compliance in all material respects with all federal, state, and local ordinances and regulations regarding hazardous or toxic substances and other environmental matters. Neither we nor, to our knowledge, any of

the former owners of our properties have been notified by any governmental authority of any material noncompliance, liability, or claim relating to hazardous or toxic substances or other environmental matters in connection with any of our properties.

INSURANCE

We maintain comprehensive insurance, including liability, property, workers' compensation, rental loss, environmental, terrorism, cybersecurity, directors and officers and, when available on commercially reasonable terms, flood, wind and earthquake insurance, with policy specifications, limits, and deductibles customarily carried for similar properties. Certain types of losses (for example, matters of a catastrophic nature such as global pandemics, acts of war or substantial known environmental liabilities) as well as certain types of coverages previously available under policies set forth above (for example, communicable disease, abuse & molestation coverages previously available under general liability policies) are either uninsurable or require substantial premiums that are not economically feasible to maintain. Certain types of losses, such as those arising from subsidence activity, are insurable only to the extent that certain standard policy exceptions to insurability are waived by agreement with the insurer. We believe, however, that our properties are adequately insured, consistent with industry standards.

FRANCHISE LICENSES

We believe that the public's perception of quality associated with a franchisor can be an important feature in the operation of a hotel. Franchisors provide a variety of benefits for franchisees, which include national advertising, publicity, and other marketing programs designed to increase brand awareness, training of personnel, continuous review of quality standards, and centralized reservation systems.

As of December 31, 2023, our portfolio consisted of 94 consolidated operating hotel properties, 87 of which operated under franchise licenses or brand management agreements, which provided for the right to operate each hotel under the applicable brand. See Item 2 Properties, below for a complete listing of all hotels by brand.

Our management companies, including Remington Hospitality, must operate each hotel pursuant to the terms of the related franchise or brand management agreement and must use their best efforts to maintain the right to operate each hotel pursuant to such terms. In the event of termination of a particular franchise or brand management agreement, our management companies must operate any affected hotels under another franchise or brand management agreement, if any, that we enter into. We anticipate that many of the additional hotels we acquire could be operated under franchise licenses or brand management agreements as well.

Our franchise licenses and brand management agreements generally specify certain management, operational, recordkeeping, accounting, reporting, and marketing standards and procedures with which the franchisee or brand operator must comply, including requirements related to:

- training of operational personnel;
- safety;
- maintaining specified insurance;
- types of services and products ancillary to guestroom services that may be provided;
- display of signage; and
- type, quality, and age of furniture, fixtures, and equipment included in guestrooms, lobbies, and other common areas.

SEASONALITY

Our properties' operations historically have been seasonal as certain properties maintain higher occupancy rates during the summer months, while certain other properties maintain higher occupancy rates during the winter months. This seasonality pattern can cause fluctuations in our quarterly revenue. Quarterly revenue also may be adversely affected by renovations and repositionings, our managers' effectiveness in generating business and by events beyond our control, such as pandemics, extreme weather conditions, natural disasters, terrorist attacks or alerts, civil unrest, government shutdowns, airline strikes or reduced airline capacity, economic factors and other considerations affecting travel. To the extent that cash flows from operations are insufficient during any quarter to enable us to make quarterly distributions to maintain our REIT status due to temporary or seasonal fluctuations in lease revenue, we expect to utilize cash on hand, cash generated through borrowings, and issuances of common stock to fund required distributions. However, we cannot make any assurances that we will make distributions in the future.

ACCESS TO REPORTS AND OTHER INFORMATION

We maintain a website at www.ahltreit.com. On our website, we make available free-of-charge our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and other reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after we electronically file or furnish such material with the Securities and Exchange Commission (the "SEC"). All of our filed reports can also be obtained at the SEC's website at www.sec.gov. In addition, our Code of Business Conduct and Ethics, Code of Ethics for the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, Corporate Governance Guidelines, and Board Committee Charters are also available free-of-charge on our website or can be made available in print upon request.

A description of any substantive amendment or waiver of our Code of Business Conduct and Ethics or our Code of Ethics for the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer will be disclosed on our website under the Corporate Governance section. Any such description will be located on our website for a period of 12 months following the amendment or waiver. We also use our website to distribute company information, and such information may be deemed material. Accordingly, investors should monitor our website, in addition to our press releases, SEC filings and public conference calls and webcasts. The contents of our website are not, however, a part of this report.

Item 1A. Risk Factors

Summary Risk Factors

Our business is subject to a number of risks, including risks that may prevent us from achieving our business objectives or may adversely affect our business, financial condition, results of operations, cash flows, and prospects. These risks are discussed more fully below and include, but are not limited to, risks related to:

- general volatility of the capital markets and the market price of our common stock and preferred stock;
- catastrophic events or geopolitical conditions, such as the conflict between Russia and Ukraine and the more recent Israel-Hamas war;
- availability, terms, and deployment of capital;
- unanticipated increases in financing and other costs, including changes in interest rates or inflation;
- actual and potential conflicts of interest with Ashford Inc. and its subsidiaries (including Ashford LLC, Remington Hospitality and Premier), Braemar, Stirling Inc., our executive officers and our non-independent directors;
- changes in personnel of Ashford LLC or the lack of availability of qualified personnel;
- changes in governmental regulations, accounting rules, tax rates and similar matters;
- legislative and regulatory changes, including changes to the Code, and related rules, regulations and interpretations governing the taxation of real estate investment trusts;
- limitations imposed on our business and our ability to satisfy complex rules in order for us to qualify as a REIT for U.S. federal income tax purposes; and
- future sales and issuances of our common stock or other securities might result in dilution and could cause the price of our common stock to decline.

RISKS RELATED TO OUR BUSINESS

A financial crisis, economic slowdown, pandemic or epidemic or other economically disruptive event may harm the operating performance of the hotel industry generally. If such events occur, we may be harmed by declines in occupancy, average daily room rates and/or other operating revenues.

The performance of the lodging industry has been closely linked with the performance of the general economy and, specifically, growth in the U.S. gross domestic product. A majority of our hotels are classified as upscale and upper upscale. In an economic downturn, these types of hotels may be more susceptible to a decrease in revenue, as compared to hotels in other categories that have lower room rates. This characteristic may result from the fact that upscale and upper upscale hotels generally target business and high-end leisure travelers. In periods of economic difficulties or concerns with respect to communicable disease, business and leisure travelers may seek to reduce travel costs and/or health risks by limiting travel or seeking to reduce costs on their trips. Any economic recession will likely have an adverse effect on us.

Economic conditions in the United States could have a material adverse impact on our earnings and financial condition.

Our business could be adversely affected by unstable economic and political conditions within the United States and foreign jurisdictions and geopolitical conflicts, such as the conflict between Russia and Ukraine and the more recent Israel-

Hamas war. Because economic conditions in the United States may affect demand within the hospitality industry, current and future economic conditions in the United States, including slower growth, stock market volatility and recession fears, could have a material adverse impact on our earnings and financial condition. Economic conditions may be affected by numerous factors, including but not limited to, the pace of economic growth and/or recessionary concerns, inflation, increases in the levels of unemployment, energy prices, changes in currency exchange rates, uncertainty about government fiscal and tax policy, geopolitical events, the regulatory environment and the availability of credit and interest rates.

Our cash, cash equivalents and investments could be adversely affected if the financial institutions in which we hold our cash, cash equivalents and investments fail.

We regularly maintain cash balances at third-party financial institutions in excess of the Federal Deposit Insurance Corporation (the "FDIC") insurance limit. The FDIC took control and was appointed receiver of Silicon Valley Bank, New York Signature Bank and First Republic Bank on March 10, 2023, March 12, 2023 and May 1, 2023, respectively. The Company does not have any direct exposure to Silicon Valley Bank, New York Signature Bank or First Republic Bank. However, if other banks and financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, our ability to access our existing cash, cash equivalents and investments may be threatened and could have a material adverse effect on our business and financial condition.

The hotel industry is highly competitive and the hotels in which we invest are subject to competition from other hotels for guests.

The hotel business is highly competitive. Our hotel properties will compete on the basis of location, brand, room rates, quality, amenities, reputation and reservations systems, among many factors. There are many competitors in the hotel industry, and many of these competitors may have substantially greater marketing and financial resources than we have. This competition could reduce occupancy levels and rooms revenue at our hotels. Over-building in the lodging industry may increase the number of rooms available and may decrease occupancy and room rates. In addition, in periods of weak demand, as may occur during a general economic recession, profitability is negatively affected by the fixed costs of operating hotels. We also face competition from services such as home sharing companies and apartment operators offering short-term rentals.

We did not pay dividends on our common stock in fiscal year 2023. We do not expect to pay dividends on our common stock for the foreseeable future.

We did not pay dividends on our common stock in fiscal year 2023. We do not expect to pay dividends on our common stock for the foreseeable future. We do not anticipate paying any dividends on our outstanding common stock for any quarter during 2024. The board of directors will continue to review our dividend policy and make future announcements with respect thereto.

Under Maryland law and except for an ability to pay a dividend out of current earnings in certain limited circumstances, no dividend (except a dividend in shares of stock) may be declared or paid by a Maryland corporation unless, after giving effect to the dividend, assets will continue to exceed liabilities and the corporation will be able to continue to pay its debts as they become due in the usual course. Maryland law permits these determinations to be made by our board of directors based on either a book value basis or a reasonable fair value basis. As of December 31, 2023, the Company had a deficit in stockholders' equity of approximately \$345.9 million and had not generated current earnings from which a dividend is potentially payable since the year ended December 31, 2015. There is no expectation that a dividend on common stock can or would be considered or declared at any time in the foreseeable future.

Because we depend upon our advisor and its affiliates to conduct our operations, any adverse changes in the financial condition of our advisor or its affiliates or our relationship with them could hinder our operating performance.

We depend on our advisor or its affiliates to manage our assets and operations. Any adverse changes in the financial condition of our advisor or its affiliates or our relationship with them could hinder their ability to manage us and our operations successfully.

We depend on our advisor's key personnel with longstanding business relationships. The loss of our advisor's key personnel could threaten our ability to operate our business successfully.

Our future success depends, to a significant extent, upon the continued services of our advisor's management team and the extent and nature of the relationships they have developed with hotel franchisors, operators, and owners and hotel lending and other financial institutions. The loss of services of one or more members of our advisor's management team could harm our business and our prospects.

We do not have any employees, and rely on our hotel managers to employ the personnel required to operate the hotels we own. As a result, we cannot control staffing at our hotels than we would if we employed such personnel directly.

We do not have any employees. We contractually engage hotel managers, such as Marriott, Hilton, Hyatt and our affiliate, Remington Hospitality, which is owned by Ashford Inc., to operate, and to employ the personnel required to operate our hotels. The hotel manager is required under the applicable hotel management agreement to determine appropriate staffing levels; we are required to reimburse the applicable hotel manager for the cost of these employees. As a result, we are dependent on our hotel managers to make appropriate staffing decisions and to appropriately reduce staffing when market conditions are poor, and we cannot reduce staffing at our hotels as we would if we employed such personnel directly. As a result, our hotels may be staffed at a level higher than we would choose if we employed the personnel required to operate the hotels. In addition, we may be less likely to take aggressive actions (such as delaying payments owed to our hotel managers) in order to influence the staffing decisions made by Remington Hospitality, which is our affiliate.

We are required to make minimum base advisory fee payments to our advisor, Ashford Inc., under our advisory agreement, which must be paid even if our total market capitalization and performance decline. Similarly, we are required to make minimum base hotel management fee payments under our hotel management agreements with Remington Hospitality, a subsidiary of Ashford Inc., which must be paid even if revenues at our hotels decline significantly.

Pursuant to the advisory agreement between us and our advisor, we must pay our advisor on a monthly basis a base advisory fee (based on our total market capitalization and the amount of sold assets) subject to a minimum base advisory fee. The minimum base advisory fee is equal to the greater of (i) 90% of the base fee paid for the same month in the prior fiscal year; and (ii) 1/12th of the "G&A Ratio" for the most recently completed fiscal quarter multiplied by our total market capitalization on the last balance sheet date included in the most recent quarterly report on Form 10-Q or annual report on Form 10-K that we file with the SEC. Thus, even if our total market capitalization and performance decline, we will still be required to make monthly payments to our advisor equal to the minimum base advisory fee, which could adversely impact our liquidity and financial condition. As described further in our filings with the SEC, the independent members of the board of directors of Ashford Inc. provided the Company a deferral on the payment of certain fees and expenses with respect to the months of October 2020, November 2020, December 2020 and January 2021 payable under the advisory agreement such that all such fees would be due and payable on the earlier of (x) January 18, 2021 and (y) immediately prior to the closing of the Oaktree Credit Agreement. The foregoing payment was due and payable on January 11, 2021. Additionally, the independent members of the board of directors of Ashford Inc. waived any claim against the Company and the Company's affiliates and each of their officers and directors for breach of the advisory agreement or any damages that may have arisen in absence of such fee deferral. In accordance with the terms of the previously disclosed deferrals, the Company paid Ashford Inc. \$14.4 million on January 11, 2021, immediately prior to the closing of the Oaktree Credit Agreement. There can be no assurances that Ashford Inc. will grant similar deferrals in the future.

Similarly, pursuant to our hotel management agreement with Remington Hospitality, a subsidiary of Ashford Inc., we pay Remington Hospitality monthly base hotel management fees on a per hotel basis equal to the greater of approximately \$17,000 (increased annually based on consumer price index adjustments) or 3% of gross revenues. As a result, even if revenues at our hotels decline significantly, we will still be required to make minimum monthly payments to Remington Hospitality equal to approximately \$17,000 per hotel (increased annually based on consumer price index adjustments), which could adversely impact our liquidity and financial condition.

Our joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on a co-venturer's financial condition and disputes between us and our co-venturers.

We have in the past and may continue to co-invest with third parties through partnerships, joint ventures or other entities, acquiring controlling or non-controlling interests in, or sharing responsibility for, managing the affairs of a property, partnership, joint venture or other entity. In such event, we may not be in a position to exercise sole decision-making authority regarding the property, partnership, joint venture or other entity. Investments in partnerships, joint ventures or other entities may, under certain circumstances, involve risks not present were a third party not involved, including the possibility that partners or co-venturers might become bankrupt, suffer a deterioration in their financial condition or fail to fund their share of required capital contributions. Partners or co-venturers may have economic or other business interests or goals that are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our policies or objectives. Such investments may also have the potential risk of impasses on decisions, such as a sale, budgets, or financing, if neither we nor the partner or co-venturer has full control over the partnership or joint venture. Disputes between us and partners or co-venturers may result in litigation or arbitration that would increase our expenses and prevent our officers or directors from focusing their time and effort on our business. Consequently, actions by, or disputes with, partners or co-venturers might result in subjecting properties owned by the partnership or joint venture to additional risk. In addition, we may in certain circumstances be liable for the actions of our third-party partners or co-venturers.

Our business strategy depends on our continued growth. We may fail to integrate recent and additional investments into our operations or otherwise manage our future growth, which may adversely affect our operating results.

We cannot assure you that we will be able to adapt our management, administrative, accounting, and operational systems, or our advisor will be able to hire and retain sufficient operational staff to successfully integrate and manage any future acquisitions of additional assets without operating disruptions or unanticipated costs. Acquisitions of any property or additional portfolios of properties could generate additional operating expenses for us. Any future acquisitions may also require us to enter into property improvement plans that will increase our use of cash and could disrupt performance. As we acquire additional assets, we will be subject to the operational risks associated with owning those assets. Our failure to successfully integrate any future acquisitions into our portfolio could have a material adverse effect on our results of operations and financial condition and our ability to pay dividends to our stockholders.

Because our board of directors and our advisor have broad discretion to make future investments, we may make investments that result in returns that are substantially below expectations or that result in net operating losses.

Our board of directors and our advisor have broad discretion, within the investment criteria established by our board of directors, to make additional investments and to determine the timing of such investments. In addition, our investment policies may be revised from time to time at the discretion of our board of directors, without a vote of our stockholders, including with respect to our dividend policies on our common and preferred stock. Such discretion could result in investments with returns inconsistent with expectations.

Hotel franchise or license requirements or the loss of a franchise could adversely affect us.

We must comply with operating standards, terms, and conditions imposed by the franchisors of the hotel brands under which our hotels operate. Franchisors periodically inspect their licensed hotels to confirm adherence to their operating standards. The failure of a hotel to maintain standards could result in the loss or cancellation of a franchise license. With respect to operational standards, we rely on our hotel managers to conform to such standards. At times we may not be in compliance with such standards. Franchisors may also require us to make certain capital improvements to maintain the hotel in accordance with system standards, the cost of which can be substantial. It is possible that a franchisor could condition the continuation of a franchise based on the completion of capital improvements that our advisor or board of directors determines is not economically feasible in light of general economic conditions, the operating results or prospects of the affected hotel or other circumstances. In that event, our advisor or board of directors may elect to allow the franchise to lapse or be terminated, which could result in a termination charge as well as a change in brand franchising or operation of the hotel as an independent hotel. In addition, when the term of a franchise expires, the franchisor has no obligation to issue a new franchise.

The loss of a franchise could have a material adverse effect on the operations and/or the underlying value of the affected hotel because of the loss of associated name recognition, marketing support and centralized reservation systems provided by the franchisor.

We may be unable to identify additional investments that meet our investment criteria or to acquire the properties we have under contract.

We cannot assure you that we will be able to identify real estate investments that meet our investment criteria, that we will be successful in completing any investment we identify, or that any investment we complete will produce a return on our investment. Moreover, we have broad authority to invest in any real estate investments that we may identify in the future. We also cannot assure you that we will acquire properties we currently have under firm purchase contracts, if any, or that the acquisition terms we have negotiated will not change.

Our investments are concentrated in particular segments of a single industry.

Nearly all of our business is hotel related. Our current strategy is predominantly to acquire upper upscale hotels, as well as when conditions are favorable to acquire first mortgages on hotel properties, invest in other mortgage-related instruments such as mezzanine loans to hotel owners and operators, and participate in hotel sale-leaseback transactions. Adverse conditions in the hotel industry will have a material adverse effect on our operating and investment revenues and cash available for distribution to our stockholders.

Our reliance on Remington Hospitality, a subsidiary of Ashford Inc., and on third party hotel managers to operate our hotels and for a substantial majority of our cash flow may adversely affect us.

Because U.S. federal income tax laws restrict REITs and their subsidiaries from operating or managing hotels, third parties must operate our hotels. A REIT may lease its hotels to taxable REIT subsidiaries in which the REIT can own up to a 100%

interest. A taxable REIT subsidiary ("TRS") pays corporate-level income tax and may retain any after-tax income. A REIT must satisfy certain conditions to use the TRS structure. One of those conditions is that the TRS must hire, to manage the hotels, an "eligible independent contractor" ("EIC") that is actively engaged in the trade or business of managing hotels for parties other than the REIT. An EIC cannot (i) own more than 35% of the REIT, (ii) be owned more than 35% by persons owning more than 35% of the REIT, or (iii) provide any income to the REIT (i.e., the EIC cannot pay fees to the REIT, and the REIT cannot own any debt or equity securities of the EIC). Accordingly, while we may lease hotels to a TRS that we own, the TRS must engage a third-party operator to manage the hotels. Thus, our ability to direct and control how our hotels are operated is less than if we were able to manage our hotels directly.

As of December 31, 2023, we have entered into management agreements with Remington Hospitality, a subsidiary of Ashford Inc., to manage 61 of our 90 hotel properties and three of the four Stirling OP hotel properties. We have hired unaffiliated third-party hotel managers to manage our remaining properties. We do not supervise any of the hotel managers or their respective personnel on a day-to-day basis, and we cannot assure you that the hotel managers will manage our properties in a manner that is consistent with their respective obligations under the applicable management agreement or our obligations under our hotel franchise agreements. We also cannot assure you that our hotel managers will not be negligent in their performance, will not engage in criminal or fraudulent activity, or will not otherwise default on their respective management obligations to us. If any of the foregoing occurs, our relationships with any franchisors may be damaged, we may be in breach of our franchise agreement, and we could incur liabilities resulting from loss or injury to our property or to persons at our properties. In addition, from time to time, disputes may arise between us and our third-party managers regarding their performance or compliance with the terms of the hotel management agreements, which in turn could adversely affect us. We generally will attempt to resolve any such disputes through discussions and negotiations; however, if we are unable to reach satisfactory results through discussions and negotiations, we may choose to terminate our management agreement, litigate the dispute or submit the matter to third-party dispute resolution, the expense of which may be material and the outcome of which may adversely affect us.

Our cash flow from the hotels may be adversely affected if our managers fail to provide quality services and amenities or if they or their affiliates fail to maintain a quality brand name. In addition, our managers or their affiliates may manage, and in some cases may own, invest in or provide credit support or operating guarantees, to hotels that compete with hotel properties that we own or acquire, which may result in conflicts of interest and decisions regarding the operation of our hotels that are not in our best interests. Any of these circumstances could adversely affect us.

Our management agreements could adversely affect our sale or financing of hotel properties.

We have entered into management agreements, and acquired properties subject to management agreements, that do not allow us to replace hotel managers on relatively short notice or with limited cost or contain other restrictive covenants, and we may enter into additional such agreements or acquire properties subject to such agreements in the future. For example, the terms of a management agreement may restrict our ability to sell a property unless the purchaser is not a competitor of the manager, assumes the management agreement and meets other conditions. Also, the terms of a long-term management agreement encumbering our property may reduce the value of the property. When we enter into or acquire properties subject to any such management agreements, we may be precluded from taking actions in our best interest and could incur substantial expense as a result of the agreements.

If we cannot obtain additional capital, our growth will be limited.

We are required to distribute to our stockholders at least 90% of our REIT taxable income, excluding net capital gains, each year to maintain our qualification as a REIT. As a result, our retained earnings available to fund acquisitions, development, or other capital expenditures are nominal. As such, we rely upon the availability of additional debt or equity capital to fund these activities. Our long-term ability to grow through acquisitions or development, which is an important strategy for us, will be limited if we cannot obtain additional financing or equity capital. Market conditions may make it difficult to obtain financing or equity capital, and we cannot assure you that we will be able to obtain additional debt or equity financing or that we will be able to obtain it on favorable terms.

We compete with other hotels for guests and face competition for acquisitions and sales of hotel properties and of desirable debt investments.

The hotel business is competitive. Our hotels compete on the basis of location, room rates, quality, service levels, amenities, loyalty programs, reputation and reservation systems, among many other factors. New hotels may be constructed and these additions to supply create new competitors, in some cases without corresponding increases in demand for hotel rooms. The result in some cases may be lower revenue, which would result in lower cash available to meet debt service obligations, operating expenses and requisite distributions to our stockholders.

We compete for hotel acquisitions with entities that have similar investment objectives as we do. This competition could limit the number of suitable investment opportunities offered to us. It may also increase the bargaining power of property owners seeking to sell to us, making it more difficult for us to acquire new properties on attractive terms or on the terms contemplated in our business plan. In addition, we compete to sell hotel properties. Availability of capital, the number of hotels available for sale and market conditions all affect prices. We may not be able to sell hotel assets at our targeted price.

We may also compete for mortgage asset investments with numerous public and private real estate investment vehicles, such as mortgage banks, pension funds, other REITs, institutional investors, and individuals. Mortgages and other investments are often obtained through a competitive bidding process. In addition, competitors may seek to establish relationships with the financial institutions and other firms from which we intend to purchase such assets. Competition may result in higher prices for mortgage assets, lower yields, and a narrower spread of yields over our borrowing costs.

Some of our competitors are larger than us, may have access to greater capital, marketing, and other financial resources, may have personnel with more experience than our officers, may be able to accept higher levels of debt or otherwise may tolerate more risk than us, may have better relations with hotel franchisors, sellers or lenders, and may have other advantages over us in conducting certain business and providing certain services.

We face risks related to changes in the domestic and global political and economic environment, including capital and credit markets.

Our business may be impacted by domestic and global economic conditions. Political crises in the U.S. and other international countries or regions, including sovereign risk related to a deterioration in the creditworthiness or a default by local governments, may negatively affect global economic conditions and our business. If the U.S. or global economy experiences volatility or significant disruptions, such disruptions or volatility could hurt the U.S. economy and our business could be negatively impacted by reduced demand for business and leisure travel related to a slowdown in the general economy, by disruptions resulting from credit markets, higher operating costs and by liquidity issues resulting from an inability to access credit markets to obtain cash to support operations.

We are increasingly dependent on information technology, and cyber-attacks, security problems or other disruption and expanding social media vehicles present new risks.

Ashford LLC and our hotel managers rely on information technology networks and systems, including the Internet, to process, transmit and store electronic information, and to manage or support a variety of business processes, including financial transactions and records, personal identifying information, reservations, billing and operating data. The collection and use of personally identifiable information is governed by federal and state laws and regulations. Privacy and information security laws continue to evolve and may be inconsistent from one jurisdiction to another. Compliance with all such laws and regulations may increase the Company's operating costs and adversely impact the Company's ability to market the Company's properties and services.

Ashford LLC and our hotel managers may purchase some of our information technology from vendors, on whom our systems will depend, and Ashford LLC relies on commercially available systems, software, tools and monitoring to provide security for processing, transmission and storage of confidential operator and other customer information. We depend upon the secure transmission of this information over public networks. Ashford LLC's and hotel managers' networks and storage applications could be subject to unauthorized access by hackers or others through cyber-attacks, which are rapidly evolving and becoming increasingly sophisticated, or by other means, or may be breached due to operator error, malfeasance or other system disruptions. During the quarter ended September 30, 2023, we had a cyber incident that resulted in the potential exposure of certain employee personal information. We have completed an investigation and have identified certain employee information that may have been exposed, but we have not identified that any customer information was exposed. All systems have been restored. Privacy and information security risks have generally increased in recent years because of the proliferation of new technologies, such as ransomware, and the increased sophistication and activities of perpetrators of cyber-attacks. Further, there has been a surge in widespread cyber-attacks during and since the COVID-19 pandemic, and the use of remote work environments and virtual platforms may increase our risk of cyber-attack or data security breaches. In light of the increased risks, including due to the increased remote access associated with work-from-home arrangements as a result of the COVID-19 pandemic, Ashford LLC has dedicated additional resources on our behalf to strengthen the security of our computer systems. In the future, Ashford LLC may expend additional resources on our behalf to continue to enhance our information security measures and/or to investigate and remediate any information security vulnerabilities. Despite these steps, there can be no assurance that we will not suffer a significant data security incident in the future, that unauthorized parties will not gain access to sensitive data stored on our systems or that any such incident will be discovered in a timely manner.

In addition, the use of social media could cause us to suffer brand damage or information leakage. Negative posts or comments about us, our hotel managers or our hotels on any social networking website could damage our or our hotels' reputations. In addition, employees or others might disclose non-public sensitive information relating to our business through external media channels. The continuing evolution of social media will present us with new challenges and risks.

Changes in laws, regulations, or policies may adversely affect our business.

The laws and regulations governing our business or the regulatory or enforcement environment at the federal level or in any of the states in which we operate may change at any time and may have an adverse effect on our business. We are unable to predict how this or any other future legislative or regulatory proposals or programs will be administered or implemented or in what form, or whether any additional or similar changes to statutes or regulations, including the interpretation or implementation thereof, will occur in the future. Any such action could affect us in substantial and unpredictable ways and could have an adverse effect on our results of operations and financial condition. Our inability to remain in compliance with regulatory requirements in a particular jurisdiction could have a material adverse effect on our operations in that market and on our reputation generally. No assurance can be given that applicable laws or regulations will not be amended or construed differently or that new laws and regulations will not be adopted, either of which could materially adversely affect our business, financial condition or results of operations.

We may experience losses caused by severe weather conditions or natural disasters.

Our properties are susceptible to extreme weather conditions, which may cause property damage or interrupt business, which could harm our business and results of operations. Certain of our hotels are located in areas that may be subject to extreme weather conditions, including, but not limited to, hurricanes, floods, tornados and winter storms in the United States. Such extreme weather conditions may interrupt our operations, damage our hotels, and reduce the number of guests who visit our hotels in such areas. In addition, our operations could be adversely impacted by a drought or other cause of water shortage. A severe drought of extensive duration experienced in California or in the other regions in which we operate or source critical supplies could adversely affect our business. Over time, these conditions could result in declining hotel demand, significant damage to our properties or our inability to operate the affected hotels at all.

We believe that our properties are adequately insured, consistent with industry standards, to cover reasonably anticipated losses that may be caused by hurricanes, earthquakes, tornados, floods and other severe weather conditions and natural disasters. Nevertheless, we are subject to the risk that such insurance will not fully cover all losses and, depending on the severity of the event and the impact on our properties, such insurance may not cover a significant portion of the losses including but not limited to the costs associated with evacuation. These losses may lead to an increase in our cost of insurance, a decrease in our anticipated revenues from an affected property or a loss of all or a portion of the capital we have invested in an affected property. In addition, we may not purchase insurance under certain circumstances if the cost of insurance exceeds, in our judgment, the value of the coverage relative to the risk of loss.

RISKS RELATED TO OUR DEBT FINANCING

We have a significant amount of debt, and our organizational documents have no limitation on the amount of additional indebtedness that we may incur in the future.

On January 15, 2021, the Company and Ashford Trust OP entered into the Oaktree Credit Agreement with Oaktree and the Administrative Agent. As of December 31, 2023, our outstanding indebtedness consists of our \$183.1 million senior secured credit facility and approximately \$3.2 billion in property-level debt, including approximately \$3.1 billion of variable interest rate debt. On March 11, 2024, we entered into Amendment No. 3 to the Oaktree Credit Agreement which did not result in us incurring additional indebtedness or increasing our borrowing capacity under the facility but which, among other items, (i) extends the Oaktree Credit Agreement to January 15, 2026, (ii) removes the \$50 million minimum cash requirement, (iii) removes the 3% increase in the interest rate if cash is below \$100 million, (iv) removes the provision in which a default under mortgage indebtedness is a default under the Oaktree Credit Agreement, (v) increases the interest rate by 3.5% if the principal balance is not less than \$100 million as of September 30, 2024 or not fully repaid by March 31, 2025, (vi) terminates all "delayed draw" term loan commitments and the unused fees thereon, (vii) provides for a mandatory prepayment of the Oaktree Credit Agreement at the end of each calendar quarter in the amount by which unrestricted cash exceeds \$75 million for the first three quarters of 2024, \$50 million for the fourth quarter of 2024, and \$25 million for each quarter thereafter, (viii) provides for a mandatory prepayment of the Oaktree Credit Agreement in an amount equal to 50% of all net proceeds raised from the issuance of equity, including non-traded preferred stock (increased to 100% of such net proceeds if the principal balance is not less than \$100 million as of September 30, 2024 or not fully repaid by March 31, 2025), (ix) removes the option to pay the exit fee in the form of common stock warrants, (x) requires the exit fee to be paid in the form of a 15% cash exit fee (payable entirely in cash), which exit fee shall be reduced to 12.5% if the Oaktree Credit Agreement is repaid on or before September 30,

2024, (xi) requires the Company to use commercially reasonable efforts to sell fifteen specified hotels, (xii) if the principal balance is not less than \$100 million as of September 30, 2024 or not fully repaid by March 31, 2025, requires the Company to sell eight specified hotels at a minimum sales price within six months, with the net sales proceeds to be applied as a prepayment of the Oaktree Credit Agreement, (xiii) requires the Company to use commercially reasonable efforts to refinance the Renaissance Nashville hotel property, and (xiv) limits the Company's ability to perform discretionary capital expenditures. We may also incur additional variable rate debt. In the future, we may incur additional indebtedness to finance future hotel acquisitions, capital improvements and development activities and other corporate purposes.

A substantial level of indebtedness could have adverse consequences for our business, results of operations and financial position because it could, among other things:

- require us to dedicate a substantial portion of our cash flow from operations to make principal and interest payments on our indebtedness, thereby reducing our cash flow available to fund working capital, capital expenditures and other general corporate purposes, including to pay dividends on our common stock and our Preferred Stock as currently contemplated or necessary to satisfy the requirements for qualification as a REIT;
- increase our vulnerability to general adverse economic and industry conditions and limit our flexibility in planning for, or reacting to, changes in our business and our industry;
- limit our ability to borrow additional funds or refinance indebtedness on favorable terms or at all to expand our business or ease liquidity constraints; and
- place us at a competitive disadvantage relative to competitors that have less indebtedness.

Our Charter and bylaws do not limit the amount or percentage of indebtedness that we may incur, and we are subject to risks normally associated with debt financing. Generally, our mortgage debt carries maturity dates or call dates such that the loans become due prior to their full amortization. It may be difficult to refinance or extend the maturity of such loans on terms acceptable to us, or at all, and we may not have sufficient borrowing capacity on our senior secured credit facility to repay any amounts that we are unable to refinance. Although we believe that we will be able to refinance or extend the maturity of these loans, or will have the capacity to repay them, if necessary, using draws under our senior secured credit facility, there can be no assurance that our senior secured credit facility will be available to repay such maturing debt, as draws under our senior secured credit facility are subject to limitations based upon our unencumbered assets and certain financial covenants. These conditions could adversely affect our financial position, results of operations, and cash flows or the market price of our stock.

Higher interest rates have increased our debt payments and such debt payments may remain high.

As of December 31, 2023, our outstanding indebtedness consists of our \$183.1 million senior secured credit facility and approximately \$3.2 billion in property-level debt, including approximately \$3.1 billion of variable interest rate debt. Higher interest rates in the past few years have negatively impacted nearly all commercial real estate managers, including the Company. Higher interest rates have increased our interest costs on our variable-rate debt and could increase interest expense on any future fixed rate debt we may incur, and interest we pay reduces our cash available for distributions, expansion, working capital and other uses. Moreover, periods of rising interest rates heighten the risks described immediately above under "We have a significant amount of debt, and our organizational documents have no limitation on the amount of additional indebtedness that we may incur in the future."

If we default on our senior secured credit facility with entities managed by Oaktree, the lenders may foreclose on our assets which are pledged as collateral.

Substantially all of our assets have been pledged as collateral in the Oaktree Credit Agreement with lending entities managed by Oaktree. If we default on the Oaktree Credit Agreement or do not meet our covenants thereunder, Oaktree will be able to foreclose on its collateral under the Oaktree Credit Agreement, which would have a material adverse effect on our business and operations. Additionally, under the Oaktree Credit Agreement, a "Change of Control" shall occur in the event, among other items, during any period of 12 consecutive months, a majority of the members of the board of directors ceases to be composed of individuals (i) who were members of that board of directors on the first day of such period, (ii) whose election or nomination to that board of directors was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board of directors or (iii) whose election or nomination to that board of directors was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board of directors. If there is a "Change of Control," Oaktree shall have the option to cause the Company to prepay all or any portion of the outstanding loans, together with a potential premium of 1% of the principal amount.

We may enter into other transactions which could further exacerbate the risks to our financial condition. The use of debt to finance future acquisitions could restrict operations, inhibit our ability to grow our business and revenues, and negatively affect our business and financial results.

We intend to incur additional debt in connection with future hotel acquisitions. We may, in some instances, borrow under our senior secured credit facility or borrow new funds to acquire hotels. In addition, we may incur mortgage debt by obtaining loans secured by a portfolio of some or all of the hotels that we own or acquire. If necessary or advisable, we also may borrow funds to make distributions to our stockholders to maintain our qualification as a REIT for U.S. federal income tax purposes. To the extent that we incur debt in the future and do not have sufficient funds to repay such debt at maturity, it may be necessary to refinance the debt through debt or equity financings, which may not be available on acceptable terms or at all and which could be dilutive to our stockholders. If we are unable to refinance our debt on acceptable terms or at all, we may be forced to dispose of hotels at inopportune times or on disadvantageous terms, which could result in losses. To the extent we cannot meet our future debt service obligations, we will risk losing to foreclosure some or all of our hotels that may be pledged to secure our obligation.

Covenants, “cash trap” provisions or other terms in our mortgage loans and our senior secured credit facility, as well as any future credit facility, could limit our flexibility and adversely affect our financial condition or our qualification as a REIT.

Some of our loan agreements and our senior secured credit facility contain financial and other covenants. If we violate covenants in any debt agreements, we could be required to repay all or a portion of our indebtedness before maturity at a time when we might be unable to arrange financing for such repayment on attractive terms, if at all. Violations of certain debt covenants may also prohibit us from borrowing unused amounts under our lines of credit, even if repayment of some or all the borrowings is not required. In addition, financial covenants under our current or future debt obligations could impair our planned business strategies by limiting our ability to borrow beyond certain amounts or for certain purposes.

Some of our loan agreements also contain cash trap provisions that are triggered if the performance of our hotels decline. When these provisions are triggered, substantially all of the profit generated by our hotels is deposited directly into lockbox accounts and then swept into cash management accounts for the benefit of our various lenders. Cash is not distributed to us at any time after the cash trap provisions have been triggered until we have cured performance issues. This could affect our liquidity and our ability to make distributions to our stockholders. If we are not able to make distributions to our stockholders, we may not qualify as a REIT. As of December 31, 2023, 26 of our hotels are in cash traps.

There is refinancing risk associated with our debt.

We finance our long-term growth and liquidity needs with debt financings having staggered maturities, and use variable-rate debt or a mix of fixed and variable-rate debt as appropriate based on favorable interest rates, principal amortization and other terms. In the event that we do not have sufficient funds to repay the debt at the maturity of these loans, we will need to refinance this debt. If the credit environment is constrained at the time of our debt maturities, we would have a very difficult time refinancing debt. When we refinance our debt, prevailing interest rates and other factors may result in paying a greater amount of debt service, which will adversely affect our cash flow, and, consequently, our cash available for distribution to our stockholders. If we are unable to refinance our debt on acceptable terms, we may be forced to choose from a number of unfavorable options. These options include agreeing to otherwise unfavorable financing terms on one or more of our unencumbered assets, selling one or more hotels on disadvantageous terms, including unattractive prices or defaulting on the mortgage and permitting the lender to foreclose. Any one of these options could have a material adverse effect on our business, financial condition, results of operations and our ability to make distributions to our stockholders. If we sell a hotel, the required loan repayment may exceed the sale proceeds.

Our hedging strategies may not be successful in mitigating our risks associated with interest rates and could reduce the overall returns on an investment in our Company.

We may use various financial instruments, including derivatives, to provide a level of protection against interest rate increases and other risks, but no hedging strategy can protect us completely. These instruments involve risks, such as the risk that the counterparties may fail to honor their obligations under these arrangements, that these arrangements may not be effective in reducing our exposure to interest rate changes or other risks and that a court could rule that such agreements are not legally enforceable. These instruments may also generate income that may not be treated as qualifying REIT income. In addition, the nature and timing of hedging transactions may influence the effectiveness of our hedging strategies. Poorly designed strategies or improperly executed transactions could actually increase our risk and losses. Moreover, hedging strategies involve transaction and other costs. We cannot assure you that our hedging strategy and the instruments that we use

will adequately offset the risk of interest rate volatility or other risks or that our hedging transactions will not result in losses that may reduce the overall return on your investment.

We may not be able to raise capital through financing activities and may have difficulties negotiating with lenders in times of distress due to our complex structure and property-level indebtedness.

Substantially all of our assets are encumbered by property-level indebtedness; therefore, we may be limited in our ability to raise additional capital through property-level or other financings. In addition, our ability to raise additional capital could be limited to refinancing existing secured mortgages before their maturity date which may result in yield maintenance or other prepayment penalties to the extent that the mortgage is not open for prepayment at par. Due to these limitations on our ability to raise additional capital, we may face difficulties obtaining liquidity and negotiating with lenders in times of distress.

RISKS RELATED TO HOTEL INVESTMENTS

We are subject to general risks associated with operating hotels.

We own hotel properties, which have different economic characteristics than many other real estate assets, and a hotel REIT is structured differently than many other types of REITs. A typical office property, for example, has long-term leases with third-party tenants, which provide a relatively stable long-term revenue stream. Hotels, on the other hand, generate revenue from guests who typically stay at the hotel for only a few nights, which causes the room rate and occupancy levels at each of our hotels to change every day, and results in earnings that can be highly volatile. In addition, our hotels are subject to various operating risks common to the hotel industry, many of which are beyond our control, and are discussed in more detail below.

These factors could adversely affect our hotel revenues and expenses, as well as the hotels underlying our mortgage and mezzanine loans, which in turn could adversely affect our financial condition, results of operations, the market price of our common stock and our ability to make distributions to our stockholders.

Declines in or disruptions to the travel industry could adversely affect our business and financial performance.

Our business and financial performance are affected by the health of the worldwide travel industry. Travel expenditures are sensitive to personal and business-related discretionary spending levels, tending to decline or grow more slowly during economic downturns, as well as to disruptions due to other factors, including those discussed below. Decreased travel expenditures could reduce the demand for our services, thereby causing a reduction in revenue. For example, during regional or global recessions, domestic and global economic conditions can deteriorate rapidly, resulting in increased unemployment and a reduction in expenditures for both business and leisure travelers. A slower spending rate on the services we provide could have a negative impact on our revenue growth.

Other factors that could negatively affect our business include: terrorist incidents and threats and associated heightened travel security measures; political and regional strife; acts of God such as earthquakes, hurricanes, fires, floods, volcanoes and other natural disasters; war; concerns with or threats of pandemics, contagious diseases or health epidemics, such as COVID-19, Ebola, H1N1 influenza (swine flu), MERS, SARs, avian flu, the Zika virus or similar outbreaks; environmental disasters; lengthy power outages; increased pricing, financial instability and capacity constraints of air carriers; airline job actions and strikes; fluctuations in hotel supply, occupancy and ADR; changes to visa and immigration requirements or border control policies; imposition of taxes or surcharges by regulatory authorities; and increases in gasoline and other fuel prices.

Because these events or concerns, and the full impact of their effects, are largely unpredictable, they can dramatically and suddenly affect travel behavior by consumers and decrease demand. Any decrease in demand, depending on its scope and duration, together with any future issues affecting travel safety, could significantly and adversely affect our business, working capital and financial performance over the short and long-term. In addition, the disruption of the existing travel plans of a significant number of travelers upon the occurrence of certain events, such as severe weather conditions, actual or threatened terrorist activity, war or travel-related health events, could result in significant additional costs and decrease our revenues, in each case, leading to constrained liquidity.

Some of our hotels are subject to ground leases; if we are found to be in breach of a ground lease or are unable to renew a ground lease, our business could be materially and adversely affected.

Some of our hotels are on land subject to ground leases, at least three of which cover the entire property. Accordingly, we only own a long-term leasehold rather than a fee simple interest, with respect to all or a portion of the real property at these hotels. If we fail to make a payment on a ground lease or are otherwise found to be in breach of a ground lease, we could lose the right to use the hotel or portion of the hotel property that is subject to the ground lease. In addition, unless we can purchase the fee simple interest in the underlying land and improvements or extend the terms of these ground leases before their expiration, we will lose our right to operate these properties and our interest in the improvements upon expiration of the ground

leases. We may not be able to renew any ground lease upon its expiration or if renewed, the terms may not be favorable. Our ability to exercise any extension options relating to our ground leases is subject to the condition that we are not in default under the terms of the ground lease at the time that we exercise such options. If we lose the right to use a hotel due to a breach or non-renewal of the ground lease, we would be unable to derive income from such hotel and would need to purchase an interest in another hotel to attempt to replace that income, which could materially and adversely affect our business, operating results and prospects. Our ability to refinance a hotel property subject to a ground lease may be negatively impacted as the ground lease expiration date approaches.

We may have to make significant capital expenditures to maintain our hotel properties, and any development activities we undertake may be more costly than we anticipate.

Our hotels have an ongoing need for renovations and other capital improvements, including replacements, from time to time, of furniture, fixtures and equipment ("FF&E"). Managers or franchisors of our hotels also will require periodic capital improvements pursuant to the management agreements or as a condition of maintaining franchise licenses. Generally, we are responsible for the cost of these capital improvements. We may also develop hotel properties, timeshare units or other alternate uses of portions of our existing properties, including the development of retail, residential, office or apartments, including through joint ventures. Such renovation and development involves substantial risks, including:

- construction cost overruns and delays;
- the disruption of operations at, displacement of revenue at and damage to our operating hotels, including revenue lost while rooms, restaurants or meeting space under renovation are out of service;
- increases in operating costs at our hotels, to the extent they rely on portions of development sites for hotel operations;
- the cost of funding renovations or developments and inability to obtain financing on attractive terms;
- the return on our investment in these capital improvements or developments failing to meet expectations;
- governmental restrictions on the nature or size of a project;
- inability to obtain all necessary zoning, land use, building, occupancy, and construction permits;
- loss of substantial investment in a development project if a project is abandoned before completion;
- acts of God such as earthquakes, hurricanes, floods or fires that could adversely affect a project;
- environmental problems;
- disputes with franchisors or hotel managers regarding compliance with relevant franchise agreements or management agreements; and
- development-related liabilities, such as claims for design/construction defects.

If we have insufficient cash flow from operations to fund needed capital expenditures, then we will need to obtain additional debt or equity financing to fund future capital improvements, and we may not be able to meet the loan covenants in any financing obtained to fund the new development, creating default risks.

In addition, to the extent that developments are conducted through joint ventures, this creates additional risks, including the possibility that our partners may not meet their financial obligations or could have or develop business interests, policies or objectives that are inconsistent with ours. See "Our joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on a co-venturer's financial condition and disputes between us and our co-venturers."

Any of the above factors could affect adversely our and our partners' ability to complete the developments on schedule and along the scope that currently is contemplated, or to achieve the intended value of these projects. For these reasons, there can be no assurances as to the value to be realized by the Company from these transactions or any future similar transactions.

The hotel business is seasonal, which affects our results of operations from quarter to quarter.

The hotel industry is seasonal in nature. This seasonality can cause quarterly fluctuations in our financial condition and operating results, including in any distributions on our common stock. Our quarterly operating results may be adversely affected by factors outside our control, including weather conditions and poor economic factors in certain markets in which we operate. We can provide no assurances that our cash flows will be sufficient to offset any shortfalls that occur as a result of these fluctuations. As a result, we may have to reduce distributions or enter into short-term borrowings in certain quarters in order to make distributions to our stockholders, and we can provide no assurances that such borrowings will be available on favorable terms, if at all.

The cyclical nature of the lodging industry may cause fluctuations in our operating performance, which could have a material adverse effect on us.

The lodging industry historically has been highly cyclical in nature. Fluctuations in lodging demand and, therefore, hotel operating performance, are caused largely by general economic and local market conditions, which subsequently affect levels of business and leisure travel. In addition to general economic conditions, new hotel room supply is an important factor that can affect the lodging industry's performance, and overbuilding has the potential to further exacerbate the negative impact of an economic recession. Room rates and occupancy, and thus RevPAR, tend to increase when demand growth exceeds supply growth. We can provide no assurances regarding whether, or the extent to which, lodging demand will exceed supply and if so, for what period of time. An adverse change in lodging fundamentals could result in returns that are substantially below our expectations or result in losses, which could have a material adverse effect on us.

Many real estate costs are fixed, even if revenue from our hotels decreases.

Many costs, such as real estate taxes, insurance premiums and maintenance costs, generally are not reduced even when a hotel is not fully occupied, room rates decrease or other circumstances cause a reduction in revenues. In addition, newly acquired or renovated hotels may not produce the revenues we anticipate immediately, or at all, and the hotel's operating cash flow may be insufficient to pay the operating expenses and debt service associated with these new hotels. If we are unable to offset real estate costs with sufficient revenues across our portfolio, we may be adversely affected.

Our operating expenses may increase in the future which could cause us to raise our room rates, which may deplete room occupancy, or cause us to realize lower net operating income as a result of increased expenses that are not offset by increased room rates, in either case decreasing our cash flow and our operating results.

Operating expenses, such as expenses for fuel, utilities, labor and insurance, are not fixed and may increase in the future. To the extent such increases affect our room rates and therefore our room occupancy at our lodging properties, our cash flow and operating results may be negatively affected.

The increasing use of Internet travel intermediaries by consumers may adversely affect our profitability.

Some of our hotel rooms are booked through Internet travel intermediaries. As Internet bookings increase, these intermediaries may be able to obtain higher commissions, reduced room rates or other significant contract concessions from our management companies. Moreover, some of these Internet travel intermediaries are attempting to offer hotel rooms as a commodity, by increasing the importance of price and general indicators of quality at the expense of brand identification. These intermediaries may hope that consumers will eventually develop brand loyalties to their reservations system rather than to the brands under which our properties are franchised. Although most of the business for our hotels is expected to be derived from traditional channels, if the amount of sales made through Internet intermediaries increases significantly, rooms revenue may be lower than expected, and we may be adversely affected.

We may be adversely affected by increased use of business-related technology, which may reduce the need for business-related travel.

The increased use of teleconference and video-conference technology by businesses could result in decreased business travel as companies increase the use of technologies that allow multiple parties from different locations to participate at meetings without traveling to a centralized meeting location. To the extent that such technologies play an increased role in day-to-day business and the necessity for business-related travel decreases, hotel room demand may decrease and we may be adversely affected.

Our hotels may be subject to unknown or contingent liabilities which could cause us to incur substantial costs.

The hotel properties that we own or may acquire are or may be subject to unknown or contingent liabilities for which we may have no recourse, or only limited recourse, against the sellers. In general, the representations and warranties provided under the transaction agreements related to the sales of the hotel properties may not survive the closing of the transactions. While we will seek to require the sellers to indemnify us with respect to breaches of representations and warranties that survive, such indemnification may be limited and subject to various materiality thresholds, a significant deductible or an aggregate cap on losses. As a result, there is no guarantee that we will recover any amounts with respect to losses due to breaches by the sellers of their representations and warranties. In addition, the total amount of costs and expenses that may be incurred with respect to liabilities associated with these hotels may exceed our expectations, and we may experience other unanticipated adverse effects, all of which may adversely affect our financial condition, results of operations, the market price of our common stock and our ability to make distributions to our stockholders.

Future terrorist attacks or changes in terror alert levels could materially and adversely affect us.

Previous terrorist attacks and subsequent terrorist alerts have adversely affected the U.S. travel and hospitality industries since 2001, often disproportionately to the effect on the overall economy. The extent of the impact that actual or threatened terrorist attacks in the U.S. or elsewhere could have on domestic and international travel and our business in particular cannot be determined, but any such attacks or the threat of such attacks could have a material adverse effect on travel and hotel demand, our ability to finance our business and our ability to insure our hotels, which could materially adversely affect us.

During 2023, approximately 12% of our total hotel revenue was generated from nine hotels located in the Washington D.C. area, one of several key U.S. markets considered vulnerable to terrorist attack. Our financial and operating performance may be adversely affected by potential terrorist attacks. Terrorist attacks in the future may cause our results to differ materially from anticipated results. Hotels we own in other market locations may be subject to this risk as well.

We are subject to risks associated with the employment of hotel personnel, particularly with hotels that employ unionized labor.

Our managers, including Remington Hospitality, a subsidiary of Ashford Inc., and unaffiliated third-party managers are responsible for hiring and maintaining the labor force at each of our hotels. Although we do not directly employ or manage employees at our hotels, we still are subject to many of the costs and risks generally associated with the hotel labor force, particularly at those hotels with unionized labor. From time to time, hotel operations may be disrupted as a result of strikes, lockouts, public demonstrations or other negative actions and publicity. We also may incur increased legal costs and indirect labor costs as a result of contract disputes involving our managers and their labor force or other events. The resolution of labor disputes or re-negotiated labor contracts could lead to increased labor costs, a significant component of our hotel operating costs, either by increases in wages or benefits or by changes in work rules that raise hotel operating costs. We do not have the ability to affect the outcome of these negotiations. Our third party managers may also be unable to hire quality personnel to adequately staff hotel departments, which could result in a sub-standard level of service to hotel guests and hotel operations.

Hotels where our managers have collective bargaining agreements with their employees are more highly affected by labor force activities than others. The resolution of labor disputes or re-negotiated labor contracts could lead to increased labor costs, either by increases in wages or benefits or by changes in work rules that raise hotel operating costs. Furthermore, labor agreements may limit the ability of our hotel managers to reduce the size of hotel workforces during an economic downturn because collective bargaining agreements are negotiated between the hotel managers and labor unions. Our ability, if any, to have any material impact on the outcome of these negotiations is restricted by and dependent on the individual management agreement covering a specific property, and we may have little ability to control the outcome of these negotiations.

In addition, changes in labor laws may negatively impact us. For example, the implementation of new occupational health and safety regulations, minimum wage laws, and overtime, working conditions status and citizenship requirements and the Department of Labor's proposed regulations expanding the scope of non-exempt employees under the Fair Labor Standards Act to increase the entitlement to overtime pay could significantly increase the cost of labor in the workforce, which would increase the operating costs of our hotel properties and may have a material adverse effect on us.

RISKS RELATED TO CONFLICTS OF INTEREST

Our agreements with our external advisor and its subsidiaries, as well as our mutual exclusivity agreement and management agreements with Remington Hospitality and Premier, subsidiaries of Ashford Inc., were not negotiated on an arm's-length basis, and we may pursue less vigorous enforcement of their terms because of conflicts of interest with certain of our executive officers and directors and key employees of our advisor.

Because each of our executive officers are also key employees of our advisor, Ashford LLC, a subsidiary of Ashford Inc. and have ownership interests in Ashford Inc. and because the chairman of our board of directors has an ownership interest in Ashford Inc., our advisory agreement, our master hotel management agreement and hotel management mutual exclusivity agreement with Remington Hospitality, a subsidiary of Ashford Inc., and our master project management agreement and project management mutual exclusivity agreement with Premier, a subsidiary of Ashford Inc., among other agreements between us and subsidiaries of Ashford Inc. were not negotiated on an arm's-length basis, and we did not have the benefit of arm's-length negotiations of the type normally conducted with an unaffiliated third party. As a result, the terms, including fees and other amounts payable, may not be as favorable to us as an arm's-length agreement. Furthermore, we may choose not to enforce, or to enforce less vigorously, our rights under these agreements because of our desire to maintain our ongoing relationship with our advisor and its subsidiaries (including Ashford LLC, Remington Hospitality and Premier).

The termination fee payable to our advisor significantly increases the cost to us of terminating our advisory agreement, thereby effectively limiting our ability to terminate our advisor without cause and could make a change of control transaction less likely or the terms thereof less attractive to us and to our stockholders.

The initial term of our advisory agreement with our advisor is 10 years from the effective date of the advisory agreement, subject to an extension by our advisor for up to 7 successive additional 10-year renewal terms thereafter. The board of directors will review our advisor's performance and fees annually and, following the 10-year initial term, may elect to renegotiate the amount of fees payable under the advisory agreement in certain circumstances. Additionally, if we undergo a change of control transaction, we will have the right to terminate the advisory agreement with the payment of the termination fee described below. If we terminate the advisory agreement without cause or upon a change of control, we will be required to pay our advisor a termination fee equal to:

- (A) 1.1 multiplied by the greater of (i) 12 times the net earnings of our advisor for the 12 month period preceding the termination date of the advisory agreement; (ii) the earnings multiple (calculated as our advisor's total enterprise value on the trading day immediately preceding the day the termination notice is given to our advisor divided by our advisor's most recently reported adjusted earnings before interest, tax, depreciation and amortization ("Adjusted EBITDA")) for our advisor's common stock for the 12 month period preceding the termination date of the advisory agreement multiplied by the net earnings of our advisor for the 12 month period preceding the termination date of the advisory agreement; or (iii) the simple average of the earnings multiples for each of the three fiscal years preceding the termination of the advisory agreement (calculated as our advisor's total enterprise value on the last trading day of each of the three preceding fiscal years divided by, in each case, our advisor's Adjusted EBITDA for the same periods), multiplied by the net earnings of our advisor for the 12 month period preceding the termination date of the advisory agreement; plus
- (B) an additional amount such that the total net amount received by our advisor after the reduction by state and U.S. federal income taxes at an assumed combined rate of 40% on the sum of the amounts described in (A) and (B) shall equal the amount described in (A); provided, that, the minimum amount of any termination fee calculated as of any date of determination shall be the greater of (i) the fee that would have been payable had such termination fee been calculated as of December 31, 2023 and (ii) the fee calculated as of such date of determination.

Any such termination fee will be payable on or before the termination date. Moreover, our advisor is entitled to set off, take and apply any of our money on deposit in any of our bank, brokerage or similar accounts (all of which are controlled by, and in the name of, our advisor) to amounts we owe to our advisor, including amounts we would owe to our advisor in respect of the termination fee, and in certain circumstances permits our advisor to escrow any money in such accounts into a termination fee escrow account (to which we would not have access) even prior to the time that the termination fee is payable. The termination fee makes it more difficult for us to terminate our advisory agreement. These provisions significantly increase the cost to us of terminating our advisory agreement, thereby limiting our ability to terminate our advisor without cause.

On January 15, 2021, in connection with our entry into the Oaktree Credit Agreement, the Company and our advisor, together with certain affiliated entities, entered into a Subordination and Non-Disturbance Agreement pursuant to which our advisor agreed to subordinate to the prior repayment in full of all obligations under the Oaktree Credit Agreement with Oaktree, among other items, any termination fee or liquidated damages amounts under the advisory agreement, or any amount owed under any enhanced return funding program in connection with the termination of the advisory agreement or sale or foreclosure of assets financed thereunder.

Our advisor manages other entities and may direct attractive investment opportunities away from us. If we change our investment guidelines, our advisor is not restricted from advising clients with similar investment guidelines.

Our executive officers also serve as key employees and as officers of our advisor and Braemar, and will continue to do so. Furthermore, Mr. Monty J. Bennett, our chairman, is also the chief executive officer, chairman and a significant stockholder of our advisor and is the chairman of Braemar. Our advisory agreement requires our advisor to present investments that satisfy our investment guidelines to us before presenting them to Braemar or any future client of our advisor. Additionally, in the future our advisor may advise other clients, some of which may have investment guidelines substantially similar to ours.

Some portfolio investment opportunities may include hotels that satisfy our investment objectives as well as hotels that satisfy the investment objectives of Braemar or other entities advised by our advisor. If the portfolio cannot be equitably divided, our advisor will necessarily have to make a determination as to which entity will be presented with the opportunity. In such a circumstance, our advisory agreement requires our advisor to allocate portfolio investment opportunities between us, Braemar or other entities advised by our advisor in a fair and equitable manner, consistent with our, Braemar's and such other entities' investment objectives. In making this determination, our advisor, using substantial discretion, will consider the investment strategy and guidelines of each entity with respect to acquisition of properties, portfolio concentrations, tax consequences, regulatory restrictions, liquidity requirements and other factors deemed appropriate. In making the allocation

determination, our advisor has no obligation to make any such investment opportunity available to us. Further, our advisor and Braemar have agreed that any new investment opportunities that satisfy our investment guidelines will be presented to our board of directors; however, our board of directors will have only ten business days to make a determination with respect to such opportunity prior to it being available to Braemar. The above mentioned dual responsibilities may create conflicts of interest for our officers which could result in decisions or allocations of investments that may benefit one entity more than the other.

Our advisor and its key employees, most of whom are Stirling Inc.'s, Braemar's, Ashford Inc.'s and our executive officers, face competing demands relating to their time and this may adversely affect our operations.

We rely on our advisor and its employees for the day-to-day operation of our business. Certain key employees of our advisor are executive officers of Stirling Inc., Braemar and Ashford Inc. Because our advisor's key employees have duties to Stirling Inc., Braemar and Ashford Inc., as well as to our company, we do not have their undivided attention and they face conflicts in allocating their time and resources between our company, Stirling Inc., Braemar and Ashford Inc. Our advisor may also manage other entities in the future. During turbulent market conditions or other times when we need focused support and assistance from our advisor, other entities for which our advisor also acts as an external advisor will likewise require greater focus and attention as well, placing competing high levels of demand on the limited time and resources of our advisor's key employees. Additionally, activist investors have, and in the future, may commence campaigns seeking to influence other entities advised by our advisor to take particular actions favored by the activist or gain representation on the board of directors of such entities, which could result in additional disruption and diversion of management's attention. We may not receive the necessary support and assistance we require or would otherwise receive if we were internally managed by persons working exclusively for us.

Conflicts of interest could result in our management acting other than in our stockholders' best interest.

Conflicts of interest in general and specifically relating to Ashford Inc. and its subsidiaries (including Ashford LLC, Remington Hospitality and Premier) may lead to management decisions that are not in the stockholders' best interest. The chairman of our board of directors, Mr. Monty J. Bennett, is the chairman, chief executive officer and a significant stockholder of Ashford Inc. and Mr. Archie Bennett, Jr., who is our chairman emeritus, is a significant stockholder of Ashford Inc. Prior to its acquisition by Ashford Inc. on November 6, 2019, Messrs. Archie Bennett, Jr. and Monty J. Bennett beneficially owned 100% of Remington Hospitality. As of December 31, 2023, Remington Hospitality managed 61 of our 90 hotel properties and three of the four Stirling OP hotel properties and provides other services.

Mr. Monty J. Bennett is chairman and chief executive officer of Ashford Inc. and, together with his father Mr. Archie Bennett, Jr., as of December 31, 2023, holds a controlling interest in Ashford Inc. As of December 31, 2023, the Bennetts owned approximately 610,261 shares of Ashford Inc. common stock, which represented an approximate 19.0% ownership interest in Ashford Inc., and owned 18,758,600 shares of Ashford Inc. Series D Convertible Preferred Stock, which, along with all unpaid accrued and accumulated dividends thereon, was convertible (at a conversion price of \$117.50 per share) into an additional approximate 4,229,668 shares of Ashford Inc. common stock, which if converted as of December 31, 2023, would have increased the Bennetts' ownership interest in Ashford Inc. to 65.0%. The 18,758,600 shares of Series D Convertible Preferred Stock owned by Mr. Monty J. Bennett and Mr. Archie Bennett, Jr. include 360,000 shares owned by trusts.

Messrs. Archie Bennett, Jr. and Monty J. Bennett's ownership interests in, and Mr. Monty J. Bennett's management obligations to, Ashford Inc. present them with conflicts of interest in making management decisions related to the commercial arrangements between us and Ashford Inc. Mr. Monty J. Bennett's management obligations to Ashford Inc. (and his obligations to Braemar, where he also serves as chairman of the board of directors) reduce the time and effort he spends on us. Our board of directors has adopted a policy that requires all material approvals, actions or decisions to which we have the right to make under the master hotel management agreement with Remington Hospitality and the master project management agreement with Premier be approved by a majority or, in certain circumstances, all of our independent directors. However, given the authority and/or operational latitude provided to Remington Hospitality under the master hotel management agreement and to Premier under the master project management agreement, and Mr. Monty J. Bennett as the chairman and chief executive officer of Ashford Inc., could take actions or make decisions that are not in our stockholders' best interest or that are otherwise inconsistent with the obligations to us under the master hotel management agreement or master project management agreement.

Holders of units in our operating partnership, including members of our management team, may suffer adverse tax consequences upon our sale of certain properties. Therefore, holders of units, either directly or indirectly, including Messrs. Archie Bennett, Jr. and Monty J. Bennett may have different objectives regarding the appropriate pricing and timing of a particular property's sale. These officers and directors of ours may influence us to sell, not sell, or refinance certain properties, even if such actions or inactions might be financially advantageous to our stockholders, or to enter into tax deferred exchanges with the proceeds of such sales when such a reinvestment might not otherwise be in our best interest.

We are a party to a master hotel management agreement and a hotel management exclusivity agreement with Remington Hospitality and a master project management agreement and a project management exclusivity agreement with Premier, which describes the terms of Remington Hospitality's and Premier's, respectively, services to our hotels, as well as any future hotels we may acquire that may or may not be properly managed by Remington Hospitality or project managed by Premier. The exclusivity agreements requires us to engage Remington Hospitality for hotel management and Premier for design and construction services, respectively, unless, in each case, our independent directors either: (i) unanimously vote to hire a different manager or developer; or (ii) by a majority vote, elect not to engage Remington Hospitality or Premier, as the case may be, because they have determined that special circumstances exist or that, based on Remington Hospitality's or Premier's prior performance, another manager or developer could perform the duties materially better. As significant owners of Ashford Inc., which would receive any development, management, and management termination fees payable by us under the management agreements, Mr. Monty J. Bennett, and to a lesser extent, Mr. Archie Bennett, Jr., in his role as chairman emeritus, may influence our decisions to sell, acquire, or develop hotels when it is not in the best interests of our stockholders to do so.

Ashford Inc.'s ability to exercise significant influence over the determination of the competitive set for any hotels managed by Remington Hospitality could artificially enhance the perception of the performance of a hotel, making it more difficult to use managers other than Remington Hospitality for future properties.

Our hotel management mutual exclusivity agreement with Remington requires us to engage Remington Hospitality to manage all future properties that we acquire, to the extent we have the right or control the right to direct such matters, unless our independent directors either: (i) unanimously vote not to hire Remington Hospitality or (ii) based on special circumstances or past performance, by a majority vote, elect not to engage Remington Hospitality because they have determined, in their reasonable business judgment, that it would be in our best interest not to engage Remington Hospitality or that another manager or developer could perform the duties materially better. Under our master hotel management agreement with Remington Hospitality, we have the right to terminate Remington Hospitality based on the performance of the applicable hotel, subject to the payment of a termination fee. The determination of performance is based on the applicable hotel's gross operating profit margin and its RevPAR penetration index, which provides the relative revenue per room generated by a specified property as compared to its competitive set. For each hotel managed by Remington Hospitality, its competitive set will consist of a small group of hotels in the relevant market that we and Remington Hospitality believe are comparable for purposes of benchmarking the performance of such hotel. Remington Hospitality will have significant influence over the determination of the competitive set for any of our hotels managed by Remington Hospitality, and as such could artificially enhance the perception of the performance of a hotel by selecting a competitive set that is not performing well or is not comparable to the Remington Hospitality-managed hotel, thereby making it more difficult for us to elect not to use Remington Hospitality for future hotel management.

Under the terms of our hotel management mutual exclusivity agreement with Remington Hospitality, Remington Hospitality may be able to pursue lodging investment opportunities that compete with us.

Pursuant to the terms of our hotel management mutual exclusivity agreement with Remington Hospitality, if investment opportunities that satisfy our investment criteria are identified by Remington Hospitality or its affiliates, Remington Hospitality will give us a written notice and description of the investment opportunity. We will have 10 business days to either accept or reject the investment opportunity. If we reject the opportunity, Remington Hospitality may then pursue such investment opportunity, subject to a right of first refusal in favor of Braemar, pursuant to an existing agreement between Braemar and Remington Hospitality, on materially the same terms and conditions as offered to us. If we were to reject such an investment opportunity, either Braemar or Remington Hospitality could pursue the opportunity and compete with us. In such a case, Mr. Monty J. Bennett, our chairman, in his capacity as chairman of Braemar or chief executive officer of Ashford Inc. could be in a position of directly competing with us.

Our fiduciary duties as the general partner of our operating partnership could create conflicts of interest, which may impede business decisions that could benefit our stockholders.

We, as the general partner of our operating partnership, have fiduciary duties to the other limited partners in our operating partnership, the discharge of which may conflict with the interests of our stockholders. The limited partners of our operating partnership have agreed that, in the event of a conflict in the fiduciary duties owed by us to our stockholders and, in our capacity as general partner of our operating partnership, to such limited partners, we are under no obligation to give priority to the interests of such limited partners. In addition, those persons holding common units will have the right to vote on certain amendments to the operating partnership agreement (which require approval by a majority in interest of the limited partners, including us) and individually to approve certain amendments that would adversely affect their rights. These voting rights may be exercised in a manner that conflicts with the interests of our stockholders. For example, we are unable to modify the rights of limited partners to receive distributions as set forth in the operating partnership agreement in a manner that adversely affects their rights without their consent, even though such modification might be in the best interest of our stockholders.

In addition, conflicts may arise when the interests of our stockholders and the limited partners of our operating partnership diverge, particularly in circumstances in which there may be an adverse tax consequence to the limited partners. Tax consequences to holders of common units upon a sale or refinancing of our properties may cause the interests of the key employees of our advisor (who are also our executive officers and have ownership interests in our operating partnership) to differ from our stockholders.

Our policy regarding conflicts of interest may not adequately address all of the conflicts of interest that may arise with respect to our activities.

In order to avoid any actual or perceived conflicts of interest with our directors or officers or our advisor's employees, we adopted a policy regarding conflicts of interest to address specifically some of the conflicts relating to our activities. Although under this policy the approval of a majority of our disinterested directors is required to approve any transaction, agreement or relationship in which any of our directors or officers or our advisor or it has an interest, there is no assurance that this policy will be adequate to address all of the conflicts that may arise or will resolve such conflicts in a manner that is favorable to us.

RISKS RELATED TO DERIVATIVE TRANSACTIONS

We have engaged in and may continue to engage in derivative transactions, which can limit our gains and expose us to losses.

We have entered into and may continue to enter into hedging transactions to: (i) attempt to take advantage of changes in prevailing interest rates; (ii) protect our portfolio of mortgage assets from interest rate fluctuations; (iii) protect us from the effects of interest rate fluctuations on floating-rate debt; (iv) protect us from the risk of fluctuations in the financial and capital markets; or (v) preserve net cash in the event of a major downturn in the economy. Our hedging transactions may include entering into interest rate swap agreements, interest rate cap or floor agreements or floor and corridor agreements, credit default swaps and purchasing or selling futures contracts, purchasing or selling put and call options on securities or securities underlying futures contracts, or entering into forward rate agreements. Hedging activities may not have the desired beneficial impact on our results of operations or financial condition. Volatile fluctuations in market conditions could cause these instruments to become ineffective. Any gains or losses associated with these instruments are reported in our earnings each period. No hedging activity can completely insulate us from the risks inherent in our business.

Credit default hedging could fail to protect us or adversely affect us because if a swap counterparty cannot perform under the terms of our credit default swap, we may not receive payments due under such agreement and, thus, we may lose any potential benefit associated with such credit default swap. Additionally, we may also risk the loss of any cash collateral we have pledged to secure our obligations under such credit default swaps if the counterparty becomes insolvent or files for bankruptcy.

Moreover, interest rate hedging could fail to protect us or adversely affect us because, among other things:

- available interest rate hedging may not correspond directly with the interest rate risk for which protection is sought;
- the duration of the hedge may not match the duration of the related liability;
- the party owing money in the hedging transaction may default on its obligation to pay;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs our ability to sell or assign our side of the hedging transaction; and
- the value of derivatives used for hedging may be adjusted from time to time in accordance with generally accepted accounting principles ("GAAP") to reflect changes in fair value and such downward adjustments, or "market-to-market loss," would reduce our stockholders' equity.

Hedging involves both risks and costs, including transaction costs, which may reduce our overall returns on our investments. These costs increase as the period covered by the hedging relationship increases and during periods of rising and volatile interest rates. These costs will also limit the amount of cash available for distributions to stockholders. We generally intend to hedge to the extent management determines it is in our best interest given the cost of such hedging transactions as compared to the potential economic returns or protections offered. The REIT qualification rules may limit our ability to enter into hedging transactions by requiring us to limit our income and assets from hedges. If we are unable to hedge effectively because of the REIT rules, we will face greater interest rate exposure than may be commercially prudent.

We are subject to the risk of default or insolvency by the hospitality entities underlying our investments.

The leveraged capital structure of the hospitality entities underlying our investments will increase their exposure to adverse economic factors (such as changes in interest rates, competitive pressures, downturns in the economy or deterioration in the condition of the real estate industry) and to the risk of unforeseen events. If an underlying entity cannot generate adequate cash

flow to meet such entity's debt obligations (which may include leveraged obligations in excess of its aggregate assets), it may default on its loan agreements or be forced into bankruptcy. As a result, we may suffer a partial or total loss of the capital we have invested in the securities and other investments of such entity.

The derivatives provisions of the Dodd-Frank Act and related rules could have an adverse effect on our ability to use derivative instruments to reduce the negative effect of interest rate fluctuations on our results of operations and liquidity, credit default risks and other risks associated with our business.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") establishes federal oversight and regulation of the over-the-counter derivatives market and entities, including us, that participate in that market. As required by the Dodd-Frank Act, the Commodities Futures Trading Commission (the "CFTC"), the SEC and other regulators have adopted certain rules implementing the swaps regulatory provisions of the Dodd-Frank Act and are in the process of adopting other rules to implement those provisions. Numerous provisions of the Dodd-Frank Act and the CFTC's rules relating to derivatives that qualify as "swaps" thereunder apply or may apply to the derivatives to which we are or may become a counterparty. Under such statutory provisions and the CFTC's rules, we must clear on a derivatives clearing organization any over-the-counter swap we enter into that is within a class of swaps designated for clearing by CFTC rule and execute trades in such cleared swap on an exchange if the swap is accepted for trading on the exchange unless such swap is exempt from such mandatory clearing and trade execution requirements. We may qualify for and intend to elect the end-user exception from those requirements for swaps we enter to hedge our commercial risks and that are subject to the mandatory clearing and trade execution requirements. If we are required to clear or voluntarily elect to clear any swaps we enter into, those swaps will be governed by standardized agreements and we will have to post margin with respect to such swaps. To date, the CFTC has designated only certain types of interest rate swaps and credit default swaps for clearing and trade execution. Although we believe that none of the interest rate swaps and credit default swaps to which we are currently party fall within those designated types of swaps, we may enter into swaps in the future that will be subject to the mandatory clearing and trade execution requirements and subject to the risks described.

Rules recently adopted by banking regulators and the CFTC in accordance with a requirement of the Dodd-Frank Act require regulated financial institutions and swap dealers and major swap participants that are not regulated financial institutions to collect margin with respect to uncleared swaps to which they are parties and to which financial end users, among others, are their counterparties. We will qualify as a financial end user for purposes of such margin rules. We will not have to post initial margin with respect to our uncleared swaps under the new rules because we do not have material swaps exposure as defined in the new rules. However, we will be required to post variation margin (most likely in the form of cash collateral) with respect to each of our uncleared swaps subject to the new margin rules in an amount equal to the cumulative decrease in the market-to-market value of such swap to our counterparty as of any date of determination from the value of such swap as of the date of the swap's execution. The SEC has proposed margin rules for security-based swaps to which regulated financial institutions are not counterparties. Those proposed rules differ from the CFTC's margin rules, but the final form that those rules will take and their effect is uncertain at this time.

The Dodd-Frank Act has caused certain market participants, and may cause other market participants, including the counterparties to our derivative instruments, to spin off some of their derivatives activities to separate entities. Those entities may not be as creditworthy as the historical counterparties to our derivatives.

Some of the rules required to implement the swaps-related provisions of the Dodd-Frank Act remain to be adopted, and the CFTC has, from time to time, issued and may in the future issue interpretations and no-action letters interpreting, and clarifying the application of, those provisions and the related rules or delaying compliance with those provisions and rules. As a result, it is not possible at this time to predict with certainty the full effects of the Dodd-Frank Act, the CFTC's rules and the SEC's rules on us and the timing of such effects.

The Dodd-Frank Act and the rules adopted thereunder could significantly increase the cost of derivative contracts (including from swap recordkeeping and reporting requirements and through requirements to post margin with respect to our swaps, which could adversely affect our available liquidity), materially alter the terms of derivative contracts, reduce the availability of derivatives to protect against risks we encounter, reduce our ability to monetize or restructure our existing derivative contracts, and increase our exposure to less creditworthy counterparties. If we reduce our use of derivatives as a result of the Dodd-Frank Act and the related rules, our results of operations may become more volatile and our cash flows may be less predictable, which could adversely affect our ability to plan for and fund capital expenditures and to pay dividends to our stockholders. Any of these consequences could have a material adverse effect on our consolidated financial position, results of operations and cash flows.

The assets associated with certain of our derivative transactions may not constitute qualified REIT assets and the related income may not constitute qualified REIT income. Significant fluctuations in the value of such assets or the related income could jeopardize our REIT status or result in additional tax liabilities.

We may enter into certain derivative transactions to protect against interest rate risks and credit default risks not specifically associated with debt incurred to acquire qualified REIT assets. The REIT provisions of the Code limit our income and assets in each year from such derivative transactions. Failure to comply with the asset or income limitation within the REIT provisions of the Code could result in penalty taxes or loss of our REIT status. If we elected to contribute non-qualifying derivatives into a TRS to preserve our REIT status, such an action could likely result in any income from such transactions being subject to U.S. federal income taxation.

RISKS RELATED TO INVESTMENTS IN SECURITIES, MORTGAGES AND MEZZANINE LOANS

Our earnings are dependent, in part, upon the performance of our investment portfolio.

To the extent permitted by the Code, we may invest in and own securities of other public companies and REITs (including Braemar). To the extent that the value of those investments declines or those investments do not provide an attractive return, our earnings and cash flow could be adversely affected.

Debt investments that are not United States government insured involve risk of loss.

As part of our business strategy, we may originate or acquire lodging-related uninsured and mortgage assets, including mezzanine loans. While holding these interests, we are subject to risks of borrower defaults, bankruptcies, fraud and related losses, and special hazard losses that are not covered by standard hazard insurance. Also, costs of financing the mortgage loans could exceed returns on the mortgage loans. In the event of any default under mortgage loans held by us, we will bear the risk of loss of principal and non-payment of interest and fees to the extent of any deficiency between the value of the mortgage collateral and the principal amount of the mortgage loan. We suffered significant impairment charges with respect to our investments in mortgage loans in 2009 and 2010. The value and the price of our securities may be adversely affected.

We may invest in non-recourse loans, which will limit our recovery to the value of the mortgaged property.

Our mortgage and mezzanine loan assets have typically been non-recourse. With respect to non-recourse mortgage loan assets, in the event of a borrower default, the specific mortgaged property and other assets, if any, pledged to secure the relevant mortgage loan, may be less than the amount owed under the mortgage loan. As to those mortgage loan assets that provide for recourse against the borrower and its assets generally, we cannot assure you that the recourse will provide a recovery in respect of a defaulted mortgage loan greater than the liquidation value of the mortgaged property securing that mortgage loan.

Investment yields affect our decision whether to originate or purchase investments and the price offered for such investments.

In making any investment, we consider the expected yield of the investment and the factors that may influence the yield actually obtained on such investment. These considerations affect our decision whether to originate or purchase an investment and the price offered for that investment. No assurances can be given that we can make an accurate assessment of the yield to be produced by an investment. Many factors beyond our control are likely to influence the yield on the investments, including, but not limited to, competitive conditions in the local real estate market, local and general economic conditions, and the quality of management of the underlying property. Our inability to accurately assess investment yields may result in our purchasing assets that do not perform as well as expected, which may adversely affect the price of our securities.

Volatility of values of mortgaged properties may adversely affect our mortgage loans.

Lodging property values and net operating income derived from lodging properties are subject to volatility and may be affected adversely by a number of factors, including the risk factors described herein relating to general economic conditions, operating lodging properties, and owning real estate investments. In the event its net operating income decreases, one of our borrowers may have difficulty paying our mortgage loan, which could result in losses to us. In addition, decreases in property values will reduce the value of the collateral and the potential proceeds available to our borrowers to repay our mortgage loans, which could also cause us to suffer losses.

Mezzanine loans involve greater risks of loss than senior loans secured by income-producing properties.

We may make and acquire mezzanine loans. These types of loans are considered to involve a higher degree of risk than long-term senior mortgage lending secured by income-producing real property due to a variety of factors, including the loan being entirely unsecured or, if secured, becoming unsecured as a result of foreclosure by the senior lender. We may not recover

some or all of our investment in these loans. In addition, mezzanine loans may have higher loan-to-value ratios than conventional mortgage loans resulting in less equity in the property and increasing the risk of loss of principal.

The assets associated with certain of our derivative transactions may not constitute qualified REIT assets and the related income may not constitute qualified REIT income. Significant fluctuations in the value of such assets or the related income could jeopardize our REIT status or result in additional tax liabilities.

We may enter into certain derivative transactions to protect against interest rate risks and credit default risks not specifically associated with debt incurred to acquire qualified REIT assets. The REIT provisions of the Code limit our income and assets in each year from such derivative transactions. Failure to comply with the asset or income limitation within the REIT provisions of the Code could result in penalty taxes or loss of our REIT status. If we elected to contribute non-qualifying derivatives into a TRS to preserve our REIT status, such an action could likely result in any income from such transactions being subject to U.S. federal income taxation.

Our prior investment performance is not indicative of future results.

The performance of our prior investments is not necessarily indicative of the results that can be expected for the investments to be made by our subsidiaries. On any given investment, total loss of the investment is possible. Although our management team has experience and has had success in making investments in real estate-related lodging debt and hotel assets, the past performance of these investments is not necessarily indicative of the results of our future investments.

Our investment portfolio will contain investments concentrated in a single industry and will not be fully diversified.

We have formed subsidiaries for the primary purpose of acquiring securities and other investments of lodging-related entities. As such, our investment portfolio will contain investments concentrated in a single industry and may not be fully diversified by asset class, geographic region or other criteria, which will expose us to significant loss due to concentration risk. Investors have no assurance that the degree of diversification in our investment portfolio will increase at any time in the future.

The values of our investments are affected by the U.S. credit and financial markets and, as such, may fluctuate.

The U.S. credit and financial markets may experience severe dislocations and liquidity disruptions. The values of our investments are likely to be sensitive to the volatility of the U.S. credit and financial markets, and, to the extent that turmoil in the U.S. credit and financial markets occurs, such volatility has the potential to materially affect the value of our investment portfolio.

We may invest in securities for which there is no liquid market, and we may be unable to dispose of such securities at the time or in the manner that may be most favorable to us, which may adversely affect our business.

We may invest in securities for which there is no liquid market or which may be subject to legal and other restrictions on resale or otherwise be less liquid than publicly traded securities generally. The relative illiquidity of these investments may make it difficult for us to sell these investments when desired. In addition, if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we had previously recorded these investments. Our investments may occasionally be subject to contractual or legal restrictions on resale or will be otherwise illiquid due to the fact that there is no established trading market for such securities, or such trading market is thinly traded. The relative illiquidity of such investments may make it difficult for us to dispose of them at a favorable price, and, as a result, we may suffer losses.

RISKS RELATED TO THE REAL ESTATE INDUSTRY

Illiquidity of real estate investments could significantly impede our ability to respond to adverse changes in the performance of our hotel properties and harm our financial condition.

Because real estate investments are relatively illiquid, our ability to sell promptly one or more hotel properties or mortgage loans in our portfolio for reasonable prices in response to changing economic, financial, and investment conditions is limited.

We may decide to sell hotel properties or loans in the future. We cannot predict whether we will be able to sell any hotel property or loan for the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We may sell a property at a loss as compared to carrying value. We also cannot predict the length of time needed to find a willing purchaser and to close the sale of a hotel property or loan. We may offer more flexible terms on our mortgage loans than some providers of commercial mortgage loans, and as a result, we may have more difficulty selling or participating our loans to secondary purchasers than would these more traditional lenders.

We may be required to expend funds to correct defects or to make improvements before a property can be sold. We cannot assure you that we will have funds available to correct those defects or to make those improvements. In acquiring a hotel property, we may agree to lock-out provisions that materially restrict us from selling that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed or repaid on that property. These and other factors could impede our ability to respond to adverse changes in the performance of our hotel properties or a need for liquidity.

Increases in property taxes would increase our operating costs, reduce our income and adversely affect our ability to make distributions to our stockholders.

Each of our hotel properties will be subject to real and personal property taxes. These taxes may increase as tax rates change and as the properties are assessed or reassessed by taxing authorities. If property taxes increase, our financial condition, results of operations and our ability to make distributions to our stockholders could be materially and adversely affected and the market price of our common and/or preferred stock could decline.

The costs of compliance with or liabilities under environmental laws may harm our operating results.

Operating expenses at our hotels could be higher than anticipated due to the cost of complying with existing or future environmental laws and regulations. In addition, our hotel properties and properties underlying our loan assets may be subject to environmental liabilities. An owner of real property, or a lender with respect to a party that exercises control over the property, can face liability for environmental contamination created by the presence or discharge of hazardous substances on the property. We may face liability regardless of:

- our knowledge of the contamination;
- the timing of the contamination;
- the cause of the contamination; or
- the party responsible for the contamination.

There may be environmental problems associated with our hotel properties or properties underlying our loan assets of which we are unaware. Some of our hotel properties or the properties underlying our loan assets use, or may have used in the past, underground tanks for the storage of petroleum-based or waste products that could create a potential for release of hazardous substances. If environmental contamination exists on a hotel property, we could become subject to strict, joint and several liabilities for the contamination if we own the property or if we foreclose on the property or otherwise have control over the property.

The presence of hazardous substances on a property we own or have made a loan with respect to may adversely affect our ability to sell, on favorable terms or at all, or foreclose on the property, and we may incur substantial remediation costs. The discovery of material environmental liabilities at our properties or properties underlying our loan assets could subject us to unanticipated significant costs.

We generally have environmental insurance policies on each of our owned properties, and we intend to obtain environmental insurance for any other properties that we may acquire. However, if environmental liabilities are discovered during the underwriting of the insurance policies for any property that we may acquire in the future, we may be unable to obtain insurance coverage for the liabilities at commercially reasonable rates or at all, and we may experience losses. In addition, we generally do not require our borrowers to obtain environmental insurance on the properties they own that secure their loans from us.

Numerous treaties, laws and regulations have been enacted to regulate or limit carbon emissions. Changes in the regulations and legislation relating to climate change, and complying with such laws and regulations, may require us to make significant investments in our hotels and could result in increased energy costs at our properties.

Tax increases and changes in tax rules may adversely affect our financial results.

As a company conducting business with physical operations throughout North America, we are exposed, both directly and indirectly, to the effects of changes in U.S., state and local tax rules. Taxes for financial reporting purposes and cash tax liabilities in the future may be adversely affected by changes in such tax rules. Such changes may put us at a competitive disadvantage compared to some of our major competitors, to the extent we are unable to pass the tax costs through to our customers.

On August 16, 2022, the Inflation Reduction Act of 2022 ("IRA") was signed into law, with tax provisions primarily focused on implementing a 15% corporate alternative minimum tax on global adjusted financial statement income and a 1% excise tax on share repurchases. The IRA also created a number of potentially beneficial tax credits to incentivize investments in certain technologies and industries. Certain provisions of the IRA became effective in fiscal 2023, and the Treasury Department and IRS have announced their intention to continue to release and finalize regulations and other guidance implementing the IRA in fiscal 2024. The IRA has not had material negative impact on our business.

Our properties and the properties underlying our mortgage loans may contain or develop harmful mold, which could lead to liability for adverse health effects and costs of remediating the problem.

When excessive moisture accumulates in buildings or on building materials, mold growth may occur, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Concern about indoor exposure to mold has been increasing as exposure to mold may cause a variety of adverse health effects and symptoms, including allergic or other reactions. Some of the properties in our portfolio may contain microbial matter such as mold and mildew. As a result, the presence of significant mold at any of our properties or the properties underlying our loan assets could require us or our borrowers to undertake a costly remediation program to contain or remove the mold from the affected property. In addition, the presence of significant mold could expose us or our borrowers to liability from hotel guests, hotel employees, and others if property damage or health concerns arise.

Compliance with the ADA and fire, safety, and other regulations may require us or our borrowers to incur substantial costs.

All of our properties and properties underlying our mortgage loans are required to comply with the ADA. The ADA requires that "public accommodations" such as hotels be made accessible to people with disabilities. Compliance with the ADA's requirements could require removal of access barriers and non-compliance could result in imposition of fines by the U.S. government or an award of damages to private litigants, or both. In addition, we and our borrowers are required to operate our properties in compliance with fire and safety regulations, building codes, and other land use regulations as they may be adopted by governmental agencies and bodies and become applicable to our properties. Any requirement to make substantial modifications to our hotel properties, whether to comply with the ADA or other changes in governmental rules and regulations, could be costly.

We may obtain only limited warranties when we purchase a property and would have only limited recourse if our due diligence did not identify any issues that lower the value of our property, which could adversely affect our financial condition and ability to make distributions to our stockholders.

We may acquire a hotel property in its "as is" condition on a "where is" basis and "with all faults," without any warranties of merchantability or fitness for a particular use or purpose. In addition, purchase agreements may contain only limited warranties, representations and indemnifications that will only survive for a limited period after the closing, or provide a cap on the amount of damages we can recover. The purchase of properties with limited warranties increases the risk that we may lose some or all our invested capital in the property as well as the loss of income from that property.

We may experience uninsured or underinsured losses.

We have property and casualty insurance with respect to our hotel properties and other insurance, in each case, with loss limits and coverage thresholds deemed reasonable by our management team (and with the intent to satisfy the requirements of lenders and franchisors). In doing so, we have made decisions with respect to what deductibles, policy limits, and terms are reasonable based on management's experience, our risk profile, the loss history of our hotel managers and our properties, the nature of our properties and our businesses, our loss prevention efforts, the cost of insurance and other factors.

Various types of catastrophic losses may not be insurable or may not be economically insurable. In the event of a substantial loss, our insurance coverage may not cover the full current market value or replacement cost of our lost investment, including losses incurred in relation to the COVID-19 pandemic or cybersecurity incidents. Inflation, changes in building codes and ordinances, environmental considerations, and other factors might cause insurance proceeds to be insufficient to fully replace or renovate a hotel after it has been damaged or destroyed. Accordingly, there can be no assurance that:

- the insurance coverage thresholds that we have obtained will fully protect us against insurable losses (i.e., losses may exceed coverage limits);
- we will not incur large deductibles that will adversely affect our earnings;
- we will not incur losses from risks that are not insurable or that are not economically insurable; or
- current coverage thresholds will continue to be available at reasonable rates.

In the future, we may choose not to maintain terrorism or other insurance policies on any of our properties. As a result, one or more large uninsured or underinsured losses could have a material adverse effect on us.

Each of our current lenders requires us to maintain certain insurance coverage thresholds, and we anticipate that future lenders will have similar requirements. We believe that we have complied with the insurance maintenance requirements under the current governing loan documents and we intend to comply with any such requirements in any future loan documents. However, a lender may disagree, in which case the lender could obtain additional coverage thresholds and seek payment from us, or declare us in default under the loan documents. In the former case, we could spend more for insurance than we otherwise deem reasonable or necessary or, in the latter case, subject us to a foreclosure on hotels securing one or more loans. In addition, a material casualty to one or more hotels securing loans may result in the insurance company applying to the outstanding loan balance insurance proceeds that otherwise would be available to repair the damage caused by the casualty, which would require us to fund the repairs through other sources, or the lender foreclosing on the hotels if there is a material loss that is not insured.

RISKS RELATED TO OUR STATUS AS A REIT

If we do not qualify as a REIT, we will be subject to tax as a regular corporation and could face substantial tax liability.

We conduct operations so as to qualify as a REIT under the Code. However, qualification as a REIT involves the application of highly technical and complex Code provisions for which only a limited number of judicial or administrative interpretations exist. Even a technical or inadvertent mistake could jeopardize our REIT status or we may be required to rely on a REIT "savings clause." If we were to rely on a REIT "savings clause," we could have to pay a penalty tax, which could be material. Due to the gain we recognized as a result of the spin-off of Braemar, if Braemar were to fail to qualify as a REIT for 2013, we may have failed to qualify as a REIT for 2013 and subsequent taxable years. Furthermore, new tax legislation, administrative guidance, or court decisions, in each instance potentially with retroactive effect, could make it more difficult or impossible for us to qualify as a REIT.

If we fail to qualify as a REIT in any tax year, then:

- we would be taxed as a regular domestic corporation, which, among other things, means being unable to deduct distributions to our stockholders in computing taxable income and being subject to U.S. federal income tax on our taxable income at regular corporate rates;
- we would also be subject to increased state and local income taxes;
- any resulting tax liability could be substantial and would reduce the amount of cash available for distribution to stockholders; and
- unless we were entitled to relief under applicable statutory provisions, we would be disqualified from treatment as a REIT for the subsequent four taxable years following the year that we lost our qualification, and, thus, our cash available for distribution to stockholders could be reduced for each of the years during which we did not qualify as a REIT.

If, as a result of covenants applicable to our future debt, we are restricted from making distributions to our stockholders, we may be unable to make distributions necessary for us to avoid U.S. federal corporate income and excise taxes and to qualify and maintain our qualification as a REIT, which could materially and adversely affect us. In addition, if we fail to qualify as a REIT, we will not be required to make distributions to stockholders to maintain our tax status. As a result of all of these factors, our failure to qualify as a REIT could impair our ability to raise capital, expand our business, and make distributions to our stockholders and could adversely affect the value of our securities.

Even if we qualify and remain qualified as a REIT, we may face other tax liabilities that reduce our cash flow.

Even if we qualify and remain qualified for taxation as a REIT, we may be subject to certain federal, state, and local taxes on our income and assets. For example:

- We will be required to pay tax on undistributed REIT taxable income.
- If we have net income from the disposition of foreclosure property held primarily for sale to customers in the ordinary course of business or other non-qualifying income from foreclosure property, we must pay tax on that income at the highest corporate rate.
- If we sell a property in a "prohibited transaction," our gain from the sale would be subject to a 100% penalty tax.
- Each of our TRSs is a fully taxable corporation and will be subject to federal and state taxes on its income.
- We may continue to experience increases in our state and local income tax burden. Over the past several years, certain state and local taxing authorities have significantly changed their income tax regimes in order to raise revenues. The

changes enacted that have increased our state and local income tax burden include the taxation of modified gross receipts (as opposed to net taxable income), the suspension of and/or limitation on the use of net operating loss deductions, increases in tax rates and fees, the addition of surcharges, and the taxation of our partnership income at the entity level. Facing mounting budget deficits, more state and local taxing authorities have indicated that they are going to revise their income tax regimes in this fashion and/or eliminate certain federally allowed tax deductions such as the REIT dividends paid deduction.

Failure to make required distributions would subject us to U.S. federal corporate income tax.

We intend to operate in a manner that allows us to qualify as a REIT for U.S. federal income tax purposes. In order to continue to qualify as a REIT, we generally are required to distribute at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain, each year to our stockholders. To the extent that we satisfy this distribution requirement, but distribute less than 100% of our REIT taxable income, we will be subject to U.S. federal corporate income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders in a calendar year is less than a minimum amount specified under the Code.

Our TRS lessee structure increases our overall tax liability.

Our TRS lessees are subject to federal, state and local income tax on their taxable income, which consists of the revenues from the hotel properties leased by our TRS lessees, net of the operating expenses for such hotel properties and rent payments to us. Accordingly, although our ownership of our TRS lessees allows us to participate in the operating income from our hotel properties in addition to receiving fixed rent, the net operating income is fully subject to income tax. The after-tax net income of our TRS lessees is available for distribution to us.

If our leases with our TRS lessees are not respected as true leases for U.S. federal income tax purposes, we would fail to qualify as a REIT.

To qualify as a REIT, we are required to satisfy two gross income tests, pursuant to which specified percentages of our gross income must be passive income, such as rent. For the rent paid pursuant to the hotel leases with our TRS lessees, which constitutes substantially all of our gross income, to qualify for purposes of the gross income tests, the leases must be respected as true leases for U.S. federal income tax purposes and must not be treated as service contracts, joint ventures or some other type of arrangement. We have structured our leases, and intend to structure any future leases, so that the leases will be respected as true leases for U.S. federal income tax purposes, but the IRS may not agree with this characterization. If the leases were not respected as true leases for U.S. federal income tax purposes, we would not be able to satisfy either of the two gross income tests applicable to REITs and likely would fail to qualify as a REIT.

Our ownership of TRSs is limited and our transactions with our TRSs will cause us to be subject to a 100% penalty tax on certain income or deductions if those transactions are not conducted on arm's-length terms.

A REIT may own up to 100% of the stock of one or more TRSs. A TRS may hold assets and earn income that would not be qualifying assets or income if held or earned directly by a REIT, including gross operating income from hotels that are operated by eligible independent contractors pursuant to hotel management agreements. Both the subsidiary and the REIT must jointly elect to treat the subsidiary as a TRS. A corporation of which a TRS directly or indirectly owns more than 35% of the voting power or value of the stock will automatically be treated as a TRS. Overall, no more than 20% of the value of a REIT's assets may consist of stock or securities of one or more TRSs. In addition, the TRS rules limit the deductibility of interest paid or accrued by a TRS to its parent REIT to assure that the TRS is subject to an appropriate level of corporate taxation. The rules also impose a 100% excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm's-length basis. Finally, the 100% excise tax also applies to the underpricing of services by a TRS to its parent REIT in contexts where the services are unrelated to services for REIT tenants.

Our TRSs are subject to federal, foreign, state and local income tax on their taxable income, and their after-tax net income is available for distribution to us but is not required to be distributed to us. We believe that the aggregate value of the stock and securities of our TRSs is less than 20% of the value of our total assets (including our TRS stock and securities).

We monitor the value of our respective investments in our TRSs for the purpose of ensuring compliance with TRS ownership limitations. In addition, we scrutinize all of our transactions with our TRSs to ensure that they are entered into on arm's-length terms to avoid incurring the 100% excise tax described above. For example, in determining the amounts payable by our TRSs under our leases, we engaged a third party to prepare transfer pricing studies to ascertain whether the lease terms we established are on an arm's-length basis as required by applicable Treasury Regulations. However the receipt of a transfer pricing study does not prevent the IRS from challenging the arm's length nature of the lease terms between a REIT and its TRS

lessees. Consequently, there can be no assurance that we will be able to avoid application of the 100% excise tax discussed above.

If our hotel managers, including Ashford Hospitality Services LLC and its subsidiaries (including Remington Hospitality) do not qualify as “eligible independent contractors,” we would fail to qualify as a REIT.

Rent paid by a lessee that is a “related party tenant” of ours is not qualifying income for purposes of the two gross income tests applicable to REITs. We lease all of our hotels to our TRS lessees. A TRS lessee will not be treated as a “related party tenant,” and will not be treated as directly operating a lodging facility, which is prohibited, to the extent the TRS lessee leases properties from us that are managed by an “eligible independent contractor.”

We believe that the rent paid by our TRS lessees is qualifying income for purposes of the REIT gross income tests and that our TRSs qualify to be treated as TRSs for U.S. federal income tax purposes, but there can be no assurance that the IRS will not challenge this treatment or that a court would not sustain such a challenge. If we failed to meet either the asset or gross income tests, we would likely lose our REIT qualification for U.S. federal income tax purposes, unless certain of the REIT “savings clauses” applied.

If our hotel managers, including Ashford Hospitality Services LLC (“AHS”) and its subsidiaries (including Remington Hospitality), do not qualify as “eligible independent contractors,” we would fail to qualify as a REIT. Each of the hotel management companies that enters into a management contract with our TRS lessees must qualify as an “eligible independent contractor” under the REIT rules in order for the rent paid to us by our TRS lessees to be qualifying income for our REIT income test requirements. Among other requirements, in order to qualify as an eligible independent contractor a manager must not own more than 35% of our outstanding shares (by value) and no person or group of persons can own more than 35% of our outstanding shares and the ownership interests of the manager, taking into account only owners of more than 5% of our shares and, with respect to ownership interests in such managers that are publicly-traded, only holders of more than 5% of such ownership interests. Complex ownership attribution rules apply for purposes of these 35% thresholds. Although we intend to monitor ownership of our shares by our hotel managers and their owners, there can be no assurance that these ownership levels will not be exceeded. Additionally, we and AHS and its subsidiaries, including Remington Hospitality, must comply with the provisions of the private letter ruling we obtained from the IRS in connection with Ashford Inc.’s acquisition of Remington Hospitality to ensure that AHS and its subsidiaries, including Remington Hospitality, continue to qualify as “eligible independent contractors.”

Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends.

The maximum U.S. federal income tax rate applicable to “qualified dividend income” payable to U.S. stockholders that are taxed at individual rates is 20%. Dividends payable by REITs, however, generally are not eligible for this reduced maximum rate on qualified dividend income. However, under the Tax Cuts and Jobs Act a non-corporate taxpayer may deduct 20% of ordinary REIT dividends that are not “capital gain dividends” or “qualified dividend income” resulting in an effective maximum U.S. federal income tax rate of 29.6% (based on the current maximum U.S. federal income tax rate for individuals of 37%). Individuals, trusts and estates whose income exceeds certain thresholds are also subject to a 3.8% Medicare tax on dividends received from us. The more favorable rates applicable to regular corporate qualified dividends could cause investors who are taxed at individual rates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our stock.

If our operating partnership failed to qualify as a partnership for U.S. federal income tax purposes, we would cease to qualify as a REIT and would be subject to higher taxes and have less cash available for distribution to our stockholders and suffer other adverse consequences.

We believe that our operating partnership qualifies to be treated as a partnership for U.S. federal income tax purposes. As a partnership, our operating partnership is not subject to U.S. federal income tax on its income. Instead, each of its partners, including us, is required to include in income its allocable share of the operating partnership’s income. No assurance can be provided, however, that the IRS will not challenge its status as a partnership for U.S. federal income tax purposes, or that a court would not sustain such a challenge. If the IRS were successful in treating our operating partnership as a corporation for tax purposes, we would fail to meet the gross income tests and certain of the asset tests applicable to REITs and, accordingly, cease to qualify as a REIT. Also, the failure of our operating partnership to qualify as a partnership would cause it to become subject to federal and state corporate income tax, which would reduce significantly the amount of cash available for debt service and for distribution to its partners, including us.

Note that although partnerships have traditionally not been subject to U.S. federal income tax at the entity level as described above, new audit rules, will generally apply to the partnership. Under the new rules, unless an entity elects otherwise, taxes arising from audit adjustments are required to be paid by the entity rather than by its partners or members. We may utilize exceptions available under the new provisions (including any changes) and Treasury Regulations so that the partners, to the fullest extent possible, rather than the partnership itself, will be liable for any taxes arising from audit adjustments to the issuing entity's taxable income. One such exception is to apply an elective alternative method under which the additional taxes resulting from the adjustment are assessed from the affected partners (often referred to as a "push-out election"), subject to a higher rate of interest than otherwise would apply. When a push-out election causes a partner that is itself a partnership to be assessed with its share of such additional taxes from the adjustment, such partnership may cause such additional taxes to be pushed out to its own partners. In addition, Treasury Regulations provide that a partner that is a REIT may be able to use deficiency dividend procedures with respect to such adjustments. Many questions remain as to how the partnership audit rules will apply, and it is not clear at this time what effect these rules will have on us. However, it is possible that these changes could increase the U.S. federal income tax, interest, and/or penalties otherwise borne by us in the event of a U.S. federal income tax audit of a subsidiary partnership (such as our operating partnership).

Complying with REIT requirements may cause us to forgo otherwise attractive opportunities.

To qualify as a REIT for U.S. federal income tax purposes, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to our stockholders, and the ownership of our stock. We may be required to make distributions to stockholders at disadvantageous times or when we do not have funds readily available for distribution. Thus, compliance with the REIT requirements may hinder our ability to operate solely on the basis of maximizing profits.

Complying with REIT requirements may limit our ability to hedge effectively.

The REIT provisions of the Code may limit our ability to hedge mortgage securities and related borrowings by requiring us to limit our income and assets in each year from certain hedges, together with any other income not generated from qualified real estate assets, to no more than 25% of our gross income. In addition, we must limit our aggregate income from nonqualified hedging transactions, from our provision of services, and from other non-qualifying sources to no more than 5% of our annual gross income. As a result, we may have to limit our use of advantageous hedging techniques. This could result in greater risks associated with changes in interest rates than we would otherwise want to incur. However, for transactions that we enter into to protect against interest rate risks on debt incurred to acquire qualified REIT assets and for which we identify as hedges for tax purposes, any associated hedging income is excluded from the 95% income test and the 75% income test applicable to a REIT. In addition, similar rules apply to income from positions that primarily manage risk with respect to a prior hedge entered into by a REIT in connection with the extinguishment or disposal (in whole or in part) of the liability or asset related to such prior hedge, to the extent the new position qualifies as a hedge or would so qualify if the hedged position were ordinary property. If we were to violate the 25% or 5% limitations, we may have to pay a penalty tax equal to the amount of income in excess of those limitations multiplied by a fraction intended to reflect our profitability. If we fail to satisfy the REIT gross income tests, unless our failure was due to reasonable cause and not due to willful neglect such that a REIT "savings clause" applied, we could lose our REIT status for U.S. federal income tax purposes.

Complying with REIT requirements may force us to liquidate otherwise attractive investments.

To qualify as a REIT, we must also ensure that at the end of each calendar quarter at least 75% of the value of our assets consists of cash, cash items, government securities, and qualified REIT real estate assets. The remainder of our investment in securities (other than government securities and qualified real estate assets) generally cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of any one issuer. In addition, in general, no more than 5% of the value of our assets (other than government securities and qualified real estate assets) can consist of the securities of any one issuer, and no more than 20% of the value of our total assets can be represented by securities of one or more TRSs, and no more than 25% of the value of our total assets can be represented by certain publicly offered REIT debt instruments.

If we fail to comply with these requirements at the end of any calendar quarter, we must correct such failure within 30 days after the end of the calendar quarter to avoid losing our REIT status and suffering adverse tax consequences. As a result, we may be required to liquidate otherwise attractive investments.

Complying with REIT requirements may force us to borrow to make distributions to our stockholders.

As a REIT, we must distribute at least 90% of our annual REIT taxable income, excluding net capital gains, (subject to certain adjustments) to our stockholders. To the extent that we satisfy the distribution requirement, but distribute less than 100%

of our taxable income, we will be subject to federal corporate income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders in a calendar year is less than a minimum amount specified under federal tax laws.

From time to time, we may generate taxable income greater than our net income for financial reporting purposes or our taxable income may be greater than our cash flow available for distribution to our stockholders. If we do not have other funds available in these situations, we could be required to borrow funds, sell investments at disadvantageous prices, or find another alternative source of funds to make distributions sufficient to enable us to pay out enough of our taxable income to satisfy the distribution requirement and to avoid corporate income tax and the 4% excise tax in a particular year. These alternatives could increase our costs or reduce the value of our equity. To the extent that we make distributions in excess of our current and accumulated earnings and profits (as determined for U.S. federal income tax purposes), such distributions would generally be considered a return of capital for U.S. federal income tax purposes to the extent of the holder's adjusted tax basis in its shares. A return of capital is not taxable, but it has the effect of reducing the holder's adjusted tax basis in its investment. To the extent that distributions exceed the adjusted tax basis of a holder's shares, they will be treated as gain from the sale or exchange of such stock.

We may in the future choose to pay taxable dividends in our shares of our common stock instead of cash, in which case stockholders may be required to pay income taxes in excess of the cash dividends they receive.

We may distribute taxable dividends that are payable in cash and common stock at the election of each stockholder, subject to certain limitations, including that the cash portion be at least 20% of the total distribution.

If we make a taxable dividend payable in cash and common stock, taxable stockholders receiving such dividends will be required to include the full amount of the dividend as ordinary income to the extent of our current and accumulated earnings and profits, as determined for U.S. federal income tax purposes. As a result, stockholders may be required to pay income taxes with respect to such dividends in excess of the cash dividends received. If a U.S. stockholder sells the shares of common stock that it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our common stock at the time of the sale. Furthermore, with respect to certain non-U.S. stockholders, we may be required to withhold U.S. federal income tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in shares of common stock. In addition, if we made a taxable dividend payable in cash and our common stock and a significant number of our stockholders determine to sell shares of our common stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our common stock. We do not currently intend to pay taxable dividends of our common stock and cash, although we may choose to do so in the future.

The prohibited transactions tax may limit our ability to dispose of our properties.

A REIT's net income from prohibited transactions is subject to a 100% tax. In general, prohibited transactions are sales or other dispositions of property, other than foreclosure property, held primarily for sale to customers in the ordinary course of business. We may be subject to the prohibited transaction tax equal to 100% of net gain upon a disposition of real property. Although a safe harbor to the characterization of the sale of real property by a REIT as a prohibited transaction is available, we cannot assure you that we can comply with the safe harbor or that we will avoid owning property that may be characterized as held primarily for sale to customers in the ordinary course of business. Consequently, we may choose not to engage in certain sales of our properties or may conduct such sales through our TRS, which would be subject to federal and state income taxation.

The ability of our board of directors to revoke our REIT qualification without stockholder approval may cause adverse consequences to our stockholders.

Our charter provides that our board of directors may revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines that it is no longer in our best interest to continue to qualify as a REIT. If we cease to qualify as a REIT, we would become subject to U.S. federal and state and local income taxes on our taxable income and would no longer be required to distribute most of our taxable income to our stockholders, which may have adverse consequences on the total stockholder return received by our stockholders.

We may be subject to adverse legislative or regulatory tax changes that could reduce the market price of our securities.

At any time, the U.S. federal income tax laws governing REITs or the administrative interpretations of those laws may be amended. We cannot predict when or if any new U.S. federal income tax law, regulation or administrative interpretation, or any amendment to any existing U.S. federal income tax law, regulation or administrative interpretation, will be adopted, promulgated or become effective and any such law, regulation, or interpretation may take effect retroactively. We and our

stockholders could be adversely affected by any such change in the U.S. federal income tax laws, regulations or administrative interpretations. It is possible that future legislation would result in a REIT having fewer advantages, and it could become more advantageous for a company that invests in real estate to be treated, for U.S. federal income tax purposes, as a corporation.

If Braemar failed to qualify as a REIT for 2013, it would significantly affect our ability to maintain our REIT status.

For U.S. federal income tax purposes, we recorded a gain of approximately \$145.7 million as a result of the spin-off of Braemar in November 2013. If Braemar qualified for taxation as a REIT for 2013, that gain was qualifying income for purposes of our 2013 REIT income tests. If, however, Braemar failed to qualify as a REIT for 2013, that gain would be non-qualifying income for purposes of the 75% gross income test. Although Braemar covenanted in the Separation and Distribution Agreement to use reasonable best efforts to qualify as a REIT in 2013, no assurance can be given that it so qualified. If Braemar failed to qualify, we would have failed our 2013 REIT income tests, which would either result in our loss of our REIT status for 2013 and the following four taxable years or result in a significant tax in 2013 that has not been accrued or paid and thereby would materially negatively impact our business, financial condition and potentially impair our ability to continue operating in the future.

Your investment in our securities has various federal, state, and local income tax risks that could affect the value of your investment.

We strongly urge you to consult your own tax advisor concerning the effects of federal, state, and local income tax law on an investment in our securities because of the complex nature of the tax rules applicable to REITs and their stockholders.

Our failure to qualify as a REIT would potentially give rise to a claim for damages from Braemar.

In connection with the spin-off of Braemar, which was completed in November 2013, we represented in the Separation and Distribution Agreement with Braemar that we have no knowledge of any fact or circumstance that would cause us to fail to qualify as a REIT. In the event of a breach of this representation, Braemar may be able to seek damages from us, which could have a significantly negative effect on our liquidity and results of operations.

Declines in the values of our investments may make it more difficult for us to maintain our qualification as a REIT or exemption from the Investment Company Act.

If the market value or income potential of real estate-related investments declines as a result of changes in interest rates or other factors, we may need to increase our real estate-related investments and income or liquidate our non-qualifying assets in order to maintain our REIT qualification or exemption from the Investment Company Act of 1940 (the "Investment Company Act"). If the decline in real estate asset values and/or income occurs quickly, this may be especially difficult to accomplish. This difficulty may be exacerbated by the illiquid nature of any non-qualifying assets that we may own. We may have to make investment decisions that we otherwise would not make absent the REIT and Investment Company Act considerations.

RISKS RELATED TO OUR CORPORATE STRUCTURE

Our charter, the partnership agreement of our operating partnership and Maryland law contain provisions that may delay or prevent a change of control transaction.

Our charter contains 9.8% ownership limits. For the purpose of preserving our REIT qualification, our charter prohibits direct or constructive ownership by any person of more than (i) 9.8% of the lesser of the total number or value (whichever is more restrictive) of the outstanding shares of our common stock or (ii) 9.8% of the total number or value (whichever is more restrictive) of the outstanding shares of any class or series of our preferred stock or any other stock of our company, unless our board of directors grants a waiver.

Our charter's constructive ownership rules are complex and may cause stock owned actually or constructively by a group of related individuals and/or entities to be deemed to be constructively owned by one individual or entity. As a result, the acquisition of less than 9.8% of any class or series of our stock by an individual or entity could nevertheless cause that individual or entity to own constructively in excess of 9.8% of a class or series of outstanding stock, and thus be subject to our charter's ownership limit. Any attempt to own or transfer shares of our stock in excess of the ownership limit without the consent of our board of directors will be void and could result in the shares being automatically transferred to a charitable trust.

Our board of directors may create and issue a class or series of common stock or preferred stock without stockholder approval.

Our charter authorizes our board of directors to issue common stock or preferred stock in one or more classes and to establish the preferences and rights of any class of common stock or preferred stock issued. These actions can be taken without

obtaining stockholder approval. Our issuance of additional classes of common stock or preferred stock could substantially dilute the interests of the holders of our common stock. Such issuances could also have the effect of delaying or preventing someone from taking control of us, even if our stockholders' deemed a change of control to be in their best interests.

Certain provisions in the partnership agreement of our operating partnership may delay or prevent unsolicited acquisitions of us.

Provisions in the partnership agreement of our operating partnership may delay or make more difficult unsolicited acquisitions of us or changes in our control. These provisions could discourage third parties from making proposals involving an unsolicited acquisition of us or change of our control, although some stockholders might consider such proposals, if made, desirable. These provisions include, among others:

- redemption rights of qualifying parties;
- transfer restrictions on our common units;
- the ability of the general partner in some cases to amend the partnership agreement without the consent of the limited partners; and
- the right of the limited partners to consent to transfers of the general partnership interest and mergers under specified circumstances.

Because provisions contained in Maryland law and our charter may have an anti-takeover effect, investors may be prevented from receiving a "control premium" for their shares.

Provisions contained in our charter and the Maryland General Corporation Law (the "MGCL") may have effects that delay, defer, or prevent a takeover attempt, which may prevent stockholders from receiving a "control premium" for their shares. For example, these provisions may defer or prevent tender offers for our common stock or purchases of large blocks of our common stock, thereby limiting the opportunities for our stockholders to receive a premium for their common stock over then-prevailing market prices.

These provisions include the following:

- The ownership limit in our charter limits related investors, including, among other things, any voting group, from acquiring over 9.8% of our common stock or any class of our preferred stock without our permission.
- Our charter authorizes our board of directors to issue common stock or preferred stock in one or more classes and to establish the preferences and rights of any class of common stock or preferred stock issued. These actions can be taken without soliciting stockholder approval. Our common stock and preferred stock issuances could have the effect of delaying or preventing someone from taking control of us, even if a change in control were in our stockholders' best interests.

Maryland statutory law provides that an act of a director relating to or affecting an acquisition or a potential acquisition of control of a corporation may not be subject to a higher duty or greater scrutiny than is applied to any other act of a director or determination not to act. Hence, directors of a Maryland corporation by statute are not required to act in certain takeover situations under the same standards of care and are not subject to the same standards of review, as apply in Delaware and other corporate jurisdictions.

Certain other provisions of Maryland law, if they became applicable to us, could inhibit changes in control.

Certain provisions of the MGCL may have the effect of inhibiting a third party from making a proposal to acquire us under circumstances that otherwise could provide our stockholders with the opportunity to realize a premium over the then-prevailing market price of our common stock or a "control premium" for their shares or inhibit a transaction that might otherwise be viewed as being in the best interest of our stockholders. These provisions include:

- "business combination" provisions that, subject to limitations, prohibit certain business combinations between us and an "interested stockholder" (defined generally as any person who beneficially owns 10% or more of the voting power of our shares or an affiliate thereof) for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter impose special stockholder voting requirements on these business combinations, unless certain fair price requirements set forth in the MGCL are satisfied; and
- "control share" provisions that provide that "control shares" of our company (defined as outstanding shares which, when aggregated with other shares controlled by the stockholder, entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a "control share acquisition" (defined as the direct or indirect acquisition of ownership or control of outstanding "control shares") have no voting rights except to the

extent approved by our stockholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding all interested shares.

In addition, Subtitle 8 of Title 3 of the MGCL permits a Maryland corporation with a class of equity securities registered under the Exchange Act and at least three independent directors to elect to be subject, notwithstanding any contrary provision in the charter or bylaws, to any or all of the following five provisions: a classified board; a two-thirds stockholder vote requirement for removal of a director; a requirement that the number of directors be fixed only by vote of the directors; a requirement that a vacancy on the board of directors be filled only by the remaining directors and for the remainder of the full term of the class of directors in which the vacancy occurred; and a requirement that the holders of at least a majority of all votes entitled to be cast request a special meeting of stockholders.

Our charter opts out of the business combination/moratorium provisions and control share provisions of the MGCL and prevents us from making any elections under Subtitle 8 of the MGCL. Because these provisions are contained in our charter, they cannot be amended unless the board of directors recommends the amendment and the stockholders approve the amendment. Any such amendment would require the affirmative vote of two-thirds of the outstanding voting power of our common stock. Additionally, in connection with the transactions contemplated by the Credit Agreement, on January 15, 2021, the Company entered into an investor agreement (the "Investor Agreement") with Oaktree. Pursuant to the Investor Agreement, we are not permitted to elect to be subject to, or publicly recommend any charter amendment to our stockholders that would permit our board of directors to elect to be subject to, the business combination/moratorium provisions or control share provisions of Maryland law or any similar state anti-takeover law, except to the extent Oaktree and its affiliates are expressly exempted.

We depend on our operating partnership and its subsidiaries for cash flow and are effectively structurally subordinated in right of payment to the obligations of our operating partnership and its subsidiaries, which could adversely affect our ability to make distributions to our stockholders.

We have no business operations of our own. Our only significant asset is and will be the general and limited partnership interests of our operating partnership. We conduct, and intend to continue to conduct, all of our business operations through our operating partnership. Accordingly, our only source of cash to pay our obligations is distributions from our operating partnership and its subsidiaries of their net earnings and cash flows. We cannot assure our stockholders that our operating partnership or its subsidiaries will be able to, or be permitted to, make distributions to us that will enable us to make distributions to our stockholders from cash flows from operations. Each of our operating partnership's subsidiaries is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from such entities. Therefore, in the event of our bankruptcy, liquidation or reorganization, our assets and those of our operating partnership and its subsidiaries will be able to satisfy the claims of our stockholders only after all of our and our operating partnership and its subsidiaries liabilities and obligations have been paid in full.

Offerings of debt securities, which would be senior to our common stock and any preferred stock upon liquidation, or equity securities, which would dilute our existing stockholders' holdings and could be senior to our common stock for the purposes of dividend distributions, may adversely affect the market price of our common stock and any preferred stock.

We may attempt to increase our capital resources by making additional offerings of debt or equity securities, including commercial paper, medium-term notes, senior or subordinated notes, convertible securities, and classes of preferred stock or common stock or classes of preferred units. Upon liquidation, holders of our debt securities or preferred units and lenders with respect to other borrowings will receive a distribution of our available assets prior to the holders of shares of preferred stock or common stock. Furthermore, holders of our debt securities and preferred stock or preferred units and lenders with respect to other borrowings will receive a distribution of our available assets prior to the holders of our common stock. Additional equity offerings may dilute the holdings of our existing stockholders or reduce the market price of our common or preferred stock or both. Our preferred stock or preferred units could have a preference on liquidating distributions or a preference on dividend payments that could limit our ability to make a dividend distribution to the holders of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, or nature of our future offerings. Thus, our stockholders bear the risk of our future offerings reducing the market price of our securities and diluting their securities holdings in us.

Securities eligible for future sale may have adverse effects on the market price of our securities.

We cannot predict the effect, if any, of future sales of securities, or the availability of securities for future sales, on the market price of our outstanding securities. Sales of substantial amounts of common stock, or the perception that these sales could occur, may adversely affect prevailing market prices for our securities.

We also may issue from time to time additional shares of our securities or units of our operating partnership in connection with the acquisition of properties and we may grant additional demand or piggyback registration rights in connection with these issuances. Sales of substantial amounts of our securities or the perception that such sales could occur may adversely affect the prevailing market price for our securities or may impair our ability to raise capital through a sale of additional debt or equity securities.

An increase in market interest rates may have an adverse effect on the market price of our securities.

A factor investors may consider in deciding whether to buy or sell our securities is our dividend rate as a percentage of our share or unit price relative to market interest rates. If market interest rates increase, prospective investors may desire a higher dividend or interest rate on our securities or seek securities paying higher dividends or interest. The market price of our securities is likely based on the earnings and return that we derive from our investments, income with respect to our properties, and our related distributions to stockholders and not necessarily from the market value or underlying appraised value of the properties or investments themselves. As a result, interest rate fluctuations and capital market conditions can affect the market price of our securities. For instance, if interest rates rise without an increase in our dividend rate, the market price of our common or preferred stock could decrease because potential investors may require a higher dividend yield on our common or preferred stock as market rates on interest-bearing securities, such as bonds, rise. In addition, rising interest rates would result in increased interest expense on our variable-rate debt, thereby adversely affecting cash flow and our ability to service our indebtedness and pay dividends.

Our board of directors can take many actions without stockholder approval.

Our board of directors has overall authority to oversee our operations and determine our major corporate policies. This authority includes significant flexibility. For example, our board of directors can do the following:

- amend or revise at any time our dividend policy with respect to our common stock or preferred stock (including by eliminating, failing to declare, or significantly reducing dividends on these securities);
- terminate our advisor under certain conditions pursuant to the advisory agreement, subject to the payment of a termination fee;
- amend or revise at any time and from time to time our investment, financing, borrowing and dividend policies and our policies with respect to all other activities, including growth, debt, capitalization and operations, subject to the limitations and restrictions provided in our advisory agreement and mutual exclusivity agreement;
- amend our policies with respect to conflicts of interest provided that such changes are consistent with applicable legal requirements;
- subject to the terms of our charter, prevent the ownership, transfer and/or accumulation of shares in order to protect our status as a REIT or for any other reason deemed to be in the best interests of us and our stockholders;
- issue additional shares without obtaining stockholder approval, which could dilute the ownership of our then-current stockholders;
- subject to the terms of any outstanding classes or series of preferred stock, classify or reclassify any unissued shares of our common stock or preferred stock and set the preferences, rights and other terms of such classified or reclassified shares, without obtaining stockholder approval;
- employ and compensate affiliates (subject to disinterested director approval);
- direct our resources toward investments that do not ultimately appreciate over time; and
- determine that it is not in our best interests to attempt to qualify, or to continue to qualify, as a REIT.

Any of these actions could increase our operating expenses, impact our ability to make distributions or reduce the value of our assets without giving stockholders the right to vote.

The ability of our board of directors to change our major policies without the consent of stockholders may not be in our stockholders' interest.

Our board of directors determines our major policies, including policies and guidelines relating to our acquisitions, leverage, financing, growth, operations and distributions to stockholders. Our board of directors may amend or revise these and other policies and guidelines from time to time without the vote or consent of our stockholders, subject to certain limitations and restrictions provided in our advisory agreement. Accordingly, our stockholders will have limited control over changes in our policies and those changes could adversely affect our financial condition, results of operations, the market price of our stock and our ability to make distributions to our stockholders.

Our rights and the rights of our stockholders to take action against our directors and officers are limited.

Maryland law provides that a director or officer has no liability in that capacity if he or she performs his or her duties in good faith, in a manner he or she reasonably believes to be in our best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. In addition, our charter eliminates our directors' and officers' liability to us and our stockholders for money damages except for liability resulting from actual receipt of an improper benefit or profit in money, property or services or active and deliberate dishonesty established by a final judgment to have been material to the cause of action. Our charter requires us to indemnify our directors and officers and to advance expenses prior to the final disposition of a proceeding to the maximum extent permitted by Maryland law for liability actually incurred in connection with any proceeding to which they may be made, or threatened to be made, a party, except to the extent that the act or omission of the director or officer was material to the matter giving rise to the proceeding and was either committed in bad faith or was the result of active and deliberate dishonesty, the director or officer actually received an improper personal benefit in money, property or services, or, in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. As a result, we and our stockholders may have more limited rights against our directors and officers than might otherwise exist under common law. In addition, we are generally obligated to fund the defense costs incurred by our directors and officers.

Future issuances of securities, including our common stock and preferred stock, could reduce existing investors' relative voting power and percentage of ownership and may dilute our share value.

Our charter authorizes the issuance of up to 400,000,000 shares of common stock and 50,000,000 shares of preferred stock. As of March 12, 2024, we had 39,625,211 shares of our common stock issued and outstanding, 1,159,927 shares of our Series D Cumulative Preferred Stock, 1,114,344 shares of our Series F Cumulative Preferred Stock, 1,531,996 shares of our Series G Cumulative Preferred Stock, 1,099,325 shares of our Series H Cumulative Preferred Stock, and 1,148,923 shares of our Series I Cumulative Preferred Stock, 4,084,397 shares of our Series J Redeemable Preferred stock and 240,353 shares of our Series K Redeemable Preferred Stock. Accordingly, we may issue up to an additional 360,374,789 shares of common stock and 39,620,735 shares of preferred stock.

Future issuances of common stock or preferred stock could decrease the relative voting power of our common stock or preferred stock and may cause substantial dilution in the ownership percentage of our then-existing holders of common or preferred stock. Future issuances may have the effect of reducing investors' relative voting power and/or diluting the net tangible book value of the shares held by our stockholders, and might have an adverse effect on any trading market for our securities. Our board of directors may designate the rights, terms and preferences of our authorized but unissued common shares or preferred shares at its discretion, including conversion and voting preferences without stockholder approval.

The plan to pay off our strategic financing is subject to various risks and uncertainties and may not be completed on the terms or timeline currently contemplated, if at all.

We recently provided an update on a plan to pay off our strategic financing which has a final maturity date in January 2026. The plan includes raising sufficient capital through a combination of asset sales, mortgage debt refinancings, and non-traded preferred capital raising; however, there can be no assurance of the terms, timing or structure of any future transaction involving such assets, whether we will be able to identify buyers for the assets on favorable terms or at all, or whether any such transaction will take place at all. In addition, any such transaction is subject to risks and uncertainties, including unanticipated developments, regulatory approvals or clearances and uncertainty in the financial markets, that could delay or prevent the completion of any such transaction.

The plan to pay off our strategic financing may not achieve some or all of the anticipated benefits.

Executing the proposed plan to pay off our strategic financing will continue to require us to incur costs and will require the time and attention of our senior management and key employees, which could distract them from operating our business, disrupt operations and result in the loss of business opportunities, each of which could adversely affect our business, financial condition and results of operations. Even if the proposed plan is completed, we may not realize some or all of the anticipated benefits from the sale, and the sale may in fact adversely affect our business

Item 1B. *Unresolved Staff Comments*

None.

Item 1C. Cybersecurity

Risk Management and Strategy. The Company's information security program consists of various processes designed to ensure that the Company and its electronic assets are shielded from cyber events that may compromise the Company's ability to successfully execute its business on a day-to-day basis. These processes cover areas such as, but not limited to, risk management, access control, anti-virus management, sensitive data management, electronic communication, risk/security reporting, incident response planning and business continuation planning. The information technology department ("IT Department"), which includes the cybersecurity department ("IT Security Department"), is responsible for implementing such processes and coordinating with the Human Resources Department to align training and onboarding efforts with such processes. The IT Security Department carries out risk management primarily by outsourcing risks to those companies and agencies that specialize in handling such risks and that have the appropriate resources to do so. Additionally, the IT Department assesses and improves the Company's cybersecurity risk management processes on an annual basis by: (i) engaging its cyber insurance broker, AON, plc, to complete a benchmarking evaluation to compare the Company's cybersecurity posture against peers and (ii) engaging cyber risk readiness and response company, Netdiligence®, to conduct vulnerability and penetration testing, which produces a report that specifies any possible risk area and devices. Such report is presented to the IT Department for analysis and for the purpose of developing subsequent action plans to remediate any vulnerabilities. As of the date of this report, we are not aware of any material risks from cybersecurity threats that have materially affected or are reasonably likely to materially affect the Company, including our business strategy, results of operations, or financial conditions, except as otherwise noted.

Governance. Management is ultimately responsible for assessing and managing the Company's cybersecurity risk. The information security program is overseen by the Chief Financial Officer, Vice President of IT, and the Information Security Manager. The Information Security Manager provides a weekly report to the Vice President of IT, which contains an overview of the activity in the department, any United States Computer Emergency Readiness Team alerts processed and all findings from the preventative maintenance tools. The Vice President of IT provides such report to the Chief Financial Officer on a quarterly basis. The Audit Committee of the Board is then briefed each quarter on the occurrence of any cybersecurity incidents. The Board will also be provided an overview of the information security program on an annual basis, including updates on the IT team, IT training, implementation of IT controls, cybersecurity testing, the incident response process and the cybersecurity assets of the Company.

Item 2. Properties

OFFICES. We lease our headquarters located at 14185 Dallas Parkway, Suite 1200, Dallas, Texas 75254.

HOTEL PROPERTIES. As of December 31, 2023, our portfolio consisted of 90 hotel properties, four Stirling OP hotel properties and one hotel property under development that were included in our consolidated operations. Currently, all of our hotel properties are located in the United States. The following table presents certain information related to our hotel properties:

Hotel Property	Location	Service Type	Total		Owned	Year Ended December 31, 2023				
			Rooms	% Owned	Rooms	Occupancy		ADR		RevPAR
Fee Simple Properties										
Embassy Suites	Austin, TX	Full service	150	100	150	72.60	%	\$	162.03	\$ 117.66
Embassy Suites	Dallas, TX	Full service	150	100	150	66.30	%	\$	137.94	\$ 91.49
Embassy Suites	Herndon, VA	Full service	150	100	150	73.90	%	\$	171.17	\$ 126.45
Embassy Suites	Las Vegas, NV	Full service	220	100	220	83.90	%	\$	169.31	\$ 142.05
Embassy Suites	Houston, TX	Full service	150	100	150	68.10	%	\$	152.16	\$ 103.60
Embassy Suites	West Palm Beach, FL	Full service	160	100	160	76.90	%	\$	188.13	\$ 144.69
Embassy Suites	Philadelphia, PA	Full service	263	100	263	73.90	%	\$	163.71	\$ 120.93
Embassy Suites	Arlington, VA	Full service	269	100	269	77.80	%	\$	216.80	\$ 168.74
Embassy Suites	Portland, OR	Full service	276	100	276	56.90	%	\$	166.44	\$ 94.71
Embassy Suites	Santa Clara, CA	Full service	258	100	258	59.80	%	\$	227.67	\$ 136.21
Embassy Suites	Orlando, FL	Full service	174	100	174	86.90	%	\$	169.13	\$ 146.97
Hilton Garden Inn	Jacksonville, FL	Select service	119	100	119	73.70	%	\$	139.91	\$ 103.15
Hilton Garden Inn	Austin, TX	Select service	254	100	254	59.80	%	\$	214.69	\$ 128.39
Hilton Garden Inn	Baltimore, MD	Select service	158	100	158	73.60	%	\$	124.66	\$ 91.70
Hilton Garden Inn	Virginia Beach, VA	Select service	176	100	176	75.70	%	\$	163.04	\$ 123.49
Hilton	Houston, TX	Full service	242	100	242	64.80	%	\$	133.34	\$ 86.39
Hilton	St. Petersburg, FL	Full service	333	100	333	71.20	%	\$	198.33	\$ 141.28
Hilton	Santa Fe, NM	Full service	158	100	158	77.30	%	\$	224.16	\$ 173.31

Hotel Property	Location	Service Type	Total		Owned	Year Ended December 31, 2023			
			Rooms	% Owned		Occupancy		ADR	RevPAR
Hilton	Bloomington, MN	Full service	300	100	300	57.10	% \$	131.91	\$ 75.25
Hilton	Costa Mesa, CA	Full service	486	100	486	79.80	% \$	152.34	\$ 121.61
Hilton	Boston, MA	Full service	390	100	390	90.90	% \$	290.84	\$ 264.27
Hilton	Parsippany, NJ	Full service	353	100	353	42.70	% \$	167.58	\$ 71.60
Hilton	Tampa, FL	Full service	238	100	238	81.20	% \$	175.67	\$ 142.73
Hilton	Alexandria, VA	Full service	252	100	252	65.10	% \$	210.87	\$ 137.27
Hilton	Santa Cruz, CA	Full service	178	100	178	76.90	% \$	182.98	\$ 140.67
Hilton	Ft. Worth, TX	Full service	294	100	294	67.20	% \$	182.03	\$ 122.33
Hampton Inn ⁽⁷⁾	Buford, GA	Select service	92	100	92	86.46	% \$	152.79	\$ 132.10
Hampton Inn	Lawrenceville, GA	Select service	85	100	85	79.70	% \$	120.19	\$ 95.78
Hampton Inn	Evansville, IN	Select service	140	100	140	55.10	% \$	125.96	\$ 69.41
Hampton Inn	Parsippany, NJ	Select service	152	100	152	65.80	% \$	139.06	\$ 91.49
Marriott	Beverly Hills, CA	Full service	260	100	260	86.70	% \$	267.52	\$ 231.92
Marriott	Arlington, VA	Full service	703	100	703	75.30	% \$	208.99	\$ 157.40
Marriott	Dallas, TX	Full service	265	100	265	73.80	% \$	145.33	\$ 107.25
Marriott	Fremont, CA	Full service	357	100	357	67.90	% \$	156.62	\$ 106.29
Marriott	Memphis, TN	Full service	232	100	232	74.40	% \$	165.76	\$ 123.28
Marriott	Irving, TX	Full service	499	100	499	77.50	% \$	162.11	\$ 125.59
Marriott	Omaha, NE	Full service	300	100	300	56.40	% \$	142.15	\$ 80.21
Marriott	Sugarland, TX	Full service	300	100	300	81.90	% \$	153.70	\$ 125.84
SpringHill Suites by Marriott	Baltimore, MD	Select service	133	100	133	73.00	% \$	108.03	\$ 78.91
SpringHill Suites by Marriott	Kennesaw, GA	Select service	90	100	90	71.50	% \$	135.96	\$ 97.27
SpringHill Suites by Marriott	Manhattan Beach, CA	Select service	164	100	164	76.60	% \$	142.07	\$ 108.84
SpringHill Suites by Marriott	Plymouth Meeting, PA	Select service	199	100	199	47.20	% \$	116.10	\$ 54.83
SpringHill Suites by Marriott ⁽⁷⁾	Buford, GA	Select service	97	100	97	70.19	% \$	137.67	\$ 96.56
Fairfield Inn by Marriott	Kennesaw, GA	Select service	86	100	86	65.10	% \$	124.67	\$ 81.10
Courtyard by Marriott	Bloomington, IN	Select service	117	100	117	69.60	% \$	146.49	\$ 102.01
Courtyard by Marriott - Tremont	Boston, MA	Select service	315	100	315	76.80	% \$	273.59	\$ 210.02
Courtyard by Marriott	Columbus, IN	Select service	90	100	90	39.70	% \$	104.60	\$ 41.56
Courtyard by Marriott	Denver, CO	Select service	202	100	202	88.00	% \$	155.43	\$ 136.71
Courtyard by Marriott	Manchester, CT	Select service	90	100	90	76.10	% \$	147.34	\$ 112.16
Courtyard by Marriott	Gaithersburg, MD	Select service	210	100	210	69.00	% \$	168.43	\$ 116.19
Courtyard by Marriott	Crystal City, VA	Select service	272	100	272	78.70	% \$	176.75	\$ 139.19
Courtyard by Marriott	Overland Park, KS	Select service	168	100	168	56.80	% \$	134.03	\$ 76.17
Courtyard by Marriott	Foothill Ranch, CA	Select service	156	100	156	76.80	% \$	151.48	\$ 116.41
Courtyard by Marriott	Alpharetta, GA	Select service	154	100	154	62.10	% \$	125.41	\$ 77.92
Courtyard by Marriott	Oakland, CA	Select service	156	100	156	74.40	% \$	135.58	\$ 100.81
Courtyard by Marriott	Scottsdale, AZ	Select service	180	100	180	72.30	% \$	183.17	\$ 132.40
Courtyard by Marriott	Plano, TX	Select service	153	100	153	51.60	% \$	146.29	\$ 75.43
Courtyard by Marriott	Newark, CA	Select service	181	100	181	71.70	% \$	125.72	\$ 90.17
Courtyard by Marriott	Basking Ridge, NJ	Select service	235	100	235	51.80	% \$	160.00	\$ 82.83
Marriott Residence Inn	Evansville, IN	Select service	78	100	78	80.20	% \$	111.23	\$ 89.18
Marriott Residence Inn	Orlando, FL	Select service	350	100	350	75.30	% \$	143.89	\$ 108.29
Marriott Residence Inn	Falls Church, VA	Select service	159	100	159	81.40	% \$	161.83	\$ 131.65
Marriott Residence Inn	San Diego, CA	Select service	150	100	150	82.60	% \$	197.08	\$ 162.84
Marriott Residence Inn	Salt Lake City, UT	Select service	144	100	144	54.70	% \$	149.29	\$ 81.61
Marriott Residence Inn	Las Vegas, NV	Select service	256	100	256	80.40	% \$	175.13	\$ 140.87
Marriott Residence Inn	Phoenix, AZ	Select service	200	100	200	67.70	% \$	138.05	\$ 93.52
Marriott Residence Inn	Plano, TX	Select service	126	100	126	58.70	% \$	104.10	\$ 61.06
Marriott Residence Inn	Newark, CA	Select service	168	100	168	79.50	% \$	140.55	\$ 111.73
Marriott Residence Inn ⁽⁷⁾	Jacksonville, FL	Select service	120	100	120	71.66	% \$	138.54	\$ 99.27
Marriott Residence Inn ⁽⁷⁾	Manchester, CT	Select service	96	100	96	79.84	% \$	155.64	\$ 124.26
TownPlace Suites by Marriott	Manhattan Beach, CA	Select service	142	100	142	78.00	% \$	150.42	\$ 117.26

FourierPlace Suites by Marriott	Manhattan Beach, CA	Select Service	143	100	143	78.00	%	\$	130.42	\$	111.20
One Ocean	Atlantic Beach, FL	Full service	193	100	193	67.30	%	\$	266.40	\$	179.30
Sheraton Hotel	Minneapolis, MN	Full service	220	100	220	53.20	%	\$	135.30	\$	72.03
Sheraton Hotel	Indianapolis, IN	Full service	378	100	378	56.40	%	\$	163.30	\$	92.05

Hotel Property	Location	Service Type	Total		Owned Rooms	Year Ended December 31, 2023		
			Rooms	% Owned		Occupancy	ADR	RevPAR
Sheraton Hotel	Anchorage, AK	Full service	370	100	370	70.20 %	\$ 188.57	\$ 132.32
Sheraton Hotel	San Diego, CA	Full service	260	100	260	83.30 %	\$ 159.38	\$ 132.71
Hyatt Regency	Coral Gables, FL	Full service	254	100	254	73.20 %	\$ 242.70	\$ 177.64
Hyatt Regency	Hauppauge, NY	Full service	358	100	358	60.60 %	\$ 163.48	\$ 99.03
Hyatt Regency	Savannah, GA	Full service	351	100	351	91.40 %	\$ 225.61	\$ 206.11
Renaissance	Nashville, TN	Full service	674	100	674	83.10 %	\$ 277.31	\$ 230.33
Annapolis Historic Inn	Annapolis, MD	Full service	124	100	124	64.40 %	\$ 190.95	\$ 122.92
Lakeway Resort & Spa	Austin, TX	Full service	168	100	168	54.30 %	\$ 246.52	\$ 133.90
Silversmith	Chicago, IL	Full service	144	100	144	58.70 %	\$ 194.88	\$ 114.45
The Churchill	Washington, D.C.	Full service	173	100	173	66.70 %	\$ 194.98	\$ 130.04
The Melrose	Washington, D.C.	Full service	240	100	240	74.40 %	\$ 200.33	\$ 148.99
Le Pavillon ⁽¹⁾	New Orleans, LA	Full service	226	100	226	45.80 %	\$ 157.69	\$ 72.28
The Ashton	Ft. Worth, TX	Full service	39	100	39	61.10 %	\$ 182.91	\$ 111.84
Westin	Princeton, NJ	Full service	296	100	296	69.20 %	\$ 181.29	\$ 125.46
Hotel Indigo	Atlanta, GA	Full service	141	100	141	59.10 %	\$ 164.20	\$ 96.99
Ritz-Carlton	Atlanta, GA	Full service	444	100	444	66.20 %	\$ 293.99	\$ 194.61
La Posada de Santa Fe	Santa Fe, NM	Full service	157	100	157	77.90 %	\$ 284.32	\$ 221.44
Leasehold Properties								
La Concha Key West ^{(2) (3)}	Key West, FL	Full service	160	100	160	67.70 %	\$ 352.12	\$ 238.26
Renaissance ⁽⁴⁾	Palm Springs, CA	Full service	410	100	410	70.40 %	\$ 196.15	\$ 138.13
Hilton ⁽⁵⁾	Marietta, GA	Full service	200	100	200	66.60 %	\$ 172.19	\$ 114.72
Le Meridien ⁽⁶⁾	Fort Worth, TX	Full service	188	33	61	N/A	N/A	N/A
Total			21,142		21,015	70.71 %	\$ 184.53	\$ 130.48

⁽¹⁾ The Company entered into a new franchise agreement with Marriott to convert the Le Pavillon in New Orleans, Louisiana to a Tribute Portfolio property. The agreement with Marriott calls for the hotel to be converted to a Tribute Portfolio property by December 31, 2024.

⁽²⁾ The ground lease expires in 2084.

⁽³⁾ The Company entered into a franchise agreement with Marriott to convert the La Concha Key West Hotel in Key West, Florida to an Autograph Collection property. The agreement with Marriott calls for the hotel to operate under Marriott White Label beginning on November 15, 2023 and to be converted to an Autograph property by April 1, 2025.

⁽⁴⁾ The ground lease expires in 2083.

⁽⁵⁾ The lease expires in 2054 and includes the lease of the land, hotel and conference center (including the building, improvements, furniture, fixtures and equipment).

⁽⁶⁾ The lease expires in 2120 and includes the lease of the land and building. The property is under development.

⁽⁷⁾ Property owned by Stirling OP, but consolidated by the Company.

Item 3. Legal Proceedings

On December 20, 2016, a class action lawsuit was filed against one of the Company's hotel management companies in the Superior Court of the State of California in and for the County of Contra Costa alleging violations of certain California employment laws, which class action affects nine hotels owned by subsidiaries of the Company. The court has entered an order granting class certification with respect to: (i) a statewide class of non-exempt employees of our manager who were allegedly deprived of rest breaks as a result of our manager's previous written policy requiring its employees to stay on premises during rest breaks; and (ii) a derivative class of non-exempt former employees of our manager who were not paid for allegedly missed breaks upon separation from employment. Notices to potential class members were sent out on February 2, 2021. Potential class members had until April 4, 2021 to opt out of the class; however, the total number of employees in the class has not been definitively determined and is the subject of continuing discovery. The opt out period has been extended until such time that discovery has concluded. In May 2023 the trial court requested additional briefing from the parties to determine whether the case should be maintained, dismissed, or the class de-certified. After submission of the briefs, the court requested that the parties submit stipulations for the court to rule upon. On February 13, 2024, the judge ordered the parties to submit additional briefing related to on-site breaks. While we believe it is reasonably possible that we may incur a loss associated with this litigation, because there remains uncertainty under California law with respect to a significant legal issue, discovery relating to class members continues, and the trial judge retains discretion to award lower penalties than set forth in the applicable California employment laws, we do not believe that any potential loss to the Company is reasonably estimable at this time. As of December 31, 2023, no amounts have been accrued.

We are also engaged in other legal proceedings that have arisen but have not been fully adjudicated. To the extent the claims giving rise to these legal proceedings are not covered by insurance, they relate to the following general types of claims: employment matters, tax matters and matters relating to compliance with applicable law (for example, the Americans with Disability Act and similar state laws). The likelihood of loss from these legal proceedings is based on the definitions within contingency accounting literature. We recognize a loss when we believe the loss is both probable and reasonably estimable. Based on the information available to us relating to these legal proceedings and/or our experience in similar legal proceedings, we do not believe the ultimate resolution of these proceedings, either individually or in the aggregate, will have a material adverse effect on our consolidated financial position, results of operations, or cash flow.

During the quarter ended September 30, 2023, we had a cyber incident that resulted in the potential exposure of certain employee personal information. We have completed an investigation and have identified certain employee information that may have been exposed, but we have not identified that any customer information was exposed. All systems have been restored. We believe that we maintain a sufficient level of insurance coverage related to such events, and the related incremental costs incurred to date are immaterial. In February of 2024, two class action lawsuits were filed related to the cyber incident. The suits are currently pending in the U.S. District Court for the Northern District of Texas. We intend to vigorously defend these matters and do not believe that any potential loss is reasonably estimable at this time. It is reasonably possible that the Company may incur additional costs related to the matter, but we are unable to predict with certainty the ultimate amount or range of potential loss.

Our assessment may change depending upon the development of any current or future legal proceedings, and the final results of such legal proceedings cannot be predicted with certainty. If we ultimately do not prevail in one or more of these legal matters, and the associated realized losses exceed our current estimates of the range of potential losses, our consolidated financial position, results of operations, or cash flows could be materially adversely affected in future periods.

ITEM 4. *Mine Safety Disclosures*

None.

PART II

Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

(a) *Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters*

Market Price and Dividend Information

Our common stock is listed and traded on the New York Stock Exchange under the symbol "AHT." On March 12, 2024, there were 472 registered holders of record of our common stock.

For the year ended December 31, 2023 we did not declare or pay common stock dividends. On December 5, 2023, the board of directors approved our dividend policy for 2024, which continued the suspension of the Company's common stock dividend into 2024. The board of directors will continue to review our dividend policy and make future announcements with respect thereto. We may incur indebtedness to meet distribution requirements imposed on REITs under the Code to the extent that working capital and cash flow from our investments are insufficient to fund required distributions. To maintain our qualification as a REIT, we intend to make annual distributions to our stockholders of at least 90% of our REIT taxable income, excluding net capital gains (which does not necessarily equal net income as calculated in accordance with GAAP). Distributions will be authorized by our board of directors and declared by us based upon a variety of factors deemed relevant by our directors. Our ability to pay distributions to our stockholders will depend, in part, upon our receipt of distributions from our operating partnership. This, in turn, may depend upon receipt of lease payments with respect to our properties from indirect, wholly owned subsidiaries of our operating partnership and the management of our properties by our hotel managers and general business conditions.

Characterization of Distributions

For income tax purposes, distributions paid consist of ordinary income, capital gains, return of capital or a combination thereof. Distributions paid per share were characterized as follows for the following fiscal years:

	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Preferred Stock – Series D:						
Ordinary taxable dividend	\$ —	— %	\$ —	— %	\$ —	— %
Capital gain distribution	—	— %	—	— %	—	— %
Return of capital	2.1125	100.0000 %	2.1125	100.0000 %	3.1686	100.0000 %
Total	\$ 2.1125 ⁽¹⁾	100.0000 %	\$ 2.1125 ⁽¹⁾	100.0000 %	\$ 3.1686 ⁽¹⁾	100.0000 %
Preferred Stock – Series F:						
Ordinary taxable dividend	\$ —	— %	\$ —	— %	\$ —	— %
Capital gain distribution	—	— %	—	— %	—	— %
Return of capital	1.8438	100.0000 %	1.8438	100.0000 %	2.7654	100.0000 %
Total	\$ 1.8438 ⁽¹⁾	100.0000 %	\$ 1.8438 ⁽¹⁾	100.0000 %	\$ 2.7654 ⁽¹⁾	100.0000 %
Preferred Stock – Series G:						
Ordinary taxable dividend	\$ —	— %	\$ —	— %	\$ —	— %
Capital gain distribution	—	— %	—	— %	—	— %
Return of capital	1.8438	100.0000 %	1.8438	100.0000 %	2.7654	100.0000 %
Total	\$ 1.8438 ⁽¹⁾	100.0000 %	\$ 1.8438 ⁽¹⁾	100.0000 %	\$ 2.7654 ⁽¹⁾	100.0000 %
Preferred Stock – Series H:						
Ordinary taxable dividend	\$ —	— %	\$ —	— %	\$ —	— %
Capital gain distribution	—	— %	—	— %	—	— %
Return of capital	1.8750	100.0000 %	1.8750	100.0000 %	2.8125	100.0000 %
Total	\$ 1.8750 ⁽¹⁾	100.0000 %	\$ 1.8750 ⁽¹⁾	100.0000 %	\$ 2.8125 ⁽¹⁾	100.0000 %
Preferred Stock – Series I:						
Ordinary taxable dividend	\$ —	— %	\$ —	— %	\$ —	— %
Capital gain distribution	—	— %	—	— %	—	— %
Return of capital	1.8750	100.0000 %	1.8750	100.0000 %	2.8125	100.0000 %
Total	\$ 1.8750 ⁽¹⁾	100.0000 %	\$ 1.8750 ⁽¹⁾	100.0000 %	\$ 2.8125 ⁽¹⁾	100.0000 %
Preferred Stock – Series J:						
Ordinary taxable dividend	\$ —	— %	\$ —	— %	\$ —	— %
Capital gain distribution	—	— %	—	— %	—	— %
Return of capital	1.9998	100.0000 %	0.1666	100.0000 %	—	— %
Total	\$ 1.9998 ^{(1) (4)}	100.0000 %	\$ 0.1666 ^{(1) (5)}	100.0000 %	\$ —	— %
Preferred Stock – Series K⁽²⁾:						
Ordinary taxable dividend	\$ —	— %	\$ —	— %	\$ —	— %
Capital gain distribution	—	— %	—	— %	—	— %
Return of capital	2.0540	100.0000 %	—	— %	—	— %
Total	\$ 2.0540 ^{(1) (4)}	100.0000 %	\$ —	— %	\$ —	— %
Preferred Stock – Series K⁽³⁾:						
Ordinary taxable dividend	\$ —	— %	\$ —	— %	\$ —	— %
Capital gain distribution	—	— %	—	— %	—	— %
Return of capital	1.8790	100.0000 %	—	— %	—	— %
Total	\$ 1.8790 ^{(1) (4)}	100.0000 %	\$ —	— %	\$ —	— %

⁽¹⁾ The fourth quarter 2021 preferred distributions paid January 14, 2022 to stockholders of record as of December 31, 2021 are treated as 2022 distributions for tax purposes. The fourth quarter 2022 preferred distributions paid January 17, 2023 to stockholders of record as of December 30, 2022 are treated as 2023 distributions for tax purposes. The fourth quarter 2023 preferred distributions paid January 16, 2024 to stockholders of record as of December 29, 2023 are treated as 2024 distributions for tax purposes.

⁽²⁾ Preferred Stock - Series K: (CUSIP #04410D867)

⁽³⁾ Preferred Stock - Series K: (CUSIP #04410D792, 04410D727, 04410D651, and 04410D578)

⁽⁴⁾ Distributions per share reflects the annual rate per share for distributions reportable in 2023.

⁽⁵⁾ Distributions per share reflects the annual rate per share for distributions reportable in 2022.

Equity Compensation Plan Information

The following table sets forth certain information with respect to securities authorized and available for issuance under our equity compensation plans as of December 31, 2023:

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights ⁽¹⁾	Weighted-Average Exercise Price Of Outstanding Options, Warrants, And Rights	Number of Securities Remaining Available for Future Issuance
Equity compensation plans approved by security holders	497,000	N/A	649,000 ⁽²⁾
Equity compensation plans not approved by security holders	None	N/A	None
Total	497,000	N/A	649,000

⁽¹⁾ Consists of rights to acquire our common stock subject to the satisfaction of service and or performance vesting conditions (with the amount shown assuming the maximum level of performance under the 2022 and 2023 PSU awards). The number of shares subject to issuance under the PSUs (if any) will depend on the ultimate actual performance level, and the Company in its discretion may settle the 2022 and 2023 PSUs in cash rather than shares of common stock.

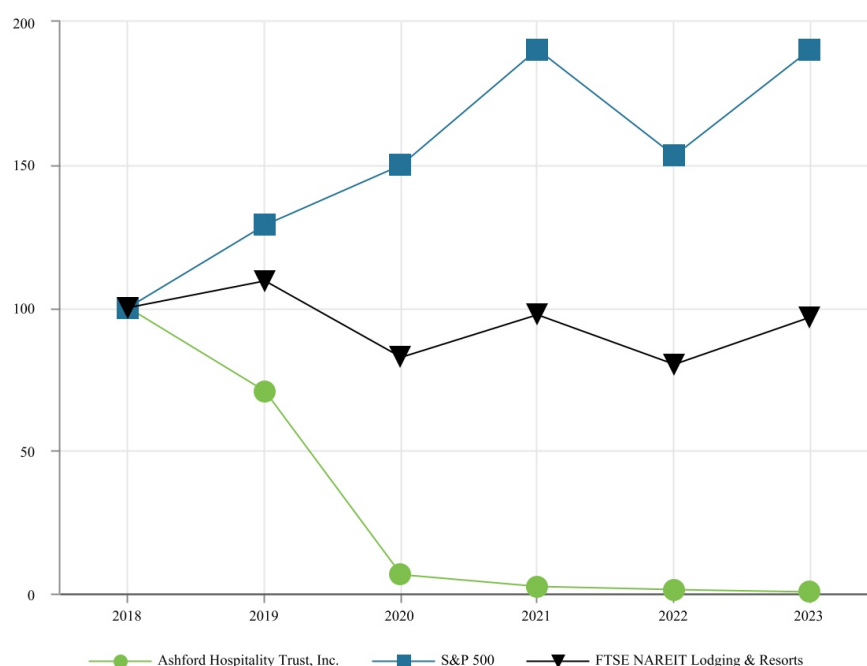
⁽²⁾ As of December 31, 2023, there were approximately 649,000 shares of our common stock, or securities convertible into approximately 649,000 shares of our common stock that remained available for issuance under our 2021 Stock Incentive Plan.

Performance Graph

The following graph compares the percentage change in the cumulative total stockholder return on our common stock with the cumulative total return of the S&P 500 Stock Index and the FTSE NAREIT Lodging & Resorts Index for the period from December 31, 2018 through December 31, 2023, assuming an initial investment of \$100 in stock on December 31, 2018 with reinvestment of dividends. The NAREIT Lodging Resorts Index is not a published index; however, we believe the companies included in this index provide a representative example of enterprises in the lodging resort line of business in which we engage. Stockholders who wish to request a list of companies in the FTSE NAREIT Lodging & Resorts Index may send written requests to Ashford Hospitality Trust, Inc., Attention: Stockholder Relations, 14185 Dallas Parkway, Suite 1200, Dallas, Texas 75254.

The stock price performance shown below on the graph is not necessarily indicative of future price performance.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN
Among Ashford Hospitality Trust, Inc., the S&P 500 and the FTSE NAREIT Lodging & Resorts Index



Purchases of Equity Securities by the Issuer

The following table provides the information with respect to purchases of shares of our common stock during each of the months in the fourth quarter of 2023:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan ⁽¹⁾	Maximum Dollar Value of Shares That May Yet Be Purchased Under the Plan ⁽¹⁾
Common stock:				
October 1 to October 31	61	\$ —	—	\$ 200,000
November 1 to November 30	211	—	—	200,000
December 1 to December 31	26	—	—	200,000
Total	298	\$ —	—	

⁽¹⁾ There is no cost associated with the forfeiture of 61, 211 and 26 restricted shares of our common stock in October, November and December, respectively.

Item 6. Reserved

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This section of this Form 10-K generally discusses 2023 and 2022 items and year-to-year comparisons between 2023 and 2022. Discussions of 2022 items and year-to-year comparisons between 2022 and 2021 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

EXECUTIVE OVERVIEW

General

As of December 31, 2023, our portfolio consisted of 90 consolidated operating hotel properties which represents 20,549 total rooms. Additionally, our portfolio consists of four consolidated operating hotel properties, which represent 405 total rooms owned through a 99.4% ownership interest in Stirling OP, which was formed by Stirling Inc. to acquire and own a diverse portfolio of stabilized income-producing hotels and resorts. Currently, all of our hotel properties are located in the United States.

Based on our primary business objectives and forecasted operating conditions, our current key priorities and financial strategies include, among other things:

- preserving capital and maintaining significant cash and cash equivalents liquidity;
- disposition of non-core hotel properties;
- acquisition of hotel properties, in whole or in part, that we expect will be accretive to our portfolio;
- pursuing capital market activities and implementing strategies to enhance long-term stockholder value;
- accessing cost effective capital, including through the issuance of non-traded preferred securities;
- opportunistically exchanging preferred stock into common stock;
- implementing selective capital improvements designed to increase profitability and maintain the quality of our assets;
- implementing effective asset management strategies to minimize operating costs and increase revenues;
- financing or refinancing hotels on competitive terms;
- modifying or extending property-level indebtedness;
- utilizing hedges, derivatives and other strategies to mitigate risks;
- pursuing opportunistic value-add additions to our hotel portfolio; and
- making other investments or divestitures that our board of directors deems appropriate.

Our current investment strategy is to focus on owning predominantly full-service hotels in the upper upscale segment in domestic markets that have RevPAR generally less than twice the national average. We believe that as supply, demand, and capital market cycles change, we will be able to shift our investment strategy to take advantage of new lodging-related investment opportunities as they may develop. Our board of directors may change our investment strategy at any time without stockholder approval or notice. We will continue to seek ways to benefit from the cyclical nature of the hotel industry.

Recent Developments

The KEYS mortgage loans were entered into on June 13, 2018, each of which had a two-year initial term and five one-year extension options. In order to qualify for a one-year extension in June of 2023, each KEYS loan pool was required to achieve a certain debt yield test. On July 7, 2023, the Company elected not to make the required paydowns to extend its KEYS Pool A loan, KEYS Pool B loan and KEYS Pool F loan, thereby defaulting on such loans.

On November 29, 2023, the Company completed the deed in lieu of foreclosure transaction for the transfer of ownership of the KEYS F \$215.1 million mortgage to the mortgage lender. Below is a summary of the hotel properties that secured the KEYS Pool F loan prior to transfer of ownership to the mortgage lender:

KEYS F Loan Pool

Embassy Suites Flagstaff – Flagstaff, AZ

Embassy Suites Walnut Creek – Walnut Creek, CA

Marriott Bridgewater – Bridgewater, NJ

Marriott Research Triangle Park – Durham, NC

W Atlanta Downtown – Atlanta, GA

The Company continues to work with the lender for the KEYS A and KEYS B loan pools on a consensual transfer of ownership of those hotels to the lender, and the Company anticipates that transfer will occur in the first half of 2024. The original lenders previously transferred the loans to a securitization trust. On March 1, 2024, the Company received notice that the hotel properties securing the KEYS A and KEYS B loan pools have been transferred to a court-appointed receiver. Below is a summary of the hotel properties securing the KEYS Pool A loan and Keys Pool B loan:

KEYS A Loan Pool

Courtyard Columbus Tipton Lakes – Columbus, IN
Courtyard Old Town – Scottsdale, AZ
Residence Inn Hughes Center – Las Vegas, NV
Residence Inn Phoenix Airport – Phoenix, AZ
Residence Inn San Jose Newark – Newark, CA
SpringHill Suites Manhattan Beach – Hawthorne, CA
SpringHill Suites Plymouth Meeting – Plymouth Meeting, PA

KEYS B Loan Pool

Courtyard Basking Ridge – Basking Ridge, NJ
Courtyard Newark Silicon Valley – Newark, CA
Courtyard Oakland Airport – Oakland, CA
Courtyard Plano Legacy Park – Plano, TX
Residence Inn Plano – Plano, TX
SpringHill Suites BWI Airport – Baltimore, MD
TownePlace Suites Manhattan Beach – Hawthorne, CA

On November 9, 2023, the Company sold the Sheraton Bucks County in Langhorne, Pennsylvania for \$13.8 million in cash. The sale resulted in a gain of approximately \$3.9 million for the year ended December 31, 2023.

On December 6, 2023 (the “Closing”), Ashford Hospitality Trust, Inc.’s subsidiaries, Ashford Hospitality Limited Partnership and Ashford TRS Corporation (together, the “Contribution Company”), entered into a Contribution Agreement (the “Contribution Agreement”) with Stirling OP. Pursuant to the terms of the Contribution Agreement, the Contribution Company contributed its equity interests, and the associated debt and other obligations, in four hotel assets (Residence Inn Manchester, Hampton Inn Buford, SpringHill Suites Buford, and Residence Inn Jacksonville) (the “Initial Portfolio”) to Stirling OP in exchange for 1,400,943 Class I units of Stirling OP. Pursuant to the Contribution Agreement, the Contribution Company entered into lock-up agreements with respect to its Class I units that restrict the assignment, sale, and transfer of the units for a period of one year following the Closing. In addition, the Contribution Company is prohibited from redeeming its Class I units for a period of three years following the Closing. At the end of the three-year period, the Class I units may be redeemed pursuant to the terms of the Amended and Restated Limited Partnership Agreement of Stirling OP and any Class I units converted to shares of Stirling Inc.’s Class I common stock may be repurchased by Stirling Inc. pursuant to the terms and conditions of its share repurchase plan. In addition, the Contribution Company has agreed not to withdraw as a participant in the distribution reinvestment plan of Stirling OP, and thereby will automatically reinvest any distributions paid on its Class I units into additional Class I units, through at least December 31, 2024. Ashford Trust began consolidating Stirling OP as of December 6, 2023. See note 4 to our consolidated financial statements.

On January 29, 2024, the Company, entered into an Agreement of Purchase and Sale, for the sale of Hilton Boston Back Bay Hotel for \$171 million in cash. The sale of the Hilton Boston Back Bay hotel is expected to close in the first quarter of 2024.

On March 6, 2024, the Company completed the sale of the Residence Inn in Salt Lake City, Utah for approximately \$19.2 million. As of December 31, 2023, the carrying value of the building and FF&E was approximately \$11.9 million at December 31, 2023. The Company repaid approximately \$19 million of principal on its mortgage loan partially secured by the hotel property.

On March 12, 2024, we entered into the Third Amended and Restated Advisory Agreement with Ashford LLC (the “Third Amended and Restated Advisory Agreement”). The Third Amended and Restated Advisory Agreement amends and restates the terms of the Second Amended and Restated Advisory Agreement, dated January 14, 2021, to, among other items: (i) require the Company pay the advisor the Portfolio Company Fee (as defined in the Third Amended and Restated Advisory Agreement) upon certain specified defaults under the Company’s loan agreements resulting in the foreclosure of the Company’s hotel properties, (ii) limit, for the period of time set forth therein, the incremental financial impact to no more than \$2 million per year in additional payments to the advisor from the amendments to the master hotel management agreement with Remington

Hospitality and the master project management agreement with Premier, (iii) revise the criteria that would constitute a Company Change of Control, (iv) revise the definition of termination fee to provide for a minimum amount of such termination fee and (v) revise the criteria that would constitute a voting control event.

RESULTS OF OPERATIONS

Key Indicators of Operating Performance

We use a variety of operating and other information to evaluate the operating performance of our business. These key indicators include financial information that is prepared in accordance with GAAP as well as other financial measures that are non-GAAP measures. 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 operating performance of our individual hotels, groups of hotels and/or business as a whole. We also use these metrics to evaluate the hotels in our portfolio and potential acquisitions to determine each hotel's contribution to cash flow and its potential to provide attractive long-term total returns. These key indicators include:

- **Occupancy**—Occupancy means the total number of hotel rooms sold in a given period divided by the total number of rooms available. Occupancy measures the utilization of our hotels' available capacity. We use occupancy to measure demand at a specific hotel or group of hotels in a given period.
- **ADR**—ADR means average daily rate and is calculated by dividing total hotel rooms revenues by total number of rooms sold in a given period. ADR measures average room price attained by a hotel and ADR trends provide useful information concerning the pricing environment and the nature of the customer base of a hotel or group of hotels. We use ADR to assess the pricing levels that we are able to generate.
- **RevPAR**—RevPAR means revenue per available room and is calculated by multiplying ADR by the average daily occupancy. RevPAR is one of the commonly used measures within the hotel industry to evaluate hotel operations. RevPAR does not include revenues from food and beverage sales or parking, telephone or other non-rooms revenues generated by the property. Although RevPAR does not include these ancillary revenues, it is generally considered the leading indicator of core revenues for many hotels. We also use RevPAR to compare the results of our hotels between periods and to analyze results of our comparable hotels (comparable hotels represent hotels we have owned for the entire period). RevPAR improvements attributable to increases in occupancy are generally accompanied by increases in most categories of variable operating costs. RevPAR improvements attributable to increases in ADR are generally accompanied by increases in limited categories of operating costs, such as management fees and franchise fees.

RevPAR changes that are primarily driven by changes in occupancy have different implications for overall revenues and profitability than changes that are driven primarily by changes in ADR. For example, an increase in occupancy at a hotel would lead to additional variable operating costs (including housekeeping services, utilities and room supplies) and could also result in increased other operating department revenue and expense. Changes in ADR typically have a greater impact on operating margins and profitability as they do not have a substantial effect on variable operating costs.

Occupancy, ADR and RevPAR are commonly used measures within the lodging industry to evaluate operating performance. RevPAR is an important statistic for monitoring operating performance at the individual hotel level and across our entire business. We evaluate individual hotel RevPAR performance on an absolute basis with comparisons to budget and prior periods, as well as on a regional and company-wide basis. ADR and RevPAR include only rooms revenue. Rooms revenue is dictated by demand (as measured by occupancy), pricing (as measured by ADR) and our available supply of hotel rooms.

We also use funds from operations ("FFO"), Adjusted FFO, earnings before interest, taxes, depreciation and amortization for real estate ("EBITDAre") and Adjusted EBITDAre as measures of the operating performance of our business. See "Non-GAAP Financial Measures."

Principal Factors Affecting Our Results of Operations

The principal factors affecting our operating results include overall demand for hotel rooms compared to the supply of available hotel rooms, and the ability of our third-party management companies to increase or maintain revenues while controlling expenses.

Demand—The demand for lodging, including business travel, is directly correlated to the overall economy; as GDP increases, lodging demand typically increases. Historically, periods of declining demand are followed by extended periods of relatively strong demand, which typically occurs during the growth phase of the lodging cycle. Beginning in 2020, the COVID-19 pandemic had a direct impact on demand but we have seen demand recover beginning in 2022.

Supply—The development of new hotels is driven largely by construction costs, the availability of financing and expected performance of existing hotels. Short-term supply is also expected to be below long-term averages. While the industry is expected to have supply growth below historical averages, we may experience supply growth, in certain markets, in excess of national averages that may negatively impact performance. Beginning in 2020, the COVID-19 pandemic had a direct impact on supply. As the economy recovers from COVID-19, we have experienced supply growth in certain markets.

We expect that our ADR, occupancy and RevPAR performance will be impacted by macroeconomic factors such as national and local employment growth, personal income and corporate earnings, GDP, consumer confidence, office vacancy rates and business relocation decisions, airport and other business and leisure travel, new hotel construction, the pricing strategies of competitors and currency fluctuations. In addition, our ADR, occupancy and RevPAR performance are dependent on the continued success of the Marriott, Hilton and Hyatt brands.

Revenue—Substantially all of our revenue is derived from the operation of hotels. Specifically, our revenue is comprised of:

- Rooms revenue: Occupancy and ADR are the major drivers of rooms revenue. Rooms revenue accounts for the substantial majority of our total revenue.
- Food and beverage revenue: Occupancy and the type of customer staying at the hotel are the major drivers of food and beverage revenue (i.e., group business typically generates more food and beverage business through catering functions when compared to transient business, which may or may not utilize the hotel's food and beverage outlets or meeting and banquet facilities).
- Other hotel revenue: Occupancy and the nature of the property are the main drivers of other ancillary revenue, such as telecommunications, parking and leasing services.

Hotel Operating Expenses—The following presents the components of our hotel operating expenses:

- Rooms expense: These costs include housekeeping wages and payroll taxes, reservation systems, room supplies, laundry services and front desk costs. Like rooms revenue, occupancy is the major driver of rooms expense and, therefore, rooms expense has a significant correlation to rooms revenue. These costs can increase based on increases in salaries and wages, as well as the level of service and amenities that are provided.
- Food and beverage expense: These expenses primarily include food, beverage and labor costs. Occupancy and the type of customer staying at the hotel (i.e., catered functions generally are more profitable than restaurant, bar or other on-property food and beverage outlets) are the major drivers of food and beverage expense, which correlates closely with food and beverage revenue.
- Management fees: Base management fees are computed as a percentage of gross revenue. Incentive management fees generally are paid when operating profits exceed certain threshold levels.
- Other hotel expenses: These expenses include labor and other costs associated with the other operating department revenues, as well as labor and other costs associated with administrative departments, franchise fees, sales and marketing, repairs and maintenance and utility costs.

Most categories of variable operating expenses, including labor costs such as housekeeping, fluctuate with changes in occupancy. Increases in occupancy are accompanied by increases in most categories of variable operating expenses, while increases in ADR typically only result in increases in limited categories of operating costs and expenses, such as franchise fees, management fees and credit card processing fee expenses which are based on hotel revenues. Thus, changes in ADR have a more significant impact on operating margins than changes in occupancy.

The following table summarizes the changes in key line items from our consolidated statements of operations for the years ended December 31, 2023 and 2022 (in thousands):

	Year Ended December 31,			Favorable (Unfavorable) Change	
	2023	2022	2021	2023 to 2022	2022 to 2021
Total revenue	\$ 1,367,533	\$ 1,240,859	\$ 805,411	\$ 126,674	\$ 435,448
Total hotel expenses	(925,437)	(835,993)	(576,806)	(89,444)	(259,187)
Property taxes, insurance and other	(70,226)	(67,338)	(67,904)	(2,888)	566
Depreciation and amortization	(187,807)	(201,797)	(218,851)	13,990	17,054
Advisory service fee	(48,927)	(49,897)	(52,313)	970	2,416
Corporate, general and administrative	(16,181)	(9,879)	(16,153)	(6,302)	6,274
Gain (loss) on consolidation of VIE and disposition of assets	11,488	300	1,449	11,188	(1,149)
Operating income (loss)	130,443	76,255	(125,167)	54,188	201,422
Equity in earnings (loss) of unconsolidated entities	(1,134)	(804)	(558)	(330)	(246)
Interest income	8,978	4,777	207	4,201	4,570
Other income (expense)	310	415	760	(105)	(345)
Interest expense and amortization of discounts and loan costs	(366,148)	(226,995)	(156,119)	(139,153)	(70,876)
Write-off of premiums, loan costs and exit fees	(3,469)	(3,536)	(10,612)	67	7,076
Gain (loss) on extinguishment of debt	53,386	—	11,896	53,386	(11,896)
Realized and unrealized gain (loss) on derivatives	(2,200)	15,166	14,493	(17,366)	673
Income tax benefit (expense)	(900)	(6,336)	(5,948)	5,436	(388)
Net income (loss)	(180,734)	(141,058)	(271,048)	(39,676)	129,990
(Income) loss from consolidated entities attributable to noncontrolling interests	6	—	73	6	(73)
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	2,239	1,233	3,970	1,006	(2,737)
Net income (loss) attributable to the Company	<u>\$ (178,489)</u>	<u>\$ (139,825)</u>	<u>\$ (267,005)</u>	<u>\$ (38,664)</u>	<u>\$ 127,180</u>

Comparison of Year Ended December 31, 2023 with Year Ended December 31, 2022

All hotel properties owned during the years ended December 31, 2023 and 2022 have been included in our results of operations during the respective periods in which they were owned. Based on when a hotel property was acquired or disposed, operating results for certain hotel properties are not comparable for the years ended December 31, 2023 and 2022. The hotel properties listed below are not comparable hotel properties for the periods indicated and all other hotel properties are considered comparable hotel properties. The following transactions affect the reporting comparability of our consolidated financial statements:

Hotel Property	Location	Type	Date
Sheraton Ann Arbor ⁽¹⁾	Ann Arbor, MI	Disposition	September 1, 2022
Hilton Marietta ⁽²⁾	Marietta, GA	Acquisition	December 16, 2022
WorldQuest Resort ⁽¹⁾	Orlando, FL	Disposition	August 1, 2023
Sheraton Bucks County ⁽¹⁾	Langhorne, PA	Disposition	November 9, 2023
Embassy Suites Flagstaff ⁽¹⁾	Flagstaff, AZ	Disposition	December 4, 2023
Embassy Suites Walnut Creek ⁽¹⁾	Walnut Creek, CA	Disposition	December 4, 2023
Marriott Bridgewater ⁽¹⁾	Bridgewater, NJ	Disposition	December 4, 2023
Marriott Research Triangle Park ⁽¹⁾	Durham, NC	Disposition	December 4, 2023
W Atlanta ⁽¹⁾	Atlanta, GA	Disposition	December 4, 2023

⁽¹⁾ Collectively referred to as "Hotel Dispositions"

⁽²⁾ Referred to as "Hotel Acquisition"

We began the year with 100 hotel properties. We disposed of six properties and WorldQuest and contributed four properties to Stirling OP. However, as of December 31, 2023, we consolidate Stirling OP. Please see note 4 to our consolidated financial statements for additional information. As of December 31, 2023, our operating results consist of 90 consolidated comparable hotel properties and four consolidated Stirling OP hotel properties.

The following table illustrates the key performance indicators of the operating hotel properties included in our results of operations:

	Year Ended December 31,	
	2023	2022
RevPAR (revenue per available room)	\$ 130.19	\$ 118.89
Occupancy	70.65 %	67.56 %
ADR (average daily rate)	\$ 184.47	\$ 175.98

The following table illustrates the key performance indicators of the 90 comparable hotel properties that were included in our results of operations for the full years ended December 31, 2023 and 2022, respectively:

	Year Ended December 31,	
	2023	2022
RevPAR	\$ 130.68	\$ 119.49
Occupancy	70.57 %	67.32 %
ADR	\$ 185.19	\$ 177.50

Comparison of the Years ended December 31, 2023 and 2022

Net Income (Loss) Attributable to the Company. Net loss attributable to the Company increased \$38.7 million from \$139.8 million for the year ended December 31, 2022 ("2022") to \$178.5 million for the year ended December 31, 2023 ("2023") as a result of the factors discussed below.

Revenue. Rooms revenue from our hotel properties increased \$85.2 million, or 8.7%, to \$1.1 billion in 2023 compared to 2022. This increase is attributable to higher rooms revenue of \$84.7 million at our comparable hotel properties as our hotel properties recover from the effects of the COVID-19 pandemic and an increase of \$8.2 million from our Hotel Acquisition partially offset by a decrease of \$7.6 million from our Hotel Dispositions and \$85,000 from the Stirling hotel properties. Our comparable hotel properties experienced an increase of 4.3% in room rates and an increase of 325 basis points in occupancy.

Food and beverage revenue increased \$36.2 million, or 18.4%, to \$232.8 million in 2023 compared to 2022. This increase is attributable to higher sales of food and beverage of \$33.3 million at our comparable hotel properties and an increase of \$3.2 million from our Hotel Acquisition partially offset by a decrease of \$245,000 from our Hotel Dispositions.

Other hotel revenue, which consists mainly of Internet access, parking, and spa revenue, increased \$5.4 million, or 8.1%, to \$72.7 million in 2023 compared to 2022. This increase is attributable to higher other revenue of \$6.1 million from our comparable hotel properties as our hotel properties recover from the effects of the COVID-19 pandemic, an increase of \$356,000 from our Hotel Acquisition and \$43,000 from the Stirling hotel properties, partially offset by a decrease of \$1.1 million from our Hotel Dispositions. Other revenue decreased \$83,000, or 2.9%, to \$2.8 million in 2023 compared to 2022.

Hotel Operating Expenses. Hotel operating expenses increased \$89.4 million, or 10.7%, to \$925.4 million in 2023 compared to 2022. Hotel operating expenses consist of direct expenses from departments associated with revenue streams and indirect expenses associated with support departments and management fees. Direct expenses increased \$41.4 million in 2023 compared to 2022, comprised of an increase of \$40.0 million from our comparable hotel properties and an increase of \$3.4 million from our Hotel Acquisition, partially offset by a decrease of \$1.9 million from our Hotel Dispositions and \$126,000 from the Stirling hotel properties. Direct expenses were 31.0% of total hotel revenue for 2023 and 30.8% for 2022. Indirect expenses and management fees increased \$48.1 million in 2023 compared to 2022, comprised of an increase of \$45.9 million from our comparable hotel properties and \$4.7 million from our Hotel Acquisition partially offset by \$2.4 million from our Hotel Dispositions and \$101,000 from the Stirling hotel properties.

Property Taxes, Insurance and Other. Property taxes, insurance and other expense increased \$2.9 million or 4.3%, to \$70.2 million in 2023 compared to 2022, which was primarily due to an increase of \$3.2 million from our comparable hotel properties, \$55,000 from the Stirling hotel properties and \$135,000 from our Hotel Acquisition partially offset by a decrease of \$497,000 from our Hotel Dispositions.

Depreciation and Amortization. Depreciation and amortization decreased \$14.0 million or 6.9%, to \$187.8 million in 2023 compared to 2022, which consisted of lower depreciation of \$9.7 million from our comparable hotel properties primarily related to fully depreciated assets, \$246,000 from the Stirling hotel properties and \$4.5 million from our Hotel Dispositions partially offset by an increase of \$512,000 from our Hotel Acquisition.

Advisory Services Fee. Advisory services fee decreased \$970,000, or 1.9%, to \$48.9 million in 2023 compared to 2022. The advisory services fee represents fees incurred in connection with the advisory agreements between Ashford Inc. and the Company and between Ashford Inc. and Stirling OP. In 2023, the advisory services fee was comprised of a base advisory fee of \$33.2 million, equity-based compensation of \$3.3 million associated with equity grants of our common stock, PSUs, LTIP units and Performance LTIP units awarded to the officers and employees of Ashford Inc. and reimbursable expenses of \$12.5 million. In 2022, the advisory services fee was comprised of a base advisory fee of \$34.8 million, equity-based compensation of \$5.2 million associated with equity grants of our common stock and LTIP units awarded to the officers and employees of Ashford Inc. and reimbursable expenses of \$9.9 million.

Corporate, General and Administrative. Corporate, general and administrative expense increased \$6.3 million, or 63.8%, to \$16.2 million in 2023 compared to 2022. The increase was primarily attributable to higher reimbursed operating expenses of Ashford Securities of \$5.6 million, \$192,000 of public company expenses, \$861,000 of start up and organizational costs related to the start-up of Stirling, Inc. partially offset by a decrease of \$427,000 of legal and professional fees related to Ashford Trust.

Gain (Loss) on Consolidation of VIE and Disposition of Assets. Gain on consolidation of VIE and disposition of assets increased \$11.2 million, from \$300,000 in 2022 to \$11.5 million in 2023. The gain in 2023 was primarily related to a \$1.1 million gain for the consolidation of the VIE, which is represented by the difference between the fair value of the assets and liabilities recognized, the fair value of the non-controlling interest and the previous carrying value of the Company's investment in 815 Commerce MM and \$10.4 million related to Hotel Dispositions. The gain in 2022 was primarily related to a gain related to the sale of six WorldQuest condominiums.

Equity in Earnings (Loss) of Unconsolidated Entities. Equity in loss of unconsolidated entities was \$1.1 million in 2023, which consisted of equity in loss of \$528,000 from OpenKey and \$606,000 from an investment in an entity that owns the

Meritage Resort and Spa and the Grand Reserve at the Meritage in Napa, California and \$804,000 in 2022, which consisted of our share of loss of \$668,000 in OpenKey and \$136,000 in the Meritage investment.

Interest Income. Interest income was \$9.0 million and \$4.8 million in 2023 and 2022, respectively. The increase in interest income in 2023 was primarily attributable to higher short-term interest rates on excess cash and the Company's cash management agreement with Ashford LLC.

Other Income (Expense). Other income decreased \$105,000 from \$415,000 in 2022 to \$310,000 in 2023. In 2023 and 2022 we recorded miscellaneous income of \$310,000 and \$415,000, respectively.

Interest Expense and Amortization of Discounts and Loan Costs. Interest expense and amortization of discounts and loan costs increased \$139.2 million, or 61.3%, to \$366.1 million in 2023 compared to 2022. The increase was primarily due to a \$110.3 million increase in interest expense at our comparable hotel properties primarily due to higher interest rates on our variable rate debt, lower credits to interest expense of \$18.7 million related to the amortization credit of default interest and late charges recorded on mortgage loans previously in default, \$6.0 million primarily attributable to the amortization of the Oaktree debt discount and higher interest expense in 2023 of \$4.5 million from our Hotel Dispositions primarily attributable default interest and late charges. These increases were partially offset by a decrease of \$283,000 from the Stirling hotel properties. The average SOFR rates in 2023 and 2022 were 4.91% and 1.58%, respectively. LIBOR ceased to be published after June 30, 2023. The average LIBOR rate for 2022 was 1.91%.

Write-off of Premiums, Loan Costs and Exit Fees. Write-off of premiums, loan costs and exit fees decreased \$67,000 to \$3.5 million in 2023 compared to 2022. In 2023, we incurred fees of \$3.5 million related to loan refinances, modifications and exit fees. In 2022, we recognized Lismore fees of \$768,000 related to the Lismore Agreement and fees of \$2.0 million related to loan modifications and extensions. We wrote off unamortized loan costs of \$265,000 and a pro-rata write-off of the Oaktree loan discount in the amount of \$514,000 upon making a \$4.0 million pay down on the Oaktree loan.

Gain (loss) on extinguishment of debt. Gain on extinguishment of debt was \$53.4 million in 2023 related to the deed in lieu of foreclosure transaction for the KEYS Pool F loan.

Realized and Unrealized Gain (Loss) on Derivatives. Realized and unrealized gain on derivatives changed \$17.4 million from a gain of \$15.2 million in 2022 to a loss of \$2.2 million in 2023. In 2023, we recognized an unrealized loss of \$44.0 million associated with interest rate caps and an unrealized loss of \$9,000 from the revaluation of the embedded debt derivative in the Oaktree Agreement, partially offset by a realized gain of \$41.8 million related to payments from counterparties on interest rate caps. In 2022, we recorded an unrealized gain of \$4.2 million from the revaluation of the embedded debt derivative in the Oaktree Credit Agreement, an unrealized gain of \$6.6 million from interest rate caps and a realized gain of \$4.4 million related to payments from counterparties on interest rate caps.

Income Tax (Expense) Benefit. Income tax expense decreased \$5.4 million, from \$6.3 million in 2022 to \$900,000 in 2023. This decrease was primarily due to a decrease in the profitability of our Ashford TRS entities in 2023 compared to 2022.

(Income) Loss from Consolidated Entities Attributable to Noncontrolling Interests. Our noncontrolling interest partners in consolidated entities were allocated a loss of \$6,000 in 2023.

Net (Income) Loss Attributable to Redeemable Noncontrolling Interests in Operating Partnership. Noncontrolling interests in operating partnership were allocated net losses of \$2.2 million and \$1.2 million in 2023 and 2022, respectively. Redeemable noncontrolling interests represented ownership interests of 1.27% and 0.91% in the operating partnership at December 31, 2023 and 2022, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

As of December 31, 2023, the Company held cash and cash equivalents of \$165.2 million and restricted cash of \$146.3 million (including amounts held for sale), the vast majority of which is comprised of lender and manager-held reserves. As of December 31, 2023, \$21.7 million was also due to the Company from third-party hotel managers, most of which is held by one of the Company's managers and is available to fund hotel operating costs. At December 31, 2023, our net debt to gross assets was 70.2%.

The Company's cash and cash equivalents are primarily comprised of corporate cash invested in short-term U.S. Treasury securities with maturity dates of less than 90 days and corporate cash held at commercial banks in Insured Cash Sweep ("ICS") accounts, which are fully insured by the FDIC. The Company's cash and cash equivalents also includes property-level

operating cash deposited with commercial banks that have been designated as a Global Systemically Important Bank ("G-SIB") by the Financial Stability Board ("FSB") and a small amount deposited with other commercial banks.

Based on our current level of operations, our cash flow from operations, capital market activities, asset sales and our existing cash balances should be adequate to meet upcoming anticipated requirements for interest and principal payments on debt (excluding any potential final maturity payments and paydowns for extension tests), working capital, and capital expenditures for the next 12 months and dividends required to maintain our status as a REIT for U.S. federal income tax purposes. With respect to upcoming maturities, no assurances can be given that we will be able to refinance our upcoming maturities. Additionally, no assurances can be given that we will obtain additional financings or, if we do, what the amount and terms will be. Our failure to obtain future financing under favorable terms could adversely impact our ability to execute our business strategy or may result in lender foreclosure.

Our cash position from operations is affected primarily by macro industry movements in occupancy and rate as well as our ability to control costs. Further, interest rates can greatly affect the cost of our debt service as well as the value of any financial hedges we may put in place. We monitor industry fundamentals and interest rates very closely. Capital expenditures above our reserves will affect cash flow as well and are impacted by inflation.

Certain of our loan agreements contain cash trap provisions that may be triggered if the performance of our hotels declines below a threshold. When these provisions are triggered, substantially all of the profit generated by our hotels is deposited directly into lockbox accounts and then swept into cash management accounts for the benefit of our various lenders. During a cash trap, certain disbursements from these hotel operating cash receipts would require consent of our lenders. At December 31, 2023, 26 of our hotels were in cash traps and approximately \$3.9 million of our restricted cash was subject to these cash traps. Our loans currently in cash traps may remain subject to cash trap provisions for a substantial period of time which could limit our flexibility and adversely affect our financial condition or our qualification as a REIT.

We have extension options relating to certain property-level loans that will permit us to extend the maturity date of our loans if certain conditions are satisfied at the respective extension dates, including the achievement of debt yield targets required in order to extend such loans. To the extent we decide to extend the maturity date of the debt outstanding under the loans, we may be required to prepay a significant amount of the loans in order to meet the required debt yield targets. There can be no assurances that we will be able to meet the conditions for extensions pursuant to the respective terms of such loans.

If we violate covenants in our debt agreements, we could be required to repay all or a portion of our indebtedness before maturity at a time when we might be unable to arrange financing for such repayment on attractive terms, if at all. The assets of certain of our subsidiaries are pledged under non-recourse indebtedness and are not available to satisfy the debts and other obligations of Ashford Trust or Ashford Trust OP, our operating partnership, and the liabilities of such subsidiaries do not constitute the obligations of Ashford Trust or Ashford Trust OP.

Mortgage and mezzanine loans are nonrecourse to the borrowers, except for customary exceptions or carve-outs that trigger recourse liability to the borrowers in certain limited instances. Recourse obligations typically include only the payment of costs and liabilities suffered by lenders as a result of the occurrence of certain bad acts on the part of the borrower. However, in certain cases, carve-outs could trigger recourse obligations on the part of the borrower with respect to repayment of all or a portion of the outstanding principal amount of the loans. We have entered into customary guaranty agreements pursuant to which we guaranty payment of any recourse liabilities of the borrowers that result from non-recourse carve-outs (which include, but are not limited to, fraud, misrepresentation, willful conduct resulting in waste, misappropriations of rents following an event of default, voluntary bankruptcy filings, unpermitted transfers of collateral, and certain environmental liabilities). In the opinion of management, none of these guaranty agreements, either individually or in the aggregate, are likely to have a material adverse effect on our business, results of operations, or financial condition.

We have entered into certain customary guaranty agreements pursuant to which we guaranty payment of any recourse liabilities of our subsidiaries or joint ventures that may result from non-recourse carve-outs, which include, but are not limited to, fraud, misrepresentation, willful misconduct resulting in waste, misappropriations of rents following an event of default, voluntary bankruptcy filings, unpermitted transfers of collateral, delinquency of trade payables and certain environmental liabilities. Certain of these guarantees represent a guaranty of material amounts, and if we are required to make payments under those guarantees, our liquidity could be adversely affected.

We are committed to an investment strategy where we will pursue hotel-related investments as suitable situations arise. Funds for future hotel-related investments are expected to be derived, in whole or in part, from cash on hand, future borrowings under a credit facility or other loans, or proceeds from additional issuances of common stock, preferred stock (including net proceeds from the sale of any shares of Series J Preferred Stock or Series K Preferred Stock), or other securities, asset sales, and joint ventures. However, we have no formal commitment or understanding to invest in additional assets, and there can be no

assurance that we will successfully make additional investments. We may, when conditions are suitable, consider additional capital raising opportunities.

Our existing hotel properties are mostly located in developed areas with competing hotel properties. Future occupancy, ADR, and RevPAR of any individual hotel could be materially and adversely affected by an increase in the number or quality of competitive hotel properties, home sharing companies or apartment operators offering short-term rentals in its market area. Competition could also affect the quality and quantity of future investment opportunities.

Our estimated future obligations as of December 31, 2023 include both current and long-term obligations. With respect to our indebtedness, as discussed in note 7 to our consolidated financial statements, we have current obligations of \$3.1 billion and long-term obligations of \$316.3 million. As of December 31, 2023, we have \$824.2 million of mortgage loans that have final maturities in 2024 (of which \$180.7 million relates to KEYS Pool A and \$174.4 million relates to KEYS Pool B). We hold extension options for the remaining mortgage loans due in the next twelve months. We have amortization payments of approximately \$2.2 million due in the next twelve months.

As discussed in note 19 to our consolidated financial statements, under our operating and finance leases we have current obligations of \$5.5 million and long-term obligations of \$253.3 million. Additionally, we have short-term capital commitments of \$59.7 million.

Debt Transactions

On February 9, 2023, the Company amended its JP Morgan Chase – 8 hotel mortgage loan, which had a current maturity in February 2023. As part of the amendment, the Company repaid \$50.0 million in principal, exercised the 2023 loan extension and reduced the 2024 debt yield extension test from 9.25% to 8.50%.

On April 6, 2023, the Company extended its BAML Highland mortgage loan to April 2024. As part of the extension, the Company repaid \$45.0 million in principal and the interest rate increased from LIBOR + 3.20% to LIBOR + 3.47%.

On May 19, 2023, we refinanced our \$73.5 million mortgage, secured by the Hilton Alexandria and our \$25.0 million mortgage, secured by the La Posada de Santa Fe. The new mortgage loan totals \$98.5 million. The mortgage loan is interest only and provides for an interest rate of SOFR + 4.00%. The stated maturity is May 2026 with two one-year extension options, subject to the satisfaction of certain conditions. The mortgage loan is secured by the Hilton Alexandria and the La Posada de Santa Fe.

On June 9, 2023, the Company exercised a one-year extension option for its KEYS Pool C mortgage loan to extend the loan to June 2024. As part of the extension, the Company repaid approximately \$62.4 million in principal.

On June 21, 2023, the Company and Ashford Hospitality Limited Partnership, an indirect subsidiary of the Company, entered into Amendment No. 2 with the Lenders and Oaktree Fund Administration, LLC. Amendment No. 2, subject to the conditions set forth therein, provides that, among other things:

- (i) the DDTL Commitment Expiration Date will be July 7, 2023, or such earlier date that the Borrower makes an Initial DDTL draw to be used by the Borrower to prepay certain mortgage indebtedness;
- (ii) notwithstanding the occurrence of the DDTL Commitment Expiration Date, up to \$100,000,000 of Initial DDTLs will be made available by the Lenders for a period of twelve (12) months ending July 7, 2024, subject to the Borrower paying an unused fee of 9% per annum on the undrawn amount;
- (iii) Ashford Trust and the Borrower will be permitted to make certain Restricted Payments, including without limitation dividends on Ashford Trust's preferred stock, without having to maintain Unrestricted Cash in an amount not less than the sum of (x) \$100,000,000 plus (y) the aggregate principal amount of DDTLs advanced prior to the date thereof or contemporaneously therewith;
- (iv) a default on certain pool mortgage loans will not be counted against the \$400,000,000 Mortgage Debt Threshold Amount;
- (v) for purposes of the Mortgage Debt Threshold Amount, a certain mortgage loan, with a current aggregate principal amount of \$415,000,000, will be deemed to have a principal amount of \$400,000,000; and
- (vi) when payable by the Borrower under the Credit Agreement, at least 50% of the Exit Fee shall be paid as a Cash Exit Fee.

Effective June 30, 2023, LIBOR is no longer published. Accordingly, all variable interest rate mortgage loans held by the Company that use the LIBOR index transitioned to SOFR beginning on July 1, 2023. Not all lenders will execute loan amendment documents and instead will defer to original loan documents that dictate changes in index rates.

The KEYS mortgage loans were entered into on June 13, 2018, each of which had a two-year initial term and five one-year extension options. In order to qualify for a one-year extension in June of 2023, each KEYS loan pool was required to achieve a certain debt yield test. The Company extended its KEYS Pool C loan with a paydown of approximately \$62.4 million, its KEYS Pool D loan with a paydown of approximately \$25.6 million, and its KEYS Pool E loan with a paydown of approximately \$41.0 million. On June 9, 2023 the Company received a 30-day extension to satisfy the extension conditions in order to negotiate modifications to the respective extension tests. On July 7, 2023, the Company elected not to make the required paydowns to extend its KEYS Pool A loan, KEYS Pool B loan and KEYS Pool F loan, thereby defaulting on such loans.

On November 29, 2023, The Company completed the deed in lieu of foreclosure transaction for the transfer of ownership of the KEYS F \$215.1 million mortgage to the mortgage lender. Below is a summary of the hotel properties that secured the KEYS Pool F loan prior to transfer of ownership to the mortgage lender:

KEYS F Loan Pool

Embassy Suites Flagstaff – Flagstaff, AZ
Embassy Suites Walnut Creek – Walnut Creek, CA
Marriott Bridgewater – Bridgewater, NJ
Marriott Research Triangle Park – Durham, NC
W Atlanta Downtown – Atlanta, GA

The Company continues to work with the lender for the KEYS A and KEYS B loan pools on a consensual transfer of ownership of those hotels to the lender, and the Company anticipates that transfer could occur in the first half of 2024. The original lenders previously transferred the loans to a securitization trust. On March 1, 2024, the Company received notice that the hotel properties securing the KEYS A and KEYS B loan pools have been transferred to a court-appointed receiver. Below is a summary of the hotel properties securing the KEYS Pool A loan and KEYS Pool B loan:

KEYS A Loan Pool

Courtyard Columbus Tipton Lakes – Columbus, IN
Courtyard Old Town – Scottsdale, AZ
Residence Inn Hughes Center – Las Vegas, NV
Residence Inn Phoenix Airport – Phoenix, AZ
Residence Inn San Jose Newark – Newark, CA
SpringHill Suites Manhattan Beach – Hawthorne, CA
SpringHill Suites Plymouth Meeting – Plymouth Meeting, PA

KEYS B Loan Pool

Courtyard Basking Ridge – Basking Ridge, NJ
Courtyard Newark Silicon Valley – Newark, CA
Courtyard Oakland Airport – Oakland, CA
Courtyard Plano Legacy Park – Plano, TX
Residence Inn Plano – Plano, TX
SpringHill Suites BWI Airport – Baltimore, MD
TownePlace Suites Manhattan Beach – Hawthorne, CA

On November 16, 2023, we refinanced the \$6.2 million loan secured by the Residence Inn Manchester, \$9.1 million loan secured by the Residence Inn Jacksonville, and \$21.9 million mortgage loan secured by the Hampton Inn Buford and the SpringHill Suites Buford. The new mortgage loan totaled \$30.2 million and has a five-year term. The mortgage loan is interest only and provides for an interest rate of 8.506%. The new mortgage loan is secured by four hotels: Residence Inn Manchester, Residence Inn Jacksonville, Hampton Inn Buford and SpringHill Suites Buford.

On December 6, 2023, Stirling Inc., through Stirling OP, acquired the Residence Inn Manchester, Hampton Inn Buford, SpringHill Suites Buford, and Residence Inn Jacksonville and assumed the \$30.2 million mortgage loan secured by the four hotel assets from Ashford Hospitality Limited Partnership and Ashford TRS Corporation. Ashford Trust began consolidating Stirling OP as of December 6, 2023.

On March 6, 2024, the Company completed the sale of the Residence Inn in Salt Lake City, Utah for approximately \$19.2 million. The Company repaid approximately \$19 million of principal on its mortgage loan partially secured by the hotel property.

Equity Transactions

On September 9, 2021, the Company and M3A LP ("M3A") entered into a purchase agreement (the "M3A Purchase Agreement"), which provides that subject to the terms and conditions set forth therein, the Company may sell to M3A up to approximately 6.0 million shares of common stock, from time to time during the term of the M3A Purchase Agreement. The Company filed a Form S-3, which was declared effective by the SEC on April 1, 2022, to replace the previous Form S-11 and to register for resale any future resales by M3A under the M3A Purchase Agreement. As of March 12, 2024, the Company has issued approximately 900,000 shares of common stock for gross proceeds of approximately \$12.9 million under the M3A Purchase Agreement.

On March 4, 2022, the Company filed an initial registration statement on Form S-3 with the SEC, as amended on April 29, 2022, related to the Company's non-traded Series J Preferred Stock and Series K Preferred Stock. The registration statement was declared effective by the SEC on May 4, 2022, and contemplates the offering of up to (i) 20.0 million shares of Series J Preferred Stock or Series K Preferred Stock in a primary offering and (ii) 8.0 million shares of Series J Preferred Stock or Series K Preferred Stock pursuant to a dividend reinvestment plan. On May 5, 2022, we filed our prospectus for the offering with the SEC. Ashford Securities, a subsidiary of Ashford Inc., serves as the dealer manager for the offering. As of March 12, 2024, the Company has issued approximately 4.1 million shares of Series J Preferred Stock and received net proceeds of approximately \$91.3 million and approximately 240,000 shares of Series K Preferred Stock and received net proceeds of approximately \$5.8 million.

On April 6, 2022, the board of directors approved a stock repurchase program (the "Repurchase Program") pursuant to which the board of directors granted a repurchase authorization to acquire shares of the Company's common stock and preferred stock having an aggregate value of up to \$200 million. The board of directors' authorization replaced the 2017 Repurchase Program that the board of directors authorized in December 2017. No shares have been repurchased under the Repurchase Program. The ability to make repurchases under the Repurchase Program is subject to the same financial factors that must be taken into account in declaring a dividend as discussed herein under "Distribution Policy."

On April 11, 2022, the Company entered into the Virtu Equity Distribution Agreement with Virtu, to sell from time to time shares of the Company's common stock having an aggregate offering price of up to \$100 million. We will pay Virtu a commission of approximately 1% of the gross sales price of the shares of our common stock sold. The Company may also sell some or all of the shares of our common stock to Virtu as principal for its own account at a price agreed upon at the time of sale. As of March 12, 2024, the Company has issued approximately 1.8 million shares of common stock for gross proceeds of approximately \$3.2 million under the Virtu Equity Distribution Agreement.

Sources and Uses of Cash

Our principal sources of funds to meet our cash requirements include cash on hand, cash flow from operations, capital market activities, property refinancing proceeds and asset sales. Additionally, our principal uses of funds are expected to include possible operating shortfalls, owner-funded capital expenditures, dividends, new investments, and debt interest and principal payments. Items that impacted our cash flow and liquidity during the periods indicated are summarized as follows:

Net Cash Flows Provided by (Used in) Operating Activities. Net cash flows provided by operating activities, pursuant to our consolidated statements of cash flows, which includes changes in balance sheet items, were \$14.4 million and \$39.2 million for the years ended December 31, 2023 and 2022, respectively. Cash flows provided by operations were impacted by changes in hotel operations, our hotel dispositions in 2022 and 2023, our hotel acquisition in 2022 as well as the timing of collecting receivables from hotel guests, paying vendors, settling with derivative counterparties, settling with related parties and settling with hotel managers.

Net Cash Flows Provided by (Used in) Investing Activities. For the year ended December 31, 2023, net cash flows used in investing activities were \$89.8 million. Cash outflows consisted of \$137.4 million for capital improvements made to various hotel properties, \$599,000 of payments for franchise fees and \$6.9 million from the issuance of a note receivable, partially offset by cash inflows of \$18.2 million related to restricted cash received from initial consolidation of VIE, \$29.2 million of net proceeds from the disposition of assets and hotel properties, \$2.5 million from property insurance proceeds and \$5.3 million of proceeds from the payment of a note receivable.

For the year ended December 31, 2022, net cash flows used in investing activities were \$70.3 million. Cash outflows primarily consisted of \$103.8 million for capital improvements made to various hotel properties, \$9.1 million investment in unconsolidated entities. Cash outflows were partially offset by cash inflows of \$35.0 million from proceeds received from the sale of Sheraton Ann Arbor and six WorldQuest condominium units, \$1.6 million of proceeds from property insurance and \$4.0 million of proceeds from notes receivable.

Net Cash Flows Provided by (Used in) Financing Activities. For the year ended December 31, 2023, net cash flows used in financing activities were \$172.1 million. Cash outflows primarily consisted of \$396.9 million for repayments of indebtedness, \$13.2 million for payments of loan costs and exit fees, \$14.9 million of payments for preferred dividends and \$28.3 million of payments for derivatives, partially offset by cash inflows of \$134.8 million from borrowings on indebtedness, \$79.6 million of net proceeds from preferred stock offerings, \$1.0 million of net proceeds from common stock offerings, \$6.9 million of contributions from noncontrolling interest in consolidating entities and \$59.4 million from counterparty payments primarily comprised of \$41.8 million from in-the-money interest rate caps and \$17.7 million from sales of interest rate caps.

For the year ended December 31, 2022, net cash flows used in financing activities were \$101.5 million. Cash outflows primarily consisted of \$50.9 million for repayments of indebtedness, \$3.1 million for payments of loan costs and exit fees, \$12.4 million of payments for preferred dividends, \$316,000 of purchases of common stock and \$40.1 million of payments for derivatives, partially offset by \$1.6 million of borrowings on indebtedness, \$1.1 million of net proceeds from preferred stock offerings and \$2.9 million of proceeds from in-the-money interest rate caps.

Dividend Policy. Distributions are authorized by our board of directors and declared by us based upon a variety of factors deemed relevant by our directors. The board of directors will continue to review our distribution policy on at least a quarterly basis. Our ability to pay distributions to our preferred or common stockholders will depend, in part, upon our receipt of distributions from our operating partnership. This, in turn, may depend upon receipt of lease payments with respect to our properties from indirect subsidiaries of our operating partnership, the management of our properties by our hotel managers and general business conditions. Distributions to our stockholders are generally taxable to our stockholders as ordinary income. However, since a portion of our investments are equity ownership interests in hotels, which result in depreciation and non-cash charges against our income, a portion of our distributions may constitute a non-taxable return of capital, to the extent of a stockholder's tax basis in the stock. To the extent that it is consistent with maintaining our REIT status, we may maintain accumulated earnings of Ashford TRS in that entity.

On December 5, 2023, our board of directors reviewed and approved our 2024 dividend policy. We do not anticipate paying any dividends on our outstanding common stock for any quarter during 2024 and expect to pay dividends on our outstanding Preferred Stock during 2024. Our board of directors will continue to review our dividend policy and make future announcements with respect thereto. We may incur indebtedness to meet distribution requirements imposed on REITs under the Code to the extent that working capital and cash flow from our investments are insufficient to fund required distributions.

INFLATION

We rely entirely on the performance of our hotel properties and the ability of the hotel properties' managers to increase revenues to keep pace with inflation. Hotel operators can generally increase room rates, but competitive pressures may limit their ability to raise rates faster than inflation. Our general and administrative costs, real estate and personal property taxes, property and casualty insurance, labor costs and utilities are subject to inflation as well.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our significant accounting policies are fully described in note 2 to our consolidated financial statements included in Item 8. Financial Statements and Supplementary Data. We believe that the following discussion addresses our most critical accounting policies, representing those policies considered most vital to the portrayal of our financial condition and results of operations and require management's most difficult, subjective, complex judgments and can include significant estimates.

Impairment of Investments in Hotel Properties—Hotel properties are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of the hotel is measured by comparison of the carrying amount of the hotel to the estimated future undiscounted cash flows, which take into account current market conditions and our intent with respect to holding or disposing of the hotel. If our analysis indicates that the carrying value of the hotel is not recoverable on an undiscounted cash flow basis, we recognize an impairment charge for the amount by which the property's net book value exceeds its estimated fair value, or fair value, less cost to sell. In evaluating impairment of hotel properties, we make many assumptions and estimates, including projected cash flows, expected holding period, and expected useful life. Fair value is determined through various valuation techniques, including internally developed discounted cash flow models, comparable market transactions and third-party appraisals, where considered necessary. We recorded no impairment charges for the years ended December 31, 2023, 2022 and 2021. See note 5 to our consolidated financial statements.

Income Taxes—As a REIT, we generally are not subject to federal corporate income tax on the portion of our net income (loss) that does not relate to taxable REIT subsidiaries. However, Ashford TRS is treated as a TRS for U.S. federal income tax purposes. In accordance with authoritative accounting guidance, we account for income taxes related to Ashford TRS using the

asset and liability method under which deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. In addition, the analysis utilized by us in determining our deferred tax asset valuation allowance involves considerable management judgment and assumptions. See note 20 to our consolidated financial statements.

At December 31, 2023 and 2022, we recorded a valuation allowance of \$29.3 million and \$31.2 million, respectively on the net deferred tax assets of our taxable REIT subsidiaries. At each reporting date, we evaluate whether it is more likely than not that we will utilize all or a portion of our deferred tax assets. We consider all available positive and negative evidence, including historical results of operations, projected future taxable income, carryback potential and scheduled reversals of deferred tax liabilities.

At December 31, 2023, we had TRS net operating loss carryforwards ("NOLs") for U.S. federal income tax purposes of \$94.2 million, however \$90.2 million of our NOLs are subject to limitation in the amount of approximately \$7.3 million per year through 2025, and \$1.2 million per year thereafter under Section 382 of the Internal Revenue Code. NOLs become subject to an annual limitation in the event of certain cumulative changes in the ownership of significant shareholders over a three-year period in excess of 50%, as defined under Section 382 of the Internal Revenue Code. The remaining \$4.0 million of our TRS NOLs are not subject to the limitations of Section 382. In total \$9.6 million of our TRS NOLs are subject to expiration and will begin to expire in 2024. The remainder were generated after December 31, 2017 and are not subject to expiration under the Tax Cuts and Jobs Act. At December 31, 2023, Ashford Hospitality Trust, Inc., our REIT, had NOLs for U.S. federal income tax purposes of \$1.2 billion based on the latest filed tax returns. Utilization of the REIT NOLs subject to Section 382 are limited to approximately \$37.2 million per year through 2025, and \$9.4 million per year thereafter. \$425.2 million of our NOLs will begin to expire in 2024 and are available to offset future taxable income, if any, through 2036. The remainder were generated after December 31, 2017 and are not subject to expiration under the Tax Cuts and Jobs Act.

The "Income Taxes" topic of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification addresses the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. The guidance requires us to determine whether tax positions we have taken or expect to take in a tax return are more likely than not to be sustained upon examination by the appropriate taxing authority based on the technical merits of the positions. Tax positions that do not meet the more likely than not threshold would be recorded as additional tax expense in the current period. We analyze all open tax years, as defined by the statute of limitations for each jurisdiction, which includes the federal jurisdiction and various states. We classify interest and penalties related to underpayment of income taxes as income tax expense. We and our subsidiaries file income tax returns in the U.S. federal jurisdiction and various states and cities. Tax years 2019 through 2023 remain subject to potential examination by certain federal and state taxing authorities.

RECENTLY ADOPTED ACCOUNTING STANDARDS

In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Updates ("ASU") 2020-04, Reference Rate Reform (Topic 848) ("ASU 2020-04"), which provides optional guidance through December 31, 2022 to ease the potential burden in accounting for, or recognizing the effects of, reference rate reform on financial reporting. In January 2021, the FASB issued ASU 2021-01, Reference Rate Reform (Topic 848), which further clarified the scope of the reference rate reform optional practical expedients and exceptions outlined in Topic 848. The amendments in ASU Nos. 2020-04 and 2021-01 apply to contract modifications that replace a reference rate affected by reference rate reform, providing optional expedients regarding the measurement of hedge effectiveness in hedging relationships that have been modified to replace a reference rate. In December 2022, the FASB issued ASU 2022-06, Reference Rate Reform (Topic 848), which deferred the sunset date of Topic 848 from December 31, 2022 to December 31, 2024. The Company applied the optional expedient in evaluating debt modifications converting from London Interbank Offered Rate ("LIBOR") to Secured Overnight Financing Rate ("SOFR"). The Company adopted the standards upon the respective effective dates. There was no material impact as a result of this adoption.

RECENTLY ISSUED ACCOUNTING STANDARDS

In November 2023, the FASB issued ASU 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" which expands annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for our annual periods beginning January 1, 2024, and for interim periods beginning January 1, 2025, with early adoption permitted. We are currently evaluating the potential effect that the updated standard will have on our financial statement disclosures.

In December 2023, the FASB issued ASU 2023-09 "Income Taxes (Topics 740): Improvements to Income Tax Disclosures" to expand the disclosure requirements for income taxes, specifically related to the rate reconciliation and income

taxes paid. ASU 2023-09 is effective for our annual periods beginning January 1, 2025, with early adoption permitted. We are currently evaluating the potential effect that the updated standard will have on our financial statement disclosures.

NON-GAAP FINANCIAL MEASURES

The following non-GAAP presentations of EBITDA, EBITDAre, Adjusted EBITDAre, FFO and Adjusted FFO are presented to help our investors evaluate our operating performance.

EBITDA is defined as net income (loss) before interest expense and amortization of discounts and loan costs, net, income taxes, depreciation and amortization, as adjusted to reflect only the Company's portion of EBITDA of unconsolidated entities. In addition, we exclude impairment on real estate, gain/loss on consolidation of VIE and disposition of assets and gain/loss of unconsolidated entities to calculate EBITDAre, as defined by NAREIT.

We then further adjust EBITDAre to exclude certain additional items such as write-off of premiums, loan costs and exit fees, other income/expense, net, transaction and conversion costs, legal, advisory and settlement costs, advisory services incentive fee, gains/losses on insurance settlements and stock/unit-based compensation and non-cash items such as amortization of unfavorable contract liabilities, realized and unrealized gains/losses on derivative instruments, gains/losses on extinguishment of debt, as well as our portion of adjustments to EBITDAre of unconsolidated entities.

We present EBITDA, EBITDAre and Adjusted EBITDAre because we believe they are useful to an investor in evaluating our operating performance because it provides investors with an indication of our ability to incur and service debt, to satisfy general operating expenses, to make capital expenditures and to fund other cash needs or reinvest cash into our business. We also believe it helps investors meaningfully evaluate and compare the results of our operations from period to period by removing the effect of our asset base (primarily depreciation and amortization) from our operating results. Our management team also uses EBITDA as one measure in determining the value of acquisitions and dispositions. EBITDA, EBITDAre and Adjusted EBITDAre as calculated by us may not be comparable to EBITDA, EBITDAre and Adjusted EBITDAre reported by other companies that do not define EBITDA, EBITDAre and Adjusted EBITDAre exactly as we define the terms. EBITDA, EBITDAre and Adjusted EBITDAre do not represent cash generated from operating activities determined in accordance with GAAP, and should not be considered as an alternative to operating income (loss) or net income (loss) determined in accordance with GAAP as an indicator of performance or as an alternative to cash flows from operating activities as determined by GAAP as an indicator of liquidity.

The following table reconciles net income (loss) to EBITDA, EBITDAre and Adjusted EBITDAre (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Net income (loss)	\$ (180,734)	\$ (141,058)	\$ (271,048)
Interest expense and amortization of discounts and loan costs	366,148	226,995	156,119
Depreciation and amortization	187,807	201,797	218,851
Income tax expense (benefit)	900	6,336	5,948
Equity in (earnings) loss of unconsolidated entities	1,134	804	558
Company's portion of EBITDA of unconsolidated entities	231	(674)	(554)
EBITDA	375,486	294,200	109,874
(Gain) loss on consolidation of VIE and disposition of assets	(11,488)	(300)	(449)
EBITDAre	363,998	293,900	109,425
Amortization of unfavorable contract liabilities	(15)	181	211
Transaction and conversion costs	3,856	(2,300)	3,033
Write-off of premiums, loan costs and exit fees	3,469	3,536	10,612
Realized and unrealized (gain) loss on derivatives	2,200	(10,781)	(14,493)
Stock/unit-based compensation	4,027	5,998	10,095
Legal, advisory and settlement costs	1,181	1,936	7,371
Other (income) expense, net	(310)	(4,797)	(1,760)
Dead deal costs	—	—	689
(Gain) loss on insurance settlements	(505)	(342)	—
(Gain) loss on extinguishment of debt	(53,386)	—	(11,896)
Uninsured remediation costs	—	—	341
Company's portion of adjustments to EBITDAre of unconsolidated entities	2	16	16
Adjusted EBITDAre	\$ 324,517	\$ 287,347	\$ 113,644

We calculate FFO and Adjusted FFO in the following table. FFO is calculated on the basis defined by NAREIT, which is net income (loss) attributable to common stockholders, computed in accordance with GAAP, excluding gains or losses on consolidation of VIE and disposition of assets, plus depreciation and amortization of real estate assets, impairment charges on real estate assets, and after adjustments for unconsolidated entities and noncontrolling interests in the operating partnership. Adjustments for unconsolidated entities are calculated to reflect FFO on the same basis. NAREIT developed FFO as a relative measure of performance of an equity REIT to recognize that income-producing real estate historically has not depreciated on the basis determined by GAAP. Our calculation of Adjusted FFO excludes write-off of premiums, loan costs and exit fees, other income/expense, net, transaction and conversion costs, legal, advisory and settlement costs, stock/unit-based compensation, gains/losses on insurance settlements and non-cash items such as deemed dividends on redeemable preferred stock, amortization of loan costs, amortization of credit facility exit fee, default interest and late fees, unrealized gains/losses on derivative instruments, gains/losses on extinguishment of debt, and our portion of adjustments to FFO related to unconsolidated entities. We exclude items from Adjusted FFO that are either non-cash or are not part of our core operations in order to provide a period-over-period comparison of our operating results. We present FFO and Adjusted FFO because we consider FFO and Adjusted FFO important supplemental measures of our operational performance and believe they are frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO and Adjusted FFO when reporting their results. FFO and Adjusted FFO are intended to exclude GAAP historical cost depreciation and amortization, which assumes that the value of real estate assets diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. Because FFO and Adjusted FFO exclude depreciation and amortization related to real estate assets, gains and losses from real property dispositions and impairment losses on real estate assets, FFO and Adjusted FFO provide performance measures that, when compared year over year, reflect the effect to operations from trends in occupancy, guestroom rates, operating costs, development activities and interest costs, providing perspective not immediately apparent from net income. We consider FFO and Adjusted FFO to be appropriate measures of our ongoing normalized operating performance as a REIT. We compute FFO in accordance with our interpretation of standards established by NAREIT, which may not be comparable to FFO reported by other REITs that either do not define the term in accordance with the current NAREIT definition or interpret the NAREIT definition differently than we do. FFO and Adjusted FFO do not represent cash generated from operating activities as determined by GAAP and should not be considered as an alternative to a) GAAP net income or loss as an indication of our financial performance or b) GAAP cash flows from operating activities as a measure of our liquidity, nor is it indicative of funds available to satisfy our cash needs, including our ability to make cash distributions. However, to facilitate a clear understanding of our historical operating results, we believe that FFO and Adjusted FFO should be considered along with our net income or loss and cash flows reported in the consolidated financial statements.

The following table reconciles net income (loss) to FFO and Adjusted FFO (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Net income (loss)	\$ (180,734)	\$ (141,058)	\$ (271,048)
(Income) loss attributable to noncontrolling interest in consolidated entities	6	—	73
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	2,239	1,233	3,970
Preferred dividends	(15,921)	(12,433)	(252)
Deemed dividends on redeemable preferred stock	(2,673)	(946)	—
Gain (loss) on extinguishment of preferred stock	3,390	—	(607)
Net income (loss) attributable to common stockholders	(193,693)	(153,204)	(267,864)
Depreciation and amortization of real estate	187,807	201,797	218,708
(Gain) loss on consolidation of VIE and disposition of assets	(11,488)	(300)	(449)
Net income (loss) attributable to redeemable noncontrolling interests in operating partnership	(2,239)	(1,233)	(3,970)
Equity in (earnings) loss of unconsolidated entities	1,134	804	558
Company's portion of FFO of unconsolidated entities	(668)	(771)	(556)
FFO available to common stockholders and OP unitholders	(19,147)	47,093	(53,573)
Deemed dividends on redeemable preferred stock	2,673	946	—
(Gain) loss on extinguishment of preferred stock	(3,390)	—	607
Transaction and conversion costs	3,856	(2,300)	3,407
Write-off of premiums, loan costs and exit fees	3,469	3,536	10,612
Unrealized (gain) loss on derivatives	44,041	(10,781)	(14,493)
Stock/unit-based compensation	4,027	5,998	10,095
Legal, advisory and settlement costs	1,181	1,936	7,371
Other (income) expense, net	(310)	(412)	(1,760)
Amortization of term loan exit fee	18,616	11,948	7,076
Amortization of loan costs	12,735	9,672	12,597
Uninsured remediation costs	—	—	341
(Gain) loss on extinguishment of debt	(53,386)	—	(11,896)
Dead deal costs	—	—	689
Default interest and late fees	12,553	—	—
(Gain) loss on insurance settlements	(505)	(342)	—
Company's portion of adjustments to FFO of unconsolidated entities	2	16	16
Adjusted FFO available to common stockholders and OP unitholders	\$ 26,415	\$ 67,310	\$ (28,911)

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Our primary market risk exposure consists of changes in interest rates on borrowings under our debt instruments. The analysis below presents the sensitivity of the market value of our financial instruments to selected changes in market interest rates.

At December 31, 2023, our total indebtedness of \$3.4 billion included \$3.1 billion of variable-rate debt. The impact on our results of operations of a 25-basis point change in interest rate on the outstanding balance of variable-rate debt at December 31, 2023 would be approximately \$7.7 million per year. However, we currently have various interest rate caps in place that limit this exposure. Interest rate changes have no impact on the remaining \$338.8 million of fixed-rate debt.

The above amounts were determined based on the impact of hypothetical interest rates on our borrowings and assume no changes in our capital structure. As the information presented above includes only those exposures that existed at December 31, 2023, it does not consider exposures or positions that could arise after that date. Accordingly, the information presented herein has limited predictive value. As a result, the ultimate realized gain or loss with respect to interest rate fluctuations will depend on exposures that arise during the period, the hedging strategies in place at the time, and the related interest rates.

Item 8. Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

Stockholders and Board of Directors
Ashford Hospitality Trust, Inc.
Dallas, Texas

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Ashford Hospitality Trust, Inc. (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive income (loss), equity (deficit), and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and schedule listed in the index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and our report dated March 14, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Impairment of Investments in Hotel Properties

At December 31, 2023, the Company's consolidated investments in hotel properties, net, totaled \$3 billion. As described in Notes 2 and 5 to the consolidated financial statements, the hotel properties are evaluated for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Recoverability of a hotel property is measured by comparing the carrying amount of the hotel to its estimated future undiscounted cash flows. If the carrying amount of the hotel is not recoverable, an impairment charge is recognized for the amount by which the hotel's carrying amount exceeds its estimated fair value. During 2023, the Company did not record any impairment charges.

We identified the evaluation of certain investments in hotel properties for impairment as a critical audit matter. For investments in hotel properties where events or changes in circumstances indicated that the carrying amount of the hotels may not be recoverable, an increased level of management judgment was required in the determination of certain assumptions used to estimate the fair value of the hotels, including rooms revenue over the forecast period, the discount rates and terminal growth

rates utilized. Auditing these judgments was especially challenging due to the nature, extent and specialized skill or knowledge required to address these matters.

The primary procedures we performed to address the critical audit matter utilized valuation professionals with specialized skill or knowledge, who assisted in:

- Evaluating the rooms revenue assumption utilized in developing the estimate for the fair value of the hotels.
- Evaluating the discount rate and terminal growth rate utilized in developing the estimate for the fair value of the hotels.

Fair Value Determination of Consolidated Variable Interest Entity

As described in Note 4 to the Company's consolidated financial statements, during the year ended December 31, 2023, the Company obtained the ability to exercise its kick-out rights of the manager of 815 Commerce Managing Member ("815 Commerce MM"), which is developing the Le Meridien hotel in Fort Worth, Texas. As a result, Ashford Trust became the primary beneficiary and began consolidating 815 Commerce MM. Upon consolidation, the Company recognized all of the identifiable assets acquired, the liabilities assumed and any noncontrolling interests of 815 Commerce MM, at fair value, which included \$56.6 million of construction in process and \$4.6 million of land. The Company recognized a gain of \$1.1 million that represented the difference between the fair value of the assets and liabilities recognized, the fair value of the non-controlling interest and the previous carrying value of the Company's investment in 815 Commerce MM.

We identified the evaluation of the fair value recorded to investment in hotel properties as a result of the consolidation of 815 Commerce MM as a critical audit matter. The fair value determination includes the estimate of rooms revenue over the forecast period, as well as the determination of the discount rate and terminal growth rate used in the fair value estimate of the hotel property, which require an increased level of management judgment. Auditing these judgments was especially challenging due to the nature, extent and specialized skill or knowledge required to address these matters.

The primary procedures we performed to address the critical audit matter utilized valuation professionals with specialized skill or knowledge, who assisted in:

- Evaluating the rooms revenue assumption utilized in developing the estimate for the fair value of the hotel;
- Evaluating the discount rate and terminal growth rate utilized in developing the estimate for the fair value of the hotel.

/s/ BDO USA, P.C.

We have served as the Company's auditor since 2015.

Dallas, Texas

March 14, 2024

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	December 31,	
	December 31, 2023	2022
ASSETS		
Investments in hotel properties, net (\$ 122,938 and \$ 0 attributable to VIEs).	\$ 2,951,932	\$ 3,118,331
Cash and cash equivalents (\$ 2,363 and \$ 0 attributable to VIEs)	165,231	417,064
Restricted cash (\$ 17,346 and \$ 0 attributable to VIEs)	146,079	141,962
Accounts receivable (\$ 271 and \$ 0 attributable to VIEs), net of allowance of \$ 1,214 and \$ 501 , respectively	45,521	49,809
Inventories (\$ 5 and \$ 0 attributable to VIEs)	3,679	3,856
Notes receivable, net	7,369	5,062
Investments in unconsolidated entities	9,960	19,576
Deferred costs, net (\$ 218 and \$ 0 attributable to VIEs)	1,808	2,665
Prepaid expenses (\$ 651 and \$ 0 attributable to VIEs)	12,806	15,981
Derivative assets	13,696	47,182
Operating lease right-of-use assets	44,047	43,921
Other assets (\$ 1,433 and \$ 0 attributable to VIEs)	25,309	21,653
Intangible assets	797	797
Due from Ashford Inc., net	—	486
Due from related parties, net	—	6,570
Due from third-party hotel managers	21,664	22,462
Assets held for sale	12,383	—
Total assets	<u>\$ 3,462,281</u>	<u>\$ 3,917,377</u>
LIABILITIES AND EQUITY/DEFICIT		
Liabilities:		
Indebtedness, net (\$ 70,073 and \$ 0 attributable to VIEs)	\$ 3,396,071	\$ 3,838,543
Finance lease liability	18,469	18,847
Other finance liability (\$ 26,858 and \$ 0 attributable to VIEs)	26,858	—
Accounts payable and accrued expenses (\$ 14,405 and \$ 0 attributable to VIEs)	129,323	115,970
Accrued interest payable (\$ 241 and \$ 0 attributable to VIEs)	27,009	15,287
Dividends and distributions payable (\$ 147 and \$ 0 attributable to VIEs)	3,566	3,118
Due to Ashford Inc., net (\$ 1,396 and \$ 0 attributable to VIEs)	13,261	—
Due to related parties, net (\$ 123 and \$ 0 attributable to VIEs)	5,874	—
Due to third-party hotel managers (\$ 110 and \$ 0 attributable to VIEs)	1,193	1,319
Intangible liabilities, net	2,017	2,097
Operating lease liabilities	44,765	44,661
Other liabilities	3,499	4,326
Liabilities related to assets held for sale	14,653	—
Total liabilities	<u>3,686,558</u>	<u>4,044,168</u>
Commitments and contingencies (note 18)		
Redeemable noncontrolling interests in operating partnership	22,007	21,550
Series J Redeemable Preferred Stock, \$ 0.01 par value, 3,475,318 and 87,115 shares issued and outstanding at December 31, 2023 and December 31, 2022, respectively	79,975	2,004
Series K Redeemable Preferred Stock, \$ 0.01 par value, 194,193 and 1,800 shares issued and outstanding at December 31, 2023 and December 31, 2022, respectively	4,783	44
Equity (deficit):		
Preferred stock, \$ 0.01 par value, 50,000,000 shares authorized:		
Series D Cumulative Preferred Stock, 1,159,927 and 1,174,427 shares issued and outstanding at December 31, 2023 and December 31, 2022, respectively	12	12
Series F Cumulative Preferred Stock, 1,175,344 and 1,251,044 shares issued and outstanding at December 31, 2023 and December 31, 2022, respectively	11	12
Series G Cumulative Preferred Stock, 1,531,996 and 1,531,996 shares issued and outstanding at December 31, 2023 and December 31, 2022, respectively	15	15
Series H Cumulative Preferred Stock, 1,170,325 and 1,308,415 shares issued and outstanding at December 31, 2023 and December 31, 2022, respectively	12	13
Series I Cumulative Preferred Stock, 1,160,923 and 1,252,923 shares issued and outstanding at December 31, 2023 and December 31, 2022, respectively	12	13
Common stock, \$ 0.01 par value, 400,000,000 shares authorized, 37,422,056 and 34,495,185 shares issued and outstanding at December 31, 2023 and December 31, 2022, respectively	374	345
Additional paid-in capital	2,382,975	2,383,244
Accumulated deficit	(2,729,312)	(2,534,043)
Total stockholders' equity (deficit) of the Company	(345,901)	(150,389)
Noncontrolling interest in consolidated entities	14,859	—
Total equity (deficit)	<u>(331,042)</u>	<u>(150,389)</u>
Total liabilities and equity/deficit	<u>\$ 3,462,281</u>	<u>\$ 3,917,377</u>

See Notes to Consolidated Financial Statements.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	Year Ended December 31,		
	2023	2022	2021
REVENUE			
Rooms	\$ 1,059,155	\$ 974,002	\$ 655,121
Food and beverage	232,829	196,663	94,911
Other hotel revenue	72,748	67,310	53,112
Total hotel revenue	1,364,732	1,237,975	803,144
Other	2,801	2,884	2,267
Total revenue	1,367,533	1,240,859	805,411
EXPENSES			
Hotel operating expenses:			
Rooms	249,434	229,115	157,982
Food and beverage	161,300	140,775	71,172
Other expenses	464,058	421,056	316,638
Management fees	50,645	45,047	31,014
Total hotel expenses	925,437	835,993	576,806
Property taxes, insurance and other	70,226	67,338	67,904
Depreciation and amortization	187,807	201,797	218,851
Advisory services fee	48,927	49,897	52,313
Corporate, general and administrative	16,181	9,879	16,153
Total operating expenses	1,248,578	1,164,904	932,027
Gain (loss) on consolidation of VIE and disposition of assets	11,488	300	1,449
OPERATING INCOME (LOSS)	130,443	76,255	(125,167)
Equity in earnings (loss) of unconsolidated entities	(1,134)	(804)	(558)
Interest income	8,978	4,777	207
Other income (expense)	310	415	760
Interest expense and amortization of discounts and loan costs	(366,148)	(226,995)	(156,119)
Write-off of premiums, loan costs and exit fees	(3,469)	(3,536)	(10,612)
Gain (loss) on extinguishment of debt	53,386	—	11,896
Realized and unrealized gain (loss) on derivatives	(2,200)	15,166	14,493
INCOME (LOSS) BEFORE INCOME TAXES	(179,834)	(134,722)	(265,100)
Income tax (expense) benefit	(900)	(6,336)	(5,948)
NET INCOME (LOSS)	(180,734)	(141,058)	(271,048)
(Income) loss attributable to noncontrolling interest in consolidated entities	6	—	73
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	2,239	1,233	3,970
NET INCOME (LOSS) ATTRIBUTABLE TO THE COMPANY	(178,489)	(139,825)	(267,005)
Preferred dividends	(15,921)	(12,433)	(252)
Deemed dividends on redeemable preferred stock	(2,673)	(946)	—
Gain (loss) on extinguishment of preferred stock	3,390	—	(607)
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ (193,693)	\$ (153,204)	\$ (267,864)
INCOME (LOSS) PER SHARE - BASIC AND DILUTED			
Basic:			
Net income (loss) attributable to common stockholders	\$ (5.61)	\$ (4.46)	\$ (12.37)
Weighted average common shares outstanding – basic	34,523	34,339	21,625
Diluted:			
Net income (loss) attributable to common stockholders	\$ (5.61)	\$ (4.46)	\$ (12.43)
Weighted average common shares outstanding – diluted	34,523	34,339	21,844

See Notes to Consolidated Financial Statements.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	Year Ended December 31,		
	2023	2022	2021
Net income (loss)	<u>\$ (180,734)</u>	<u>\$ (141,058)</u>	<u>\$ (271,048)</u>
Other comprehensive income (loss), net of tax:			
Total other comprehensive income (loss)	<u>—</u>	<u>—</u>	<u>—</u>
Comprehensive income (loss)	<u>(180,734)</u>	<u>(141,058)</u>	<u>(271,048)</u>
Less: Comprehensive (income) loss attributable to noncontrolling interest in consolidated entities	6	—	73
Less: Comprehensive (income) loss attributable to redeemable noncontrolling interests in operating partnership	2,239	1,233	3,970
Comprehensive income (loss) attributable to the Company	<u><u>\$ (178,489)</u></u>	<u><u>\$ (139,825)</u></u>	<u><u>\$ (267,005)</u></u>

See Notes to Consolidated Financial Statements.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY (DEFICIT)
(in thousands, except per share amounts)

	Preferred Stock												Noncontrolling Interest in			
	Series D		Series F		Series G		Series H		Series I		Common Stock		Additional	Accumulated	Consolidated	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Paid-in Capital	Deficit	Entities	
Balance at December 31, 2020													1,809,455	(2,093,292)		(283,455)
	1,791	\$ 18	2,891	\$ 29	4,423	\$ 44	2,669	\$ 27	3,391	\$ 34	6,436	\$ 64	\$	\$	166	\$
Purchases of common shares	—	—	—	—	—	—	—	—	—	—	(1)	—	(46)	—	—	(46)
Equity-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	7,429	—	—	7,429
Forfeitures of restricted common stock	—	—	—	—	—	—	—	—	—	—	(4)	—	—	—	—	—
Issuance of restricted shares/units	—	—	—	—	—	—	—	—	—	—	251	3	(3)	—	—	—
Issuance of common stock (net)	—	—	—	—	—	—	—	—	—	—	20,031	200	562,519	—	—	562,719
PSU dividend claw back upon cancellation and forfeiture	—	—	—	—	—	—	—	—	—	—	—	—	—	349	—	349
Dividends declared – preferred stock – Series D (\$ 3.70 /share)	—	—	—	—	—	—	—	—	—	—	—	—	—	(4,342)	—	(4,342)
Dividends declared – preferred stock – Series F (\$ 3.23 /share)	—	—	—	—	—	—	—	—	—	—	—	—	—	(4,036)	—	(4,036)
Dividends declared – preferred stock – Series G (\$ 3.23 /share)	—	—	—	—	—	—	—	—	—	—	—	—	—	(4,943)	—	(4,943)
Dividends declared – preferred stock – Series H (\$ 3.28 /share)	—	—	—	—	—	—	—	—	—	—	—	—	—	(4,293)	—	(4,293)
Dividends declared – preferred stock – Series I (\$ 3.28 /share)	—	—	—	—	—	—	—	—	—	—	—	—	—	(4,111)	—	(4,111)
Redemption/conversion of operating partnership units	—	—	—	—	—	—	—	—	—	—	1	—	43	—	—	43
Redemption value adjustment	—	—	—	—	—	—	—	—	—	—	—	—	—	(690)	—	(690)
Extinguishment of preferred stock	(617)	(6)	(1,640)	(17)	(2,891)	(29)	(1,361)	(14)	(2,138)	(21)	7,776	78	616	(607)	—	—
Acquisition of noncontrolling interest in consolidating entity	—	—	—	—	—	—	—	—	—	—	—	—	(107)	—	(93)	(200)
Net income (loss)	—	—	—	—	—	—	—	—	—	—	—	—	—	(267,005)	(73)	(267,078)
Balance at December 31, 2021	1,174	\$ 12	1,251	\$ 12	1,532	\$ 15	1,308	\$ 13	1,253	\$ 13	34,490	\$ 345	2,379,906	(2,382,970)	—	(2,654)
Purchases of common stock	—	—	—	—	—	—	—	—	—	—	(43)	—	(323)	—	—	(323)
Equity-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	3,826	—	—	3,826
Forfeitures of restricted common stock	—	—	—	—	—	—	—	—	—	—	(4)	—	—	—	—	—
Issuance of restricted shares/units	—	—	—	—	—	—	—	—	—	—	52	—	—	—	—	—
Issuances of preferred shares	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Costs for issuance of common stock	—	—	—	—	—	—	—	—	—	—	—	—	(165)	—	—	(165)
Dividends declared – preferred stock – Series D (\$ 2.11 /share)	—	—	—	—	—	—	—	—	—	—	—	—	—	(2,481)	—	(2,481)
Dividends declared – preferred stock – Series F (\$ 1.84 /share)	—	—	—	—	—	—	—	—	—	—	—	—	—	(2,307)	—	(2,307)
Dividends declared – preferred stock – Series G (\$ 1.84 /share)	—	—	—	—	—	—	—	—	—	—	—	—	—	(2,824)	—	(2,824)
Dividends declared – preferred stock – Series H (\$ 1.88 /share)	—	—	—	—	—	—	—	—	—	—	—	—	—	(2,453)	—	(2,453)
Dividends declared – preferred stock – Series I (\$ 1.88 /share)	—	—	—	—	—	—	—	—	—	—	—	—	—	(2,349)	—	(2,349)
Dividends declared – preferred stock – Series J (\$ 0.17 /share)	—	—	—	—	—	—	—	—	—	—	—	—	—	(18)	—	(18)
Dividends declared – preferred stock – Series K (\$ 0.17 /share)	—	—	—	—	—	—	—	—	—	—	—	—	—	(1)	—	(1)

	Preferred Stock												Noncontrolling			
	Series D		Series F		Series G		Series H		Series I		Common Stock		Additional	Interest in		
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Paid-in Capital	Accumulated Deficit	Consolidated Entities	Total
Redemption value adjustment	—	—	—	—	—	—	—	—	—	—	—	—	—	2,131	—	2,131
Redemption value adjustment - preferred stock	—	—	—	—	—	—	—	—	—	—	—	—	—	(946)	—	(946)
Net income (loss)	—	—	—	—	—	—	—	—	—	—	—	—	—	(139,825)	—	(139,825)
Balance at December 31, 2022													2,383,244	(2,534,043)		(150,799)
	<u>1,174</u>	<u>\$ 12</u>	<u>1,251</u>	<u>\$ 12</u>	<u>1,532</u>	<u>\$ 15</u>	<u>1,308</u>	<u>\$ 13</u>	<u>1,253</u>	<u>\$ 13</u>	<u>34,495</u>	<u>\$ 345</u>	<u>\$</u>	<u>\$</u>	<u>\$ —</u>	<u>\$</u>
Purchases of common stock	—	—	—	—	—	—	—	—	—	—	(24)	—	(83)	—	—	(83)
Equity-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	2,319	—	—	2,319
Issuance of restricted shares/units	—	—	—	—	—	—	—	—	—	—	118	1	(1)	—	—	—
Issuances of preferred shares	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Issuance of common stock, net	—	—	—	—	—	—	—	—	—	—	723	7	904	—	—	911
Dividends declared – preferred stock – Series D (\$ 2.11 /share)	—	—	—	—	—	—	—	—	—	—	—	—	—	(2,472)	—	(2,472)
Dividends declared – preferred stock – Series F (\$ 1.84 /share)	—	—	—	—	—	—	—	—	—	—	—	—	—	(2,272)	—	(2,272)
Dividends declared – preferred stock – Series G (\$ 1.84 /share)	—	—	—	—	—	—	—	—	—	—	—	—	—	(2,824)	—	(2,824)
Dividends declared – preferred stock – Series H (\$ 1.88 /share)	—	—	—	—	—	—	—	—	—	—	—	—	—	(2,389)	—	(2,389)
Dividends declared – preferred stock – Series I (\$ 1.88 /share)	—	—	—	—	—	—	—	—	—	—	—	—	—	(2,306)	—	(2,306)
Dividends declared – preferred stock – Series J (\$ 2.00 /share)	—	—	—	—	—	—	—	—	—	—	—	—	—	(3,467)	—	(3,467)
Dividends declared – preferred stock – Series K (\$ 2.05 /share)	—	—	—	—	—	—	—	—	—	—	—	—	—	(191)	—	(191)
Redemption value adjustment	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,576)	—	(1,576)
Redemption value adjustment – preferred stock	—	—	—	—	—	—	—	—	—	—	—	—	—	(2,673)	—	(2,673)
Contributions from noncontrolling interests in consolidated entities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	6,905	6,905
Noncontrolling interest in consolidated entities recognized upon consolidation of VIE	—	—	—	—	—	—	—	—	—	—	—	—	—	—	7,961	7,961
Redemption of preferred stock	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1)	(1)
Extinguishment of preferred stock	(14)	—	(76)	(1)	—	—	(138)	(1)	(92)	(1)	2,110	21	(3,408)	3,390	—	—
Net income (loss)	—	—	—	—	—	—	—	—	—	—	—	—	—	(178,489)	(6)	(178,495)
Balance at December 31, 2023													2,382,975	(2,729,312)		(346,337)
	<u>1,160</u>	<u>\$ 12</u>	<u>1,175</u>	<u>\$ 11</u>	<u>1,532</u>	<u>\$ 15</u>	<u>1,170</u>	<u>\$ 12</u>	<u>1,161</u>	<u>\$ 12</u>	<u>37,422</u>	<u>\$ 374</u>	<u>\$</u>	<u>\$</u>	<u>\$ 14,859</u>	<u>\$</u>

	Preferred Stock				Redeemable
	Series J		Series K		Noncontrolling
	Shares	Amount	Shares	Amount	Interest in Operating Partnership
Balance at December 31, 2020	—	\$ —	—	\$ —	\$ 22,951
Purchases of common shares	—	—	—	—	—
Equity-based compensation	—	—	—	—	2,596
Forfeitures of restricted common stock	—	—	—	—	—
Issuance of restricted shares/units	—	—	—	—	—
Issuance of common stock (net)	—	—	—	—	—
Dividends declared – preferred stock – Series D (\$ 3.70 /share)	—	—	—	—	—
Dividends declared – preferred stock – Series F (\$ 3.23 /share)	—	—	—	—	—
Dividends declared – preferred stock – Series G (\$ 3.23 /share)	—	—	—	—	—
Dividends declared – preferred stock – Series H (\$ 3.28 /share)	—	—	—	—	—
Dividends declared – preferred stock – Series I (\$ 3.28 /share)	—	—	—	—	—
Performance LTIP dividend claw back upon cancellation	—	—	—	—	518
Redemption/conversion of operating partnership units	—	—	—	—	(43)
Redemption value adjustment	—	—	—	—	690
Extinguishment of preferred stock	—	—	—	—	—
Acquisition of noncontrolling interest in consolidating entity	—	—	—	—	—
Net income (loss)	—	—	—	—	(3,970)
Balance at December 31, 2021	—	\$ —	—	\$ —	\$ 22,742
Purchases of common stock	—	—	—	—	—
Equity-based compensation	—	—	—	—	2,172
Forfeitures of restricted common stock	—	—	—	—	—
Issuance of restricted shares/units	—	—	—	—	—
Issuances of preferred shares	87	1,078	2	24	—
Costs for issuance of common stock	—	—	—	—	—
Dividends declared – preferred stock – Series D (\$ 2.11 /share)	—	—	—	—	—
Dividends declared – preferred stock – Series F (\$ 1.84 /share)	—	—	—	—	—
Dividends declared – preferred stock – Series G (\$ 1.84 /share)	—	—	—	—	—
Dividends declared – preferred stock – Series H (\$ 1.88 /share)	—	—	—	—	—
Dividends declared – preferred stock – Series I (\$ 1.88 /share)	—	—	—	—	—
Dividends declared – preferred stock – Series J (\$ 0.17 /share)	—	—	—	—	—
Dividends declared – preferred stock – Series K (\$ 0.17 /share)	—	—	—	—	—
Redemption value adjustment	—	—	—	—	(2,131)
Redemption value adjustment - preferred stock	—	926	—	20	—
Net income (loss)	—	—	—	—	(1,233)
Balance at December 31, 2022	87	2,004	2	44	21,550
Purchases of common stock	—	—	—	—	—
Equity-based compensation	—	—	—	—	1,708
Issuance of restricted shares/units	—	—	—	—	—
Issuances of preferred shares	3,391	75,502	192	4,613	—
Costs for issuances of common stock	—	—	—	—	—
Dividends declared – preferred stock – Series D (\$ 2.11 /share)	—	—	—	—	—
Dividends declared – preferred stock – Series F (\$ 1.84 /share)	—	—	—	—	—

	Preferred Stock				Redeemable
	Series J		Series K		Noncontrolling
	Shares	Amount	Shares	Amount	Interest in Operating Partnership
Dividends declared – preferred stock – Series G (\$ 1.84 /share)	—	—	—	—	—
Dividends declared – preferred stock – Series H (\$ 1.88 /share)	—	—	—	—	—
Dividends declared – preferred stock – Series I (\$ 1.88 /share)	—	—	—	—	—
Dividends declared – preferred stock – Series J (\$ 2.00 /share)	—	—	—	—	—
Dividends declared – preferred stock – Series K (\$ 2.05 /share)	—	—	—	—	—
Redemption value adjustment	—	—	—	—	1,576
Redemption value adjustment – preferred stock	—	2,547	—	126	—
Contributions from noncontrolling interests in consolidated entities	—	—	—	—	—
Noncontrolling interest in consolidated entities recognized upon consolidation of VIE	—	—	—	—	—
Redemption of preferred stock	(3)	(78)	—	—	—
Distributions to noncontrolling interests	—	—	—	—	(588)
Extinguishment of preferred stock	—	—	—	—	—
Net income (loss)	—	—	—	—	(2,239)
Balance at December 31, 2023		79,975		4,783	
	3,475	\$	194	\$	\$ 22,007

See Notes to Consolidated Financial Statements.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2023	2022	2021
Cash Flows from Operating Activities			
Net income (loss)	\$ (180,734)	\$ (141,058)	\$ (271,048)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	187,807	201,797	218,851
Amortization of intangibles	(95)	101	131
Recognition of deferred income	(820)	(499)	(498)
Bad debt expense	3,602	3,338	2,110
Deferred income tax expense (benefit)	(28)	(53)	113
Equity in (earnings) loss of unconsolidated entities	1,134	804	558
(Gain) loss on consolidation of VIE and disposition of assets	(11,488)	(300)	(1,449)
(Gain) loss on extinguishment of debt	(53,386)	—	(11,896)
Realized and unrealized (gain) loss on derivatives	2,200	(15,166)	(14,474)
Amortization of loan costs, discounts and capitalized default interest and write-off of premiums, loan costs and exit fees	28,203	10,075	(1,336)
Amortization of deferred franchise fees	34	—	—
Write-off of deferred franchise fees	20	—	—
Equity-based compensation	4,027	5,998	10,025
Non-cash interest income	(821)	(380)	(672)
Changes in operating assets and liabilities, exclusive of the effect of the acquisition and disposition of hotel properties and the impact of consolidation of VIEs:			
Accounts receivable and inventories	(7,330)	(16,207)	(21,366)
Prepaid expenses and other assets	(1,648)	(7,501)	4,203
Accounts payable and accrued expenses and accrued interest payable	18,379	(4,656)	(28,927)
Due to/from related parties	11,241	165	(944)
Due to/from third-party hotel managers	(789)	4,549	(16,743)
Due to/from Ashford Inc., net	14,896	(1,804)	(10,818)
Operating lease liabilities	104	(445)	(203)
Operating lease right-of-use assets	(111)	473	201
Other liabilities	(7)	(7)	(6)
Net cash provided by (used in) operating activities	14,390	39,224	(144,188)
Cash Flows from Investing Activities			
Improvements and additions to hotel properties	(137,428)	(103,751)	(36,742)
Net proceeds from disposition of assets and hotel properties	29,214	34,988	9,013
Payments for initial franchise fees	(599)	—	(90)
Proceeds from notes receivable	5,250	4,000	—
Issuance of note receivable	(6,868)	—	—
Proceeds from property insurance	2,478	1,625	2,779
Investment in unconsolidated entities	—	(9,127)	(9,000)
Net cash acquired in acquisition of leasehold interest	—	1,931	—
Restricted cash received from initial consolidation of VIE	18,201	—	—
Net cash provided by (used in) investing activities	(89,752)	(70,334)	(34,040)
Cash Flows from Financing Activities			
Borrowings on indebtedness	134,802	1,551	377,500
Repayments of indebtedness	(396,947)	(50,902)	(189,594)
Payments for loan costs and exit fees	(13,220)	(3,064)	(27,768)
Payments for dividends and distributions	(14,943)	(12,418)	(18,622)
Purchases of common stock	(90)	(316)	(46)
Redemption of preferred stock	(78)	—	—
Payments for derivatives	(28,256)	(40,119)	(1,538)
Proceeds from derivatives	59,351	2,911	—
Proceeds from common stock offerings	1,031	—	562,827
Proceeds from preferred stock offerings	79,564	1,122	—
Common stock offering costs	—	(273)	—

	Year Ended December 31,		
	2023	2022	2021
Acquisition of noncontrolling interest in consolidated entities	—	—	(200)
Payments on finance lease liabilities	(249)	—	—
Contributions from noncontrolling interest in consolidated entities	6,905	—	—
Net cash provided by (used in) financing activities	(172,130)	(101,508)	702,559
Net increase (decrease) in cash, cash equivalents and restricted cash (including cash, cash equivalents and restricted cash held for sale)	(247,492)	(132,618)	524,331
Cash, cash equivalents and restricted cash at beginning of period	559,026	691,644	167,313
Cash, cash equivalents and restricted cash at end of period (including cash, cash equivalents and restricted cash held for sale)	\$ 311,534	\$ 559,026	\$ 691,644

Supplemental Cash Flow Information

Interest paid	\$ 325,420	\$ 218,019	\$ 219,624
Income taxes paid (refunded)	(2,644)	11,697	3,525

Supplemental Disclosure of Non-Cash Investing and Financing Activities

Accrued but unpaid capital expenditures	\$ 22,460	\$ 13,341	\$ 11,396
Non-cash consideration from sale of hotel property	—	1,219	—
Accrued common stock offering costs	120	—	108
Accrued preferred stock offering costs	—	21	—
Acquisition of finance lease asset and liability	—	18,847	—
Non-cash extinguishment of debt	154,192	—	9,604
Non-cash loan principal associated with default interest and late charges	—	—	33,245
Non-cash extinguishment of preferred stock	7,724	—	208,606
Issuance of common stock from preferred stock exchanges	4,334	—	209,213
Debt discount associated with embedded debt derivative	—	—	43,680
Credit facility commitment fee	—	—	4,500
Non-cash preferred stock dividends	387	1	—
Unsettled proceeds from derivatives	1,674	1,474	—
Dividends and distributions declared but not paid	3,566	3,118	3,104
Assumption of debt from consolidation of VIE	35,052	—	—
Assumption of other finance liability from consolidation of VIE	26,729	—	—
Acquisition of hotel property from consolidation of VIE	61,100	—	—
Non-cash distributions to non-controlling interest	588	—	—

Supplemental Disclosure of Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents at beginning of period	\$ 417,064	\$ 592,110	\$ 92,905
Restricted cash at beginning of period	141,962	99,534	74,408
Cash, cash equivalents and restricted cash at beginning of period	\$ 559,026	\$ 691,644	\$ 167,313
Cash and cash equivalents at end of period	\$ 165,231	\$ 417,064	\$ 592,110
Restricted cash at end of period	146,079	141,962	99,534
Cash, cash equivalents and restricted cash at end of period	311,310	559,026	\$ 691,644
Cash and cash equivalents at end of period included in assets held for sale	1	—	—
Restricted cash at end of period included in assets held for sale	223	—	—
Cash, cash equivalents and restricted cash at end of period (including cash, cash equivalents and restricted cash held for sale)	\$ 311,534	\$ 559,026	\$ 691,644

See Notes to Consolidated Financial Statements.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years ended December 31, 2023, 2022 and 2021

1. Organization and Description of Business

Ashford Hospitality Trust, Inc., together with its subsidiaries ("Ashford Trust"), is a real estate investment trust ("REIT"). While our portfolio currently consists of upscale hotels and upper upscale full-service hotels, our investment strategy is predominantly focused on investing in upper upscale full-service hotels in the United States that have revenue per available room ("RevPAR") generally less than twice the U.S. national average, and in all methods including direct real estate, equity, and debt. We currently anticipate future investments will predominantly be in upper upscale hotels. We own our lodging investments and conduct our business through Ashford Hospitality Limited Partnership ("Ashford Trust OP"), our operating partnership. Ashford OP General Partner LLC, a wholly owned subsidiary of Ashford Trust, serves as the sole general partner of our operating partnership. Terms such as the "Company," "we," "us," or "our" refer to Ashford Hospitality Trust, Inc. and, as the context may require, all entities included in its consolidated financial statements.

Our hotel properties are primarily branded under the widely recognized upscale and upper upscale brands of Hilton, Hyatt, Marriott and Intercontinental Hotel Group. As of December 31, 2023, we held interests in the following assets:

- 90 consolidated operating hotel properties, which represent 20,549 total rooms;
- Four consolidated operating hotel properties, which represent 405 total rooms owned through a 99.4 % ownership interest in Stirling REIT OP, LP ("Stirling OP"), which was formed by Stirling Hotels & Resorts, Inc. ("Stirling Inc.") to acquire and own a diverse portfolio of stabilized income-producing hotels and resorts. See note 4;
- one consolidated hotel property under development through a 32.5 % owned investment in a consolidated entity;
- 15.1 % ownership in OpenKey, Inc. ("OpenKey") with a carrying value of approximately \$ 1.6 million; and
- an investment in an entity that owns the Meritage Resort and Spa and the Grand Reserve at the Meritage (the "Meritage Investment") in Napa, California, with a carrying value of approximately \$ 8.4 million.

For U.S. federal income tax purposes, we have elected to be treated as a REIT, which imposes limitations related to operating hotels. As of December 31, 2023, our 90 operating hotel properties and four Stirling OP hotel properties were leased or owned by our wholly owned or majority owned subsidiaries that are treated as taxable REIT subsidiaries for U.S. federal income tax purposes (collectively, these subsidiaries are referred to as "Ashford TRS"). Ashford TRS then engages third-party or affiliated hotel management companies to operate the hotels under management contracts. Hotel operating results related to these properties are included in the consolidated statements of operations.

We are advised by Ashford Hospitality Advisors LLC ("Ashford LLC"), a subsidiary of Ashford Inc., through an advisory agreement. Our 90 operating hotel properties and four Stirling OP hotel properties in our consolidated portfolio are currently asset-managed by Ashford LLC. We do not have any employees. All of the services that might be provided by employees are provided to us by Ashford LLC.

We do not operate any of our hotel properties directly; instead we contractually engage hotel management companies to operate them for us under management contracts. Remington Lodging & Hospitality, LLC ("Remington Hospitality"), a subsidiary of Ashford Inc., manages 61 of our 90 operating hotel properties and three of the four Stirling OP hotel properties. Third-party management companies manage the remaining hotel properties.

Ashford Inc. also provides other products and services to us or our hotel properties through certain entities in which Ashford Inc. has an ownership interest. These products and services include, but are not limited to, design and construction services, debt placement and related services, audio visual services, real estate advisory and brokerage services, insurance policies covering general liability, workers' compensation and business automobile claims, insurance claims services, hypoallergenic premium rooms, broker-dealer and distribution services, mobile key technology and cash management services.

2. Significant Accounting Policies

Basis of Presentation—The accompanying consolidated financial statements include the accounts of Ashford Hospitality Trust, Inc., its majority-owned subsidiaries, its majority-owned joint ventures in which it has a controlling interest and entities in which the Company is the primary beneficiary. All significant inter-company accounts and transactions between consolidated entities have been eliminated in these consolidated financial statements.

Ashford Trust OP is considered to be a variable interest entity ("VIE"), as defined by authoritative accounting guidance. A VIE must be consolidated by a reporting entity if the reporting entity is the primary beneficiary because it has (i) the power to

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

direct the VIE's activities that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE. All major decisions related to Ashford Trust OP that most significantly impact its economic performance, including but not limited to operating procedures with respect to business affairs and any acquisitions, dispositions, financings, restructurings or other transactions with sellers, purchasers, lenders, brokers, agents and other applicable representatives, are subject to the approval of our wholly owned subsidiary, Ashford Trust OP General Partner LLC, its general partner. As such, we consolidate Ashford Trust OP. As Ashford Trust OP is substantially the same as Ashford Hospitality Trust, Inc., our REIT, the separate VIE accounts for this VIE are not reflected separately on the balance sheet. See note 4 for discussion of other consolidated VIE's.

The following acquisitions and dispositions affect reporting comparability of our consolidated financial statements:

Hotel Property	Location	Type	Date
Le Meridien Minneapolis	Minneapolis, MN	Disposition	January 20, 2021
SpringHill Suites Durham	Durham, NC	Disposition	April 29, 2021
SpringHill Suites Charlotte	Charlotte, NC	Disposition	April 29, 2021
Sheraton Ann Arbor	Ann Arbor, MI	Disposition	September 1, 2022
Hilton Marietta	Marietta, GA	Acquisition	December 16, 2022
WorldQuest Resort	Orlando, FL	Disposition	August 1, 2023
Sheraton Bucks County	Langhorne, PA	Disposition	November 9, 2023
Embassy Suites Flagstaff	Flagstaff, AZ	Disposition	November 29, 2023
Embassy Suites Walnut Creek	Walnut Creek, CA	Disposition	November 29, 2023
Marriott Bridgewater	Bridgewater, NJ	Disposition	November 29, 2023
Marriott Research Triangle Park	Durham, NC	Disposition	November 29, 2023
W Atlanta	Atlanta, GA	Disposition	November 29, 2023

Use of Estimates—The preparation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents—Cash and cash equivalents include cash on hand or held in banks and short-term investments with an initial maturity of three months or less at the date of purchase.

Restricted Cash—Restricted cash includes reserves for debt service, real estate taxes, and insurance, as well as excess cash flow deposits and reserves for FF&E replacements of approximately 4 % to 6 % of property revenue for certain hotels, as required by certain management or mortgage debt agreement restrictions and provisions.

Accounts Receivable—Accounts receivable consists primarily of meeting and banquet room rental and hotel guest receivables. We generally do not require collateral. We maintain an allowance for doubtful accounts for estimated losses resulting from the inability of guests to make required payments for services. The allowance is maintained at a level believed to be adequate to absorb estimated receivable losses. The estimate is based on past receivable loss experience, known and inherent credit risks, current economic conditions, and other relevant factors, including specific reserves for certain accounts.

Inventories—Inventories, which primarily consist of food, beverages, and gift store merchandise, are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method.

Investments in Hotel Properties, net—Hotel properties are generally stated at cost. All improvements and additions that extend the useful life of the hotel properties are capitalized.

For property and equipment acquired in a business combination, we record the assets acquired based on their fair value as of the acquisition date. Replacements and improvements and finance leases are capitalized, while repairs and maintenance are expensed as incurred. Property and equipment acquired in an asset acquisition are recorded at cost. The acquisition cost in an asset acquisition is allocated to land, buildings, improvements, furniture, fixtures and equipment, as well as identifiable intangible and lease assets and liabilities. Acquisition cost is allocated using relative fair values. We evaluate several factors,

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

including weighted market data for similar assets, expected future cash flows discounted at risk adjusted rates, and replacement costs for assets to determine an appropriate exit cost when evaluating the fair values.

Our property and equipment, including assets acquired under finance leases, are depreciated on a straight-line basis over the estimated useful lives of the assets with useful lives.

Impairment of Investments in Hotel Properties—Hotel properties are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of the hotel is measured by comparison of the carrying amount of the hotel to the estimated future undiscounted cash flows, which take into account current market conditions and our intent with respect to holding or disposing of the hotel. If our analysis indicates that the carrying value of the hotel is not recoverable on an undiscounted cash flow basis, we recognize an impairment charge for the amount by which the property's net book value exceeds its estimated fair value. In evaluating impairment of hotel properties, we make many assumptions and estimates, including projected cash flows, expected holding periods, and expected useful lives. Fair value is determined through various valuation techniques, including internally developed discounted cash flow models, comparable market transactions and third-party appraisals, where considered necessary. No such impairment was recorded for the years ended December 31, 2023, 2022 and 2021, respectively. See note 5.

Assets Held for Sale, Discontinued Operations and Hotel Dispositions—We classify assets as held for sale when we have obtained a firm commitment from a buyer, and consummation of the sale is considered probable and expected within one year. The related operations of assets held for sale are reported as discontinued if the disposal is a component of an entity that represents a strategic shift that has (or will have) a major effect on our operations and cash flows. Depreciation and amortization will cease as of the date assets have met the criteria to be deemed held for sale and the hotel property is measured at the lower of its carrying value or fair value less costs to sell. See note 5.

Discontinued operations are defined as the disposal of components of an entity that represents strategic shifts that have (or will have) a major effect on an entity's operations and financial results. We believe that individual dispositions of hotel properties do not represent a strategic shift that has (or will have) a major effect on our operations and financial results as most will not fit the definition. See note 5.

Investments in Unconsolidated Entities—As of December 31, 2023, we held a 15.1 % ownership interest in OpenKey and an investment in an entity that owns two resorts in Napa, CA, which are accounted for under the equity method of accounting by recording the initial investment and our percentage of interest in the entities' net income/loss. We review the investments for impairment each reporting period pursuant to the applicable authoritative accounting guidance. An investment is impaired when its estimated fair value is less than the carrying amount of our investment. Any other-than-temporary impairment is recorded in "equity in earnings (loss) of unconsolidated entities" in the consolidated statements of operations. No such impairment was recorded for the years ended December 31, 2023, 2022 and 2021.

Our investments in certain unconsolidated entities are considered to be variable interests in the underlying entities. Each VIE, as defined by authoritative accounting guidance, must be consolidated by a reporting entity if the reporting entity is the primary beneficiary because it has (i) the power to direct the VIE's activities that most significantly impact the VIE's economic performance, and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE. Because we do not have the power and financial responsibility to direct the unconsolidated entities' activities and operations, we are not considered to be the primary beneficiary of these entities on an ongoing basis and therefore such entities are not consolidated.

Notes Receivable, net—We record notes receivable at present value upon the transaction date. Any discount or premium is amortized using the effective interest method.

Impairment of Notes Receivable—We review notes receivable for impairment each reporting period. The impairment model requires an estimate of expected credit losses, measured over the contractual life of an instrument, that considers forecasts of future economic conditions in addition to information about past events and current conditions. The Company will estimate credit losses over the entire contractual term of the instrument from the date of initial recognition of that instrument and is required to record a credit loss expense (or reversal) in each reporting period. Loan impairments are recorded as a valuation allowance and a charge to earnings. Our assessment of impairment is based on considerable management judgment and assumptions. No impairment charges were recorded for the years ended December 31, 2023, 2022 and 2021.

Leases—We determine if an arrangement is a lease at the commencement date. Operating leases, as lessee, are included in operating lease right-of-use ("ROU") assets and operating lease liabilities on our consolidated balance sheets. Finance leases, as lessee, are recorded based on the underlying nature of the leased asset and finance lease liabilities.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Operating lease ROU assets and finance lease assets and operating and finance lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. The operating lease ROU asset and finance lease asset also includes any lease payments made and initial direct costs incurred and excludes lease incentives. The lease terms used to calculate our right-of-use asset and the investments in hotel properties may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. Subsequent to the initial recognition, lease liabilities are measured using the effective interest method. The ROU asset is generally amortized utilizing a straight-line method adjusted for the lease liability accretion during the period.

We have lease agreements with lease and non-lease components, which under the elected practical expedients under Accounting Standard Codification ("ASC") 842, we are not accounting for separately. For certain equipment leases, such as office equipment, copiers and vehicles, we account for the lease and non-lease components as a single lease component.

Intangible Assets and Liabilities—Intangible assets represent the acquisition of a permanent docking easement and intangible liabilities represent the liabilities recorded on certain hotel properties' lessor lease contracts that were below market rates at the date of acquisition. The asset is not subject to amortization and liabilities are amortized using the straight-line method over the remaining terms of the respective lease contracts. See note 22.

Deferred Costs, net—Debt issuance costs associated with debt obligations are reflected as a direct reduction to the related debt obligation on our consolidated balance sheets. Debt issuance costs are recorded at cost and amortized over the terms of the related indebtedness using the effective interest method.

We also have debt issuance costs related to delayed draw term loans in the Credit Agreement with Oaktree that meet the definition of an asset and are amortized on a straight-line basis over the contractual term of the arrangement. If the Company, makes any draws the recorded asset will be derecognized and reclassified as a direct reduction of the related debt and amortized using the effective interest method over the remaining initial term.

Deferred franchise fees are amortized on a straight-line basis over the terms of the related franchise agreements and are presented as an asset on our consolidated balance sheets. See note 21.

Derivative Instruments and Hedging—We use interest rate derivatives to hedge our risks and to capitalize on the historical correlation between changes in SOFR (Secured Overnight Financing Rate) and RevPAR. Interest rate derivatives could include swaps, caps, floors, and floorridors.

All derivatives are recorded at fair value in accordance with the applicable authoritative accounting guidance. None of our derivative instruments are designated as cash flow hedges. Interest rate derivatives are reported as "derivative assets" in the consolidated balance sheets. For interest rate derivatives and credit default swaps, changes in fair value and realized gains and losses are recognized in earnings as "realized and unrealized gain (loss) on derivatives" in the consolidated statements of operations. Accrued interest on interest rate derivatives is included in "accounts receivable, net" in the consolidated balance sheets.

Due to/from Related Parties—Due to/from related parties represents current receivables and payables resulting from transactions related to hotel management with a related party. Due to/from related parties is generally settled within a period not exceeding one year.

Due to/from Ashford Inc.—Due to/from Ashford Inc. represents current receivables and payables resulting from the advisory services fee, including reimbursable expenses as well as other hotel products and services. Due to/from Ashford Inc. is generally settled within a period not exceeding one year.

Due to/from Third-Party Hotel Managers—Due to/from third-party hotel managers primarily consists of amounts due from Marriott related to our cash reserves held at the Marriott corporate level related to our operations, real estate taxes and other items. Due to/from third-party hotel managers also represents current receivables and payables resulting from transactions related to hotel management. Due to/from third-party hotel managers is generally settled within a period not exceeding one year.

Noncontrolling Interests—The redeemable noncontrolling interests in Ashford Trust OP represent the limited partners' proportionate share of equity in earnings/losses of Ashford Trust OP, which is an allocation of net income attributable to the common unit holders based on the weighted average ownership percentage of these limited partners' common unit holdings

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

throughout the period. The redeemable noncontrolling interests in Ashford Trust OP is classified in the mezzanine section of the consolidated balance sheets as these redeemable operating partnership units do not meet the requirements for permanent equity classification prescribed by the authoritative accounting guidance because these redeemable operating partnership units may be redeemed by the holder as described in note 13. The carrying value of the noncontrolling interests in Ashford Trust OP is based on the greater of the accumulated historical cost or the redemption value.

The noncontrolling interests in consolidated entities represented an ownership interest of 15 % in two hotel properties held by one joint venture until December 31, 2021, and was reported in equity in the consolidated balance sheet. On December 31, 2021, the Company purchased the remaining ownership interest and held a 100 % ownership interest in the two hotel properties. Additionally noncontrolling interests in consolidated entities represented an ownership interest of 67.5 % of 815 Commerce MM and 0.6 % of Stirling OP as of December 31, 2023.

Net income/loss attributable to redeemable noncontrolling interests in Ashford Trust OP and income/loss from consolidated entities attributable to noncontrolling interests in our consolidated entities are reported as deductions/additions from/to net income/loss. Comprehensive income/loss attributable to these noncontrolling interests is reported as reductions/additions from/to comprehensive income/loss.

Revenue Recognition—Rooms revenue represents revenue from the occupancy of our hotel rooms, which is driven by the occupancy and average daily rate charged. Rooms revenue includes revenue for guest no-shows, day use, and early/late departure fees. The contracts for room stays with customers are generally short in duration and revenues are recognized as services are provided over the course of the hotel stay. Advance deposits are recorded as liabilities when a customer or group of customers provides a deposit for a future stay or banquet event at our hotels. Advance deposits are converted to revenue when the services are provided to the customer or when the customer with a noncancellable reservation fails to arrive for part or all of the reservation. Conversely, advance deposits are generally refundable upon guest cancellation of the related reservation within an established period of time prior to the reservation. Our advance deposit balance as of December 31, 2023 and 2022 was \$ 19.0 million and \$ 18.3 million, respectively, and are generally recognized as revenue within a one-year period. These are included in “accounts payable and accrued expenses” on the consolidated balance sheets.

Food & Beverage (“F&B”) revenue consists of revenue from the restaurants and lounges at our hotel properties, in-room dining and mini-bars revenue, and banquet/catering revenue from group and social functions. Other F&B revenue may include revenue from audiovisual equipment/services, rental of function rooms, and other F&B related revenue. Revenue is recognized as the services or products are provided. Our hotel properties may employ third parties to provide certain services at the property, for example, audiovisual services. We evaluate each of these contracts to determine if the hotel is the principal or the agent in the transaction, and record the revenue as appropriate (i.e. gross vs. net).

Other hotel revenue consists of ancillary revenue at the property, including attrition and cancellation fees, resort and destination fees, spas, parking, entertainment and other guest services, as well as rental revenue primarily from leased retail outlets at our hotel properties. Cancellation fees are recognized from non-cancellable deposits when the customer provides notification of cancellation in accordance with established management policy time frames.

Taxes collected from customers and submitted to taxing authorities are not recorded in revenue. Interest income is recognized when earned.

Other Hotel Expenses—Other hotel expenses include Internet, telephone charges, guest laundry, valet parking, and hotel-level general and administrative, sales and marketing expenses, repairs and maintenance, franchise fees and utility costs. They are expensed as incurred.

Advertising Costs—Advertising costs are charged to expense as incurred. For the years ended December 31, 2023, 2022 and 2021, we incurred advertising costs of \$ 11.1 million, \$ 10.1 million and \$ 6.8 million, respectively. Advertising costs are included in “other” hotel expenses in the accompanying consolidated statements of operations.

Equity-Based Compensation—Stock/unit-based compensation for non-employees is measured at the grant date and expensed ratably over the vesting period based on the original measurement as of the grant date. This results in the recording of expense, included in “advisory services fee,” “management fees” and “corporate, general and administrative” expense, equal to the ratable amount of the grant date fair value based on the requisite service period satisfied during the period. The Company recognizes forfeitures as they occur.

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With respect to the 2021, 2022 and 2023 award agreements, the criteria for the PSU and Performance LTIP units are based on performance conditions and market conditions under the relevant literature. The corresponding compensation cost is recognized, based on the grant date fair value of the award, ratably over the service period for the award as the service is rendered, which may vary from period to period, as the number of performance grants earned may vary based on the estimated probable achievement of certain performance targets (performance conditions). The number of PSU and Performance LTIP Units to be earned based on the applicable performance conditions is determined upon the final vesting date. The initial calculation of the PSU and Performance LTIP units earned can range from 0 % to 200 % of target, which is further subjected to a specified absolute total stockholder return modifier (market condition) based on the formulas determined by the Company's compensation committee on the grant date. This will result in an adjustment (75 % to 125 %) of the initial calculation of the number of performance awards earned based on the applicable performance targets resulting in a final award calculation ranging from 0 % to 250 % of the target amount.

Stock/unit grants to certain independent directors are measured at the grant date based on the market price of the shares at grant date, which amount is fully expensed as the grants of stock/units are fully vested on the date of grant.

Depreciation and Amortization—Depreciation expense is based on the estimated useful life of the assets, while amortization expense for leasehold improvements and finance leases are based on the shorter of the lease term or the estimated useful life of the related assets. Presently, hotel properties are depreciated using the straight-line method over lives ranging from 7.5 to 39 years for buildings and improvements and 1.5 to 5 years for FF&E and 32 years for our Marietta finance lease. While we believe our estimates are reasonable, a change in estimated useful lives could affect depreciation and amortization expense and net income (loss) as well as resulting gains or losses on potential hotel sales.

Income Taxes—As a REIT, we generally are not subject to federal corporate income tax on the portion of our net income (loss) that does not relate to taxable REIT subsidiaries. However, Ashford TRS is treated as a taxable REIT subsidiary for U.S. federal income tax purposes. In accordance with authoritative accounting guidance, we account for income taxes related to Ashford TRS using the asset and liability method under which deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. In addition, the analysis utilized by us in determining our deferred tax asset valuation allowance involves considerable management judgment and assumptions. See note 20.

The "Income Taxes" topic of the ASC issued by the Financial Accounting Standards Board ("FASB") which addresses the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. The guidance requires us to determine whether tax positions we have taken or expect to take in a tax return are more likely than not to be sustained upon examination by the appropriate taxing authority based on the technical merits of the positions. Tax positions that do not meet the more likely than not threshold would be recorded as additional tax expense in the current period. We analyze all open tax years, as defined by the statute of limitations for each jurisdiction, which includes the federal jurisdiction and various states. We classify interest and penalties related to underpayment of income taxes as income tax expense. We and our subsidiaries file income tax returns in the U.S. federal jurisdiction and various states and cities. Tax years 2019 through 2023 remain subject to potential examination by certain federal and state taxing authorities.

Income (Loss) Per Share—Basic income (loss) per common share is calculated by dividing net income (loss) attributable to common stockholders by the weighted average common shares outstanding during the period using the two-class method prescribed by applicable authoritative accounting guidance. Diluted income (loss) per common share is calculated using the two-class method, or the treasury stock method, if more dilutive. Diluted income (loss) per common share reflects the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted into common shares, whereby such exercise or conversion would result in lower income per share.

Recently Adopted Accounting Standards—In March 2020, the FASB issued ASU 2020-04, which provides optional guidance through December 31, 2022 to ease the potential burden in accounting for, or recognizing the effects of, reference rate reform on financial reporting. In January 2021, the FASB issued ASU 2021-01, Reference Rate Reform (Topic 848), which further clarified the scope of the reference rate reform optional practical expedients and exceptions outlined in Topic 848. The amendments in ASU Nos. 2020-04 and 2021-01 apply to contract modifications that replace a reference rate affected by reference rate reform, providing optional expedients regarding the measurement of hedge effectiveness in hedging relationships that have been modified to replace a reference rate. In December 2022, the FASB issued ASU 2022-06, Reference Rate Reform (Topic 848), which deferred the sunset date of Topic 848 from December 31, 2022 to December 31, 2024. The Company applied the optional expedient in evaluating debt modifications converting from London Interbank Offered Rate ("LIBOR") to

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Secured Overnight Financing Rate ("SOFR"). The Company adopted the standards upon the respective effective dates. There was no material impact as a result of this adoption.

Recently Issued Accounting Standards—In November 2023, the FASB issued ASU 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" which expands annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for our annual periods beginning January 1, 2024, and for interim periods beginning January 1, 2025, with early adoption permitted. We are currently evaluating the potential effect that the updated standard will have on our financial statement disclosures.

In December 2023, the FASB issued ASU 2023-09 "Income Taxes (Topics 740): Improvements to Income Tax Disclosures" to expand the disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. ASU 2023-09 is effective for our annual periods beginning January 1, 2025, with early adoption permitted. We are currently evaluating the potential effect that the updated standard will have on our financial statement disclosures.

3. Revenue

The following tables present our revenue disaggregated by geographical areas (in thousands):

Primary Geographical Market	Year Ended December 31, 2023					
	Number of Hotels	Rooms	Food and Beverage	Other Hotel	Other	Total
Atlanta, GA Area	9	\$ 65,852	\$ 16,412	\$ 3,741	\$ —	\$ 86,005
Boston, MA Area	2	61,766	6,011	6,030	—	73,807
Dallas / Ft. Worth Area	7	59,997	16,400	3,942	—	80,339
Houston, TX Area	3	27,082	10,406	855	—	38,343
Los Angeles, CA Metro Area	6	83,517	17,879	5,035	—	106,431
Miami, FL Metro Area	2	24,919	8,802	1,141	—	34,862
Minneapolis - St. Paul, MN - WI Area	2	14,024	4,997	718	—	19,739
Nashville, TN Area	1	56,640	28,506	3,678	—	88,824
New York / New Jersey Metro Area	5	47,901	16,019	2,393	—	66,313
Orlando, FL Area	2	23,168	1,621	2,023	—	26,812
Philadelphia, PA Area	2	15,592	1,123	995	—	17,710
San Diego, CA Area	2	21,510	1,325	1,402	—	24,237
San Francisco - Oakland, CA Metro Area	6	54,364	5,751	1,913	—	62,028
Tampa, FL Area	2	29,571	7,371	1,938	—	38,880
Washington D.C. - MD - VA Area	9	128,047	26,112	8,655	—	162,814
Other Areas	34	283,929	50,697	22,944	—	357,570
Disposed properties ⁽¹⁾	6	61,276	13,397	5,345	—	80,018
Corporate	—	—	—	—	2,801	2,801
Total	100	\$ 1,059,155	\$ 232,829	\$ 72,748	\$ 2,801	\$ 1,367,533

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Year Ended December 31, 2022

Primary Geographical Market	Number of Hotels	Rooms	Food and Beverage	Other Hotel	Other	Total
Atlanta, GA Area	9	\$ 51,992	\$ 12,848	\$ 2,632	\$ —	\$ 67,472
Boston, MA Area	2	49,772	5,533	5,263	—	60,568
Dallas / Ft. Worth Area	7	53,831	12,881	3,559	—	70,271
Houston, TX Area	3	23,864	7,576	828	—	32,268
Los Angeles, CA Metro Area	6	76,603	13,630	4,785	—	95,018
Miami, FL Metro Area	2	25,387	8,225	862	—	34,474
Minneapolis - St. Paul, MN - WI Area	2	12,140	3,806	445	—	16,391
Nashville, TN Area	1	52,786	24,163	4,445	—	81,394
New York / New Jersey Metro Area	5	40,747	12,918	2,061	—	55,726
Orlando, FL Area	2	22,811	1,512	1,801	—	26,124
Philadelphia, PA Area	2	15,785	981	701	—	17,467
San Diego, CA Area	2	19,667	934	1,276	—	21,877
San Francisco - Oakland, CA Metro Area	6	50,270	4,559	2,091	—	56,920
Tampa, FL Area	2	26,182	6,528	1,299	—	34,009
Washington D.C. - MD - VA Area	9	108,119	20,786	8,049	—	136,954
Other Areas	34	275,136	46,139	20,784	—	342,059
Disposed properties ⁽¹⁾	7	68,910	13,644	6,429	—	88,983
Corporate	—	—	—	—	2,884	2,884
Total	101	\$ 974,002	\$ 196,663	\$ 67,310	\$ 2,884	\$ 1,240,859

Year Ended December 31, 2021

Primary Geographical Market	Number of Hotels	Rooms	Food and Beverage	Other Hotel	Other	Total
Atlanta, GA Area	8	\$ 37,955	\$ 7,369	\$ 2,058	\$ —	\$ 47,382
Boston, MA Area	2	25,426	2,153	3,576	—	31,155
Dallas / Ft. Worth Area	7	36,169	5,646	2,668	—	44,483
Houston, TX Area	3	19,169	3,380	470	—	23,019
Los Angeles, CA Metro Area	6	54,564	7,553	4,803	—	66,920
Miami, FL Metro Area	2	18,559	3,846	723	—	23,128
Minneapolis - St. Paul, MN - WI Area	2	7,188	1,826	855	—	9,869
Nashville, TN Area	1	32,774	11,928	3,714	—	48,416
New York / New Jersey Metro Area	5	25,685	6,138	1,589	—	33,412
Orlando, FL Area	2	15,843	679	1,517	—	18,039
Philadelphia, PA Area	2	12,029	390	634	—	13,053
San Diego, CA Area	2	12,392	458	1,258	—	14,108
San Francisco - Oakland, CA Metro Area	6	32,129	2,203	1,924	—	36,256
Tampa, FL Area	2	19,774	2,355	877	—	23,006
Washington D.C. - MD - VA Area	9	51,615	6,330	4,642	—	62,587
Other Areas	34	206,789	25,766	16,889	—	249,444
Disposed properties ⁽¹⁾	10	47,061	6,891	4,915	—	58,867
Corporate	—	—	—	—	2,267	2,267
Total	103	\$ 655,121	\$ 94,911	\$ 53,112	\$ 2,267	\$ 805,411

⁽¹⁾ Includes WorldQuest Resort that was sold on August 1, 2023. See note 5.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Investments in Hotel Properties, net

Investments in hotel properties, net consisted of the following (in thousands):

	December 31, 2023	December 31, 2022
Land	\$ 605,509	\$ 622,759
Buildings and improvements	3,331,645	3,650,464
Furniture, fixtures and equipment	175,991	222,665
Construction in progress	114,850	21,609
Condominium properties	—	9,889
Hilton Marietta finance lease	17,269	18,998
Total cost	4,245,264	4,546,384
Accumulated depreciation	(1,293,332)	(1,428,053)
Investments in hotel properties, net	<u>\$ 2,951,932</u>	<u>\$ 3,118,331</u>

For the years ended December 31, 2023, 2022 and 2021, we recognized depreciation expense of \$ 187.4 million, \$ 201.4 million and \$ 218.5 million, respectively.

Consolidation of VIE - 815 Commerce MM

On May 31, 2023, Ashford Trust obtained the ability to exercise its kick-out rights of the manager of 815 Commerce Managing Member LLC ("815 Commerce MM"), which is developing the Le Meridien hotel in Fort Worth, Texas. As a result, Ashford Trust became the primary beneficiary and began consolidating 815 Commerce MM. The hotel property under development is subject to a 99-year lease of the land and building that has been accounted for as a failed sale and leaseback as described below.

The Company determined that 815 Commerce MM is a VIE that is not a business. As such, the Company measured and recognized 100 % of the identifiable assets acquired, the liabilities assumed and any noncontrolling interests of 815 Commerce MM, at fair value. The Company recognized a gain of \$ 1.1 million that represented the difference between the fair value of the assets and liabilities recognized, the fair value of the non-controlling interest and the previous carrying value of the Company's investment in 815 Commerce MM. The gain is included in "gain (loss) on consolidation of VIE and disposition of assets" in the consolidated statements of operations.

The following table summarizes the assets and liabilities of 815 Commerce MM that were initially consolidated on May 31, 2023, upon Ashford Trust becoming the primary beneficiary (in thousands):

Land	\$ 4,609
Construction in progress	56,591
Restricted cash	18,201
Deferred costs	92
Indebtedness	(35,052)
Other finance liability	(26,729)
Accounts payable and accrued expenses	(88)
Accrued interest payable	(104)
Noncontrolling interest in consolidated entities	(7,961)
Investment in 815 Commerce MM	<u>\$ 9,559</u>

Other Finance Liability

On November 10, 2021, 815 Commerce LLC, a subsidiary of 815 Commerce MM, entered into a purchase and sale agreement. Pursuant to the purchase and sale agreement, 815 Commerce LLC sold its land and building in Fort Worth, Texas (the "Property") for \$ 30.4 million. Concurrent with the sale of the Property, 815 Commerce LLC entered into a 99-year lease agreement (the "Lease Agreement"), whereby 815 Commerce LLC will lease back the Property at an annual rental rate of approximately \$ 1.5 million, subject to annual rent increases of 2.0 %. Under the Lease Agreement, 815 Commerce LLC has a purchase option between 90 - 180 days prior to the commencement of the 36th lease year.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

In accordance with ASC 842, *Leases*, this transaction was recorded as a failed sale and leaseback as there are not alternative assets, substantially the same as the transferred asset, readily available in the marketplace for the repurchase option to qualify as a sale leaseback. Upon consolidation of 815 Commerce LLC in May 2023, the Company utilized a discount rate of 8.2 % to determine the fair value of the finance liability. As of December 31, 2023, no depreciation has been recorded as the building is under development. The finance liability is recognized in "other finance liability" on the Company's consolidated balance sheet as of December 31, 2023.

Consolidation of VIE - Stirling OP

On December 6, 2023, the Company entered into a Contribution Agreement with Stirling OP, a subsidiary of Stirling Inc. Pursuant to the terms of the Contribution Agreement, the Company contributed its equity interests, and the associated debt and other obligations, in Residence Inn Manchester, Hampton Inn Buford, SpringHill Suites Buford and Residence Inn Jacksonville to Stirling OP in exchange for 1.4 million Class I units of Stirling OP.

The Company determined the transaction resulted in Ashford Trust becoming the primary beneficiary of Stirling OP in contemplation of: 1) the related party group comprised of (i) Ashford Trust and (ii) the initial stockholder who has control over election or removal of the board of directors of Stirling Inc. that have power to direct the most significant activities of Stirling OP; and 2) the consideration that substantially all the economics are held by the Company through its equity interest, and substantially all of the activities are performed on the Company's behalf. As a result, Ashford Trust began consolidating Stirling OP as of December 6, 2023 and as such, the properties and debt continue to be reflected on the Company's balance sheet at their historical carrying values.

5. Dispositions, Impairment Charges and Assets Held For Sale

Dispositions

On August 1, 2023, the Company sold the WorldQuest Resort in Orlando, Florida ("WorldQuest") for \$ 14.8 million in cash. The sale resulted in a gain of approximately \$ 6.4 million for the year ended December 31, 2023, which was included in "gain (loss) on consolidation of VIE and disposition of assets " in the consolidated statements of operations.

On November 9, 2023, the Company sold the Sheraton Bucks County in Langhorne, Pennsylvania for \$ 13.8 million in cash. The sale resulted in a gain of approximately \$ 3.9 million for the year ended December 31, 2023, which was included in "gain (loss) on consolidation of VIE and disposition of assets" in the consolidated statements of operations.

On June 9, 2023 the Company received a 30 -day extension to satisfy the extension conditions in order to negotiate modifications to the KEYS pool F extension test. On July 7, 2023, the Company elected not to make the required paydown to extend its KEYS pool F loan thereby defaulting on such loan. The KEYS pool F loan had a \$ 215.1 million debt balance and was secured by Embassy Suites Flagstaff, Embassy Suites Walnut Creek, Marriott Bridgewater, Marriott Research Triangle, and the W Atlanta Downtown.

On November 29, 2023, the Company completed the deed in lieu of foreclosure transaction for the transfer of ownership of the KEYS F loan to the mortgage lender, which resulted in a gain on extinguishment of debt of approximately \$ 53.4 million for the year ended December 31, 2023, which is included in "gain (loss) on extinguishment of debt" in the consolidated statements of operations. See note 7.

On September 1, 2022, the Company sold the Sheraton in Ann Arbor, MI ("Sheraton Ann Arbor") for total consideration of approximately \$ 35.7 million, which included cash of \$ 34.5 million and an interest-free receivable with an estimated fair value of \$ 1.2 million and a face value of \$ 1.5 million. The payment of the \$ 1.5 million is deferred until the last day of the twenty-fourth month following the closing date. The sale resulted in a loss of approximately \$ 1,000 for the year ended December 31, 2022, which was included in "gain (loss) on consolidation of VIE and disposition of assets" in the consolidated statement of operations. The Company also repaid the \$ 30.0 million mortgage loan secured by the hotel property. See note 7.

On January 20, 2021, the Company sold the Le Meridien in Minneapolis, Minnesota, for approximately \$ 7.9 million in cash. The sale resulted in a loss of approximately \$ 90,000 for the year ended December 31, 2021, which was included in "gain (loss) on disposition of assets and hotel properties" in the consolidated statement of operations.

In February 2021, the Company was informed by its lender that it had initiated foreclosure proceedings for the foreclosure of the SpringHill Suites Durham and SpringHill Suites Charlotte, which secured the Company's \$ 19.4 million mortgage loan. The foreclosure proceedings were completed on April 29, 2021 and resulted in a gain on extinguishment of debt of

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

approximately \$ 10.6 million for the year ended December 31, 2021, which was included in "gain (loss) on extinguishment of debt" in the consolidated statement of operations.

The results of operations for disposed hotel properties are included in net income (loss) through the date of disposition. See note 2 for the fiscal year 2021, 2022 and 2023 dispositions. The following table includes condensed financial information for the years ended December 31, 2023, 2022 and 2021 from the Company's dispositions (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Total hotel revenue	\$ 80,018	\$ 88,983	\$ 58,867
Total hotel operating expenses	(60,698)	(65,053)	(47,817)
Property taxes, insurance and other	(3,906)	(4,402)	(4,560)
Depreciation and amortization	(12,782)	(17,322)	(20,867)
Total operating expenses	(77,386)	(86,777)	(73,244)
Gain (loss) on disposition of assets and hotel properties	10,279	(1)	237
Operating income (loss)	12,911	2,205	(14,140)
Interest income	40	5	—
Interest expense and amortization of discounts and loan costs	(20,994)	(13,805)	(8,796)
Write-off of premiums, loan costs and exit fees	(110)	—	—
Gain (loss) on extinguishment of debt	53,386	—	10,566
Income (loss) before income taxes	45,233	(11,595)	(12,370)
(Income) loss before income taxes attributable to redeemable noncontrolling interests in operating partnership	(521)	90	103
Net income (loss) attributable to the Company	\$ 44,712	\$ (11,505)	\$ (12,267)

Impairment Charges

During the years ended December 31, 2023, 2022 and 2021, no impairment charges were recorded.

Assets Held For Sale

On December 14, 2023, the Company entered into a purchase and sale agreement for the Residence Inn Salt Lake City hotel in Salt Lake City, Utah. As of December 31, 2023, the Residence Inn Salt Lake City was classified as held for sale. Depreciation and amortization ceased as of the date the assets were deemed held for sale. Since the sale of the Residence Inn Salt Lake City does not represent a strategic shift that has (or will have) a major effect on our operations or financial results, its results of operations were not reported as discontinued operations in the consolidated financial statements. See note 25.

The major classes of assets and liabilities related to assets held for sale included in the consolidated balance sheet at December 31, 2023 were as follows:

	December 31, 2023
Assets	
Investments in hotel properties, net	\$ 11,949
Cash and cash equivalents	1
Restricted cash	223
Accounts receivable, net	171
Prepaid expenses	22
Due from third-party hotel managers	17
Assets held for sale	\$ 12,383
Liabilities	
Indebtedness, net	\$ 14,366
Accounts payable and accrued expenses	231
Accrued interest	55
Due from Ashford Inc.	1
Liabilities related to assets held for sale	\$ 14,653

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Investments in Unconsolidated Entities

OpenKey, which is controlled and consolidated by Ashford Inc., is a hospitality-focused mobile key platform that provides a universal smart phone app and related hardware and software for keyless entry into hotel guest rooms. Our investment is recorded as a component of "investment in unconsolidated entities" in our consolidated balance sheets and is accounted for under the equity method of accounting as we have been deemed to have significant influence over the entity under the applicable accounting guidance. As of December 31, 2023, the Company has made investments in OpenKey totaling approximately \$ 5.5 million.

At December 31, 2022, the Company held an investment in 815 Commerce MM of approximately \$ 8.5 million, which is developing the Le Meridien Fort Worth. Our investment was recorded as a component of "investment in unconsolidated entities" in our consolidated balance sheet and was accounted for under the equity method of accounting as we were deemed to have significant influence over the entity under the applicable accounting guidance. During the second quarter of 2023, Ashford Trust obtained the ability to exercise their kick-out rights of the manager of 815 Commerce MM. As a result, Ashford Trust became the primary beneficiary and consolidated 815 Commerce MM. See notes 2 and 4. As a result of consolidating 815 Commerce MM, the Company's investment is no longer reflected in "investments in unconsolidated entities" on the consolidated balance sheet.

In November 2022, the Company made an initial investment of \$ 9.1 million in an entity that holds the Meritage Investment in Napa, California. Our investment is recorded as a component of "investment in unconsolidated entities" in our consolidated balance sheets and is accounted for under the equity method of accounting as we have been deemed to have significant influence over the entity under the applicable accounting guidance.

The following table summarizes our carrying value and ownership interest in unconsolidated entities:

	December 31, 2023	December 31, 2022
Carrying value of the investment in OpenKey (in thousands)	\$ 1,575	\$ 2,103
Ownership interest in OpenKey	15.1 %	15.1 %
Carrying value of the investment in 815 Commerce MM (in thousands)	\$ 8,482	
Ownership interest in 815 Commerce MM		32.5 %
Carrying value of the Meritage Investment (in thousands)	\$ 8,385	\$ 8,991

The following table summarizes our equity in earnings (loss) of unconsolidated entities (in thousands):

	Year Ended December 31,		
	2023	2022	2021
OpenKey	\$ (528)	\$ (668)	\$ (540)
815 Commerce MM	—	—	(18)
Meritage Investment	(606)	(136)	—
	<u>\$ (1,134)</u>	<u>\$ (804)</u>	<u>\$ (558)</u>

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Indebtedness, net

Indebtedness consisted of the following (in thousands):

Indebtedness	Collateral	Maturity	Interest Rate ⁽¹⁾	Default Rate ⁽²⁾	December 31, 2023		December 31, 2022	
					Debt Balance	Book Value of Collateral	Debt Balance	Book Value of Collateral
Mortgage loan ⁽⁵⁾	1 hotel	June 2023	LIBOR ⁽³⁾ + 2.45 %	n/a	\$ —	\$ —	\$ 73,450	\$ 100,142
Mortgage loan ⁽⁶⁾	7 hotels	June 2023	SOFR ⁽⁴⁾ + 3.70 %	4.00 %	180,720	121,119	180,720	124,761
Mortgage loan ⁽⁷⁾	7 hotels	June 2023	SOFR ⁽⁴⁾ + 3.44 %	4.00 %	174,400	113,110	174,400	118,783
Mortgage loan ⁽⁸⁾	5 hotels	June 2023	SOFR ⁽⁴⁾ + 3.73 %	n/a	—	—	215,120	164,792
Mortgage loan ⁽⁵⁾	1 hotel	November 2023	SOFR ⁽⁴⁾ + 2.80 %	n/a	—	—	25,000	46,659
Mortgage loan ⁽⁹⁾	1 hotel	January 2024	5.49 %	n/a	—	—	6,345	6,556
Mortgage loan ⁽⁹⁾	1 hotel	January 2024	5.49 %	n/a	—	—	9,261	13,638
Term loan ⁽¹⁰⁾	Equity	January 2024	14.00 %	n/a	183,082	—	195,959	—
Mortgage loan ⁽¹¹⁾	8 hotels	February 2024	SOFR ⁽⁴⁾ + 3.28 %	n/a	345,000	298,826	395,000	288,740
Mortgage loan ⁽¹²⁾	2 hotels	March 2024	SOFR ⁽⁴⁾ + 2.80 %	n/a	240,000	201,279	240,000	207,265
Mortgage loan ⁽¹³⁾	19 hotels	April 2024	SOFR ⁽⁴⁾ + 3.51 %	n/a	862,027	907,476	907,030	932,715
Mortgage loan	1 hotel	May 2024	4.99 %	n/a	5,613	5,813	5,819	5,983
Mortgage loan ⁽¹⁴⁾	1 hotel	June 2024	SOFR ⁽⁴⁾ + 2.00 %	n/a	8,881	6,334	8,881	6,651
Mortgage loan ⁽¹⁵⁾	4 hotels	June 2024	SOFR ⁽⁴⁾ + 3.90 %	n/a	143,877	127,829	221,040	145,085
Mortgage loan ⁽¹⁶⁾	5 hotels	June 2024	SOFR ⁽⁴⁾ + 4.17 %	n/a	237,061	77,978	262,640	80,554
Mortgage loan ⁽¹⁷⁾	5 hotels	June 2024	SOFR ⁽⁴⁾ + 2.90 %	n/a	119,003	158,702	160,000	168,223
Mortgage loan	2 hotels	August 2024	4.85 %	n/a	10,945	7,831	11,172	8,404
Mortgage loan ⁽⁹⁾	3 hotels	August 2024	4.90 %	n/a	—	—	22,349	17,041
Mortgage loan ⁽¹⁸⁾	1 hotel	November 2024	SOFR ⁽⁴⁾ + 4.76 %	n/a	86,000	81,104	85,552	87,139
Mortgage loan ⁽¹⁹⁾	17 hotels	November 2024	SOFR ⁽⁴⁾ + 3.39 %	n/a	409,750	225,466	415,000	220,462
Mortgage loan ⁽²⁰⁾	1 hotel	December 2024	SOFR ⁽⁴⁾ + 4.00 %	n/a	37,000	59,352	37,000	53,525
Mortgage loan ⁽²¹⁾	1 hotel	December 2024	SOFR ⁽⁴⁾ + 2.85 %	n/a	13,759	22,473	15,290	23,440
Mortgage loan ⁽²²⁾	3 hotels	February 2025	4.45 %	n/a	45,792	53,207	46,918	56,536
Mortgage loan	1 hotel	March 2025	4.66 %	n/a	22,742	42,292	23,326	43,879
Mortgage loan ⁽²³⁾	1 hotel	August 2025	SOFR ⁽⁴⁾ + 3.91 %	n/a	98,000	167,176	98,000	170,329
Mortgage loan ⁽⁵⁾	2 hotels	May 2026	SOFR ⁽⁴⁾ + 4.00 %	n/a	98,450	143,710	—	—
Mortgage loan ⁽⁹⁾ ⁽²⁴⁾	4 hotels	December 2028	8.51 %	n/a	30,200	35,580	—	—
Environmental loan ⁽²⁸⁾	1 hotel	April 2024	10.00 %	n/a	571	—	—	—
Bridge loan ⁽²⁵⁾ ⁽²⁸⁾	1 hotel	May 2024	7.25 %	n/a	19,889	—	—	—
TIF loan ⁽²⁶⁾ ⁽²⁸⁾	1 hotel	August 2025	8.25 %	n/a	5,609	—	—	—
Construction loan ⁽²⁷⁾ ⁽²⁸⁾	1 hotel	May 2033	SOFR ⁽⁴⁾ + 8.50 %	n/a	15,494	87,358	—	—
Total indebtedness					\$ 3,393,865	\$ 2,944,015	\$ 3,835,272	\$ 3,091,302
Premiums (discounts), net					(606)		(20,249)	
Capitalized default interest and late charges					396		8,363	
Deferred loan costs, net					(6,914)		(8,530)	
Embedded debt derivative					23,696		23,687	
Indebtedness, net					<u>\$ 3,410,437</u>		<u>\$ 3,838,543</u>	
Indebtedness related to assets held for sale, net ⁽²²⁾	1 hotel	February 2025	4.45 %	n/a	14,366		—	
					<u>\$ 3,396,071</u>		<u>\$ 3,838,543</u>	

⁽¹⁾ Interest rates do not include default or late payment rates in effect on some mortgage loans.

⁽²⁾ Default rates are presented for mortgage loans which were in default, in accordance with the terms and conditions of the applicable mortgage agreement, as of December 31, 2023. The default rate is accrued in addition to the stated interest rate.

⁽³⁾ LIBOR rate was 4.39 % at December 31, 2022.

⁽⁴⁾ SOFR rates were 5.35 % and 4.36 % at December 31, 2023 and December 31, 2022, respectively.

⁽⁵⁾ On May 19, 2023, we refinanced this mortgage loan with a new \$ 98.5 million mortgage loan with a three-year initial term and two one-year extension options, subject to satisfaction of certain conditions. The new mortgage loan is interest only and bears interest at a rate of SOFR + 4.00 % and has a SOFR floor of 0.50 %.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

- ⁽⁶⁾ This mortgage loan has five one-year extension options, subject to satisfaction of certain conditions. The third one-year extension period ended in June 2022. The payoff that was required in order to exercise the fourth one-year extension option was not made. As a result, effective June 9, 2023, this mortgage loan was in default under the terms and conditions of the mortgage loan agreement. Default interest has been accrued, in accordance with the terms of the mortgage loan agreement, and is reflected in the Company's consolidated balance sheet and statement of operations. This loan transitioned from LIBOR to SOFR in July 2023 and the variable interest rate changed from LIBOR + 3.65 % to SOFR + 3.70 %.
- ⁽⁷⁾ This loan has five one-year extension options, subject to satisfaction of certain conditions. The third one-year extension period began in June 2022. The payoff that was required in order to exercise the fourth one-year extension option was not made. As a result, effective June 9, 2023, this mortgage loan was in default under the terms and conditions of the mortgage loan agreement. Default interest has been accrued, in accordance with the terms of the mortgage loan agreement, and is reflected in the Company's consolidated balance sheet and statement of operations. This loan transitioned from LIBOR to SOFR in July 2023 and the variable interest rate changed from LIBOR + 3.39 % to SOFR + 3.44 %.
- ⁽⁸⁾ On November 30, 2023, the assets of this loan pool were transferred to the current holder of the mortgage loan through a deed in lieu of foreclosure transaction. The assets and liabilities associated with this mortgage loan have been removed from the Company's consolidated balance sheet. See note 5.
- ⁽⁹⁾ On November 16, 2023, we refinanced this mortgage loan with a new \$ 30.2 million mortgage loan with a five-year initial term. The new mortgage loan is interest only and bears interest at a fixed rate of 8.51 %.
- ⁽¹⁰⁾ This term loan has two one-year extension options, subject to satisfaction of certain conditions. Effective January 15, 2023, the interest rate decreased from 16.00 % to 14.00 % in accordance with the terms and conditions of the loan agreement. On August 1, 2023, we repaid \$ 12.9 million of principal on this term loan. The first one-year extension period began in January 2024.
- ⁽¹¹⁾ On February 9, 2023, we amended this mortgage loan. Terms of the amendment included a principal payoff of \$ 50.0 million, and the variable interest rate changed from LIBOR + 3.07 % to LIBOR + 3.17 %. This mortgage loan has five one-year extension options, subject to satisfaction of certain conditions. The fifth one-year extension period began in February 2024. This loan transitioned from LIBOR to SOFR in July 2023 and the variable interest rate changed from LIBOR + 3.17 % to SOFR + 3.28 %.
- ⁽¹²⁾ This mortgage loan has five one-year extension options, subject to satisfaction of certain conditions. The fourth one-year extension period began in March 2024. This loan transitioned from LIBOR to SOFR in July 2023 and the variable interest rate changed from LIBOR + 2.75 % to SOFR + 2.80 %.
- ⁽¹³⁾ This mortgage loan has five one-year extension options, subject to satisfaction of certain conditions. The fourth one-year extension period began in April 2023. In accordance with exercising the fourth one-year extension option, we repaid \$ 45.0 million of principal and the variable interest rate changed from LIBOR + 3.20 % to LIBOR + 3.47 %. This loan transitioned from LIBOR to SOFR in July 2023 and the variable interest rate changed from LIBOR + 3.47 % to SOFR + 3.51 %.
- ⁽¹⁴⁾ This mortgage loan has a SOFR floor of 2.00 %.
- ⁽¹⁵⁾ This mortgage loan has five one-year extension options, subject to satisfaction of certain conditions. The fourth one-year extension period began effective June 2023. In accordance with exercising the extension option, we repaid \$ 62.4 million of principal and the variable interest rate changed from LIBOR + 3.73 % to LIBOR + 3.86 %. This loan transitioned from LIBOR to SOFR in July 2023 and the variable interest rate changed from LIBOR + 3.86 % to SOFR + 3.90 %. A portion of this mortgage loan relates to the Sheraton Bucks County, which was sold on November 9, 2023, resulting in a \$ 13.8 million payoff. See note 5.
- ⁽¹⁶⁾ This mortgage loan has five one-year extension options, subject to satisfaction of certain conditions. The fourth one-year extension period began in June 2023. In accordance with exercising the extension option, the interest rate changed from LIBOR + 4.02 % to LIBOR + 4.15 %. On July 5, 2023, we repaid \$ 25.6 million of principal, reducing the outstanding principal balance to \$ 237.1 million, in accordance with exercising the fourth extension option. This loan transitioned from LIBOR to SOFR in July 2023 and the variable interest rate changed from LIBOR + 4.15 % to SOFR + 4.17 %.
- ⁽¹⁷⁾ This mortgage loan has five one-year extension options, subject to satisfaction of certain conditions. The fourth one-year extension period began effective June 2023. In accordance with exercising the extension option, the interest rate changed from LIBOR + 2.73 % to LIBOR + 2.85 %. On July 7, 2023, we repaid \$ 41.0 million of principal, reducing the outstanding principal balance to \$ 119.0 million, in accordance with exercising the fourth extension option. This loan transitioned from LIBOR to SOFR in July 2023 and the variable interest rate changed from LIBOR + 2.85 % to SOFR + 2.90 %.
- ⁽¹⁸⁾ On January 27, 2023, we drew the remaining \$ 449,000 of the \$ 2.0 million additional funding available to replenish restricted cash balances in accordance with the terms of the mortgage loan. Effective June 30, 2023, we replaced the variable interest rate of LIBOR + 4.65 % with SOFR + 4.76 % in accordance with the terms and conditions of the loan agreement. This mortgage loan has two one-year extension options, subject to satisfaction of certain conditions.
- ⁽¹⁹⁾ This mortgage loan has five one-year extension options, subject to satisfaction of certain conditions. The fifth one-year extension period began in November 2023. This loan transitioned from LIBOR to SOFR in July 2023 and the variable interest rate changed from LIBOR + 3.13 % to SOFR + 3.26 %. On July 14, 2023, we repaid \$ 5.3 million of principal on this mortgage loan. In conjunction with the fifth extension, the variable interest rate increased from SOFR + 3.26 % to SOFR + 3.39 %.
- ⁽²⁰⁾ This mortgage loan has three one-year extension options, subject to satisfaction of certain conditions. This mortgage loan has a SOFR floor of 0.50 %.
- ⁽²¹⁾ This loan has two one-year extension options, subject to satisfaction of certain conditions. The second one-year extension period began in December 2023. In accordance with the terms of the loan, we repaid \$ 1.4 million to exercise the second extension.
- ⁽²²⁾ A portion of this mortgage loan at December 31, 2023 relates to Residence Inn Salt Lake City. See note 5.
- ⁽²³⁾ This mortgage loan has one one-year extension option, subject to satisfaction of certain conditions.
- ⁽²⁴⁾ This loan is associated with Stirling Hotels & Resorts Inc. See discussion in notes 1 and 4.
- ⁽²⁵⁾ On December 22, 2023, we amended this loan. Terms of the amendment included extending the maturity date six months to May 2024, and increasing the fixed interest rate from 5.00 % to 7.25 %. This loan is collateralized by historical tax credits, certain capital distribution, and the deed of trust for the hotel project.
- ⁽²⁶⁾ On July 26, 2023, we amended this loan. Terms of the amendment included increasing the fixed rate of 4.75 % to a fixed rate of 8.25 %, and extending the maturity date from July 2024 to August 2025. This loan is collateralized by historical tax credits.
- ⁽²⁷⁾ Effective August 1, 2023, we amended this construction loan. Terms of the amendment included replacing the variable interest rate of LIBOR + 8.39 % with SOFR + 8.50 % and extending the term loan effective date from August 2023 to January 2024. Additionally, the term loan rate of a fixed rate of 6.81 % plus the higher of the a) five-year swap rate and b) 0.94 % was replaced with a fixed rate of 7.75 % plus SOFR, less 1.85 %. The final maturity date is May 2033.
- ⁽²⁸⁾ This loan is associated with 815 Commerce Managing Member, LLC. See discussion in notes 2, 4 and 8.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

We recognized net premium (discount) amortization as presented in the table below (in thousands):

Line Item	Year Ended December 31,		
	2023	2022	2021
Interest expense and amortization of discounts and loan costs	\$ (18,684)	\$ (12,015)	\$ (7,142)

The amortization of the net premium (discount) is computed using a method that approximates the effective interest method.

During the years ended December 31, 2021 and 2020 the Company entered into forbearance and other agreements which were evaluated to be considered troubled debt restructurings due to terms that allowed for deferred interest and the forgiveness of default interest and late charges. As a result of the troubled debt restructurings all accrued default interest and late charges were capitalized into the applicable loan balances and are being amortized over the remaining term of the loan using the effective interest method. The amount of default interest and late charges capitalized into the loan balance was \$ 33.2 million during the year ended December 31, 2021. The amount of the capitalized principal that was amortized during the years ended December 31, 2023, 2022 and 2021 was \$ 7.8 million, \$ 15.1 million and \$ 35.7 million, respectively. The amount of the capitalized principal that was written off during the years ended December 31, 2023, 2022 and 2021, was \$ 151,000 , \$ 0 and \$ 0 , respectively. These amounts are included as a reduction to "interest expense and amortization of discounts and loan costs" in the consolidated statements of operations.

On June 21, 2023, the Company and Ashford Trust OP (the "Borrower"), an indirect subsidiary of the Company, entered into Amendment No. 2 to the Credit Agreement ("Amendment No. 2") with certain funds and accounts managed by Oaktree Capital Management, L.P. (the "Lenders") and Oaktree Fund Administration, LLC. Amendment No. 2, subject to the conditions set forth therein, provides that, among other things:

- (i) the Delayed Draw Term Loan ("DDTL") commitment expiration date will be July 7, 2023, or such earlier date that the Borrower makes an Initial DDTL draw to be used by the Borrower to prepay certain mortgage indebtedness;
- (ii) notwithstanding the occurrence of the DDTL commitment expiration date, up to \$ 100,000,000 of Initial DDTLs will be made available by the Lenders for a period of twelve (12) months ending July 7, 2024 (none of which was used as of December 31, 2023), subject to the Borrower paying an unused fee of 9 % per annum on the undrawn amount;
- (iii) Ashford Trust and the Borrower will be permitted to make certain restricted payments, including without limitation dividends on Ashford Trust's preferred stock, without having to maintain unrestricted cash in an amount not less than the sum of (x) \$ 100,000,000 plus (y) the aggregate principal amount of DDTLs advanced prior to the date thereof or contemporaneously therewith;
- (iv) a default on certain pool mortgage loans will not be counted against the \$ 400,000,000 mortgage debt threshold amount;
- (v) for purposes of the mortgage debt threshold amount, a certain mortgage loan, with a current aggregate principal amount of \$ 415,000,000 , will be deemed to have a principal amount of \$ 400,000,000 ; and
- (vi) when payable by the Borrower under the Credit Agreement, at least 50 % of the exit fee shall be paid as a cash exit fee.

The KEYS mortgage loans were entered into on June 13, 2018, each of which had a two-year initial term and five one-year extension options. In order to qualify for a one-year extension in June of 2023, each KEYS loan pool was required to achieve a certain debt yield test. The Company extended its KEYS Pool C loan with a paydown of approximately \$ 62.4 million, its KEYS Pool D loan with a paydown of approximately \$ 25.6 million, and its KEYS Pool E loan with a paydown of approximately \$ 41.0 million. On June 9, 2023 the Company received a 30-day extension to satisfy the extension conditions in order to negotiate modifications to the respective extension tests. On July 7, 2023, the Company elected not to make the required paydowns to extend its KEYS Pool A loan, KEYS Pool B loan and KEYS pool F loan thereby defaulting on such loans.

On November 29, 2023, the Company completed the deed in lieu of foreclosure transaction for the transfer of ownership of the KEYS F \$ 215.1 million mortgage to the mortgage lender. The foreclosure resulted in a gain on extinguishment of debt of approximately \$ 53.4 million for the year ended December 31, 2023, which was included in "gain (loss) on extinguishment of debt" in the consolidated statements of operations.

The Company's KEYS Pool A loan has a \$ 180.7 million debt balance with a book value of collateral of \$ 121.1 million and its KEYS Pool B loan has a \$ 174.4 million debt balance with a book value of collateral of \$ 113.1 million as of December 31,

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
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2023. Below is a summary of the hotel properties securing the KEYS Pool A loan, KEYS Pool B loan, KEYS Pool C loan, KEYS Pool D loan, KEYS Pool E loan and the hotel properties that secured the KEYS Pool F loan prior to transfer of ownership to the mortgage lender:

KEYS A Loan Pool

Courtyard Columbus Tipton Lakes – Columbus, IN
Courtyard Old Town – Scottsdale, AZ
Residence Inn Hughes Center – Las Vegas, NV
Residence Inn Phoenix Airport – Phoenix, AZ
Residence Inn San Jose Newark – Newark, CA
SpringHill Suites Manhattan Beach – Hawthorne, CA
SpringHill Suites Plymouth Meeting – Plymouth Meeting, PA

KEYS B Loan Pool

Courtyard Basking Ridge – Basking Ridge, NJ
Courtyard Newark Silicon Valley – Newark, CA
Courtyard Oakland Airport – Oakland, CA
Courtyard Plano Legacy Park – Plano, TX
Residence Inn Plano – Plano, TX
SpringHill Suites BWI Airport – Baltimore, MD
TownePlace Suites Manhattan Beach – Hawthorne, CA

KEYS C Loan Pool

Hyatt Coral Gables – Coral Gables, FL
Hilton Ft. Worth – Fort Worth, TX
Hilton Minneapolis Airport – Bloomington, MN
Sheraton San Diego – San Diego, CA
Sheraton Bucks County, PA – Langhorne, PA

KEYS D Loan Pool

Marriott Beverly Hills – Los Angeles, CA
One Ocean Resort – Atlantic Beach, FL
Marriott Suites Dallas – Dallas, TX
Hilton Santa Fe – Santa Fe, NM
Embassy Suites Dulles – Herndon, VA

KEYS E Loan Pool

Marriott Fremont – Fremont, CA
Embassy Suites Philadelphia – Philadelphia, PA
Marriott Memphis – Memphis, TN
Sheraton Anchorage – Anchorage, AK
Lakeway Resort Austin – Lakeway, TX

KEYS F Loan Pool

Embassy Suites Flagstaff – Flagstaff, AZ
Embassy Suites Walnut Creek – Walnut Creek, CA
Marriott Bridgewater – Bridgewater, NJ
Marriott Research Triangle Park – Durham, NC
W Atlanta Downtown – Atlanta, GA

We have extension options relating to certain property-level loans that will permit us to extend the maturity date of our loans if certain conditions are satisfied at the respective extension dates, including the achievement of debt yield targets required in order to extend such loans. To the extent we decide to extend the maturity date of the debt outstanding under the loans, we may be required to prepay a significant amount of the loans in order to meet the required debt yield targets.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Effective June 30, 2023, LIBOR is no longer published. Accordingly all variable interest rate mortgage loans held by the Company that used the LIBOR index transitioned to SOFR beginning on July 1, 2023. Not all lenders executed loan amendment documents and instead will defer to original loan documents that dictate changes in index rates.

If we violate covenants in our debt agreements, we could be required to repay all or a portion of our indebtedness before maturity at a time when we might be unable to arrange financing for such repayment on attractive terms, if at all. As of December 31, 2023, we were in compliance with all covenants related to mortgage loans, with the exception of the KEYS Pools A and KEYS Pool B mortgage loans discussed above. We were also in compliance with all covenants under the senior secured term loan facility with Oaktree Capital Management L.P. ("Oaktree"). The assets of certain of our subsidiaries are pledged under non-recourse indebtedness and are not available to satisfy the debts and other obligations of Ashford Trust or Ashford Trust OP, our operating partnership, and the liabilities of such subsidiaries do not constitute the obligations of Ashford Trust or Ashford Trust OP.

In conjunction with the development of the Le Meridien in Fort Worth, Texas, which was consolidated as of May 31, 2023, the Company recorded \$ 3.0 million of capitalized interest during the year ended December 31, 2023, which is included in "investment in hotel properties, net" in our consolidated balance sheet. See note 4.

Maturities and scheduled amortizations of indebtedness as of December 31, 2023 for each of the five following years and thereafter are as follows (in thousands), excluding extension options:

2024	\$ 3,077,578
2025	172,142
2026	98,450
2027	—
2028	30,200
Thereafter	15,495
Total	\$ 3,393,865

8. Notes Receivable, Net and Other

Notes receivable, net are summarized in the table below (dollars in thousands):

	Interest Rate	December 31, 2023	December 31, 2022
Certificate of Occupancy Note ^{(1) (3)}			
Face amount	7.0 %	\$ —	\$ 5,250
Discount ⁽²⁾		—	(188)
Notes receivable, net		<u>\$ —</u>	<u>\$ 5,062</u>

⁽¹⁾ The outstanding principal balance and all accrued and unpaid interest was due and payable on or before July 9, 2025. The note was paid in full on July 14, 2023.

⁽²⁾ The discount represented the imputed interest during the interest-free period.

⁽³⁾ The note receivable was secured by the 1.65 -acre land parcel adjacent to the Hilton St. Petersburg Bayfront .

No cash interest income was recorded for the years ended December 31, 2023, 2022 and 2021.

We recognized discount amortization income as presented in the table below (in thousands):

Line Item	Year Ended December 31,		
	2023	2022	2021
Other income (expense)	\$ 188	\$ 339	\$ 460

Part of the consideration received in the sale of the 1.65 -acre parking lot adjacent to the Hilton St. Petersburg Bayfront was a parking parcel, which and we obtained access to utilize on August 31, 2021. For the year ended December 31, 2021 we received reimbursement of \$ 320,000 , for parking fees and recognized income of \$ 89,000 , which is included in "other income (expense)" in the consolidated statements of operations while the parking parcel was in development.

We recognized imputed interest income as presented in the table below (in thousands):

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Line Item	Year Ended December 31,		
	2023	2022	2021
Other income (expense)	\$ —	\$ —	\$ 211

As of December 31, 2023, the Company has a note receivable of \$ 7.4 million with the manager of 815 Commerce MM, who also holds a non-controlling interest in 815 Commerce MM. See discussion in notes 2 and 4. The Company has a maximum note commitment of up to \$ 9.5 million, which is the total of balancing deposits required by the property construction lender. The note bears interest at 18.0 % per annum. The note receivable is payable within 30 days after demand. If the manager fails upon demand to repay the note receivable with interest, the Company will have the right to convert the unpaid principal plus all accrued interest thereon to an additional capital contribution in which case the deemed additional capital contributions by the manager will be deemed to have not occurred and the percentage interests and the residual sharing percentages of the members shall be adjusted. The note receivable may be prepaid in whole or in part.

The following table summarizes the note receivable (dollars in thousands):

	Interest Rate	December 31, 2023	December 31, 2022
Note receivable	18.0 %	\$ 7,369	\$ —

The following table summarizes the interest income associated with the note receivable (in thousands):

Line Item	Year Ended December 31,	
	2023	2022
Other income (expense)	\$	501

On September 1, 2022, the Company sold the Sheraton Ann Arbor. See note 5. Under the purchase and sale agreement, \$ 1.5 million of the sales price is deferred, interest free, until the last day of the 24th month following the closing date (September 30, 2024). The components of the receivable, which is included in "other assets" in the consolidated balance sheet, are summarized below (dollars in thousands):

	Imputed Interest Rate	December 31, 2023	December 31, 2022
Deferred Consideration			
Face amount	10.0 %	\$ 1,500	\$ 1,500
Discount ⁽¹⁾		(108)	(240)
		<u>\$ 1,392</u>	<u>\$ 1,260</u>

⁽¹⁾ The discount represents the imputed interest during the interest-free period.

We recognized discount amortization income as presented in the table below (in thousands):

Line Item	Year Ended December 31,	
	2023	2022
Other income (expense)	\$ 132	\$ 41

9. Derivative Instruments and Hedging

Interest Rate Derivatives—We are exposed to risks arising from our business operations, economic conditions and financial markets. To manage these risks, we primarily use interest rate derivatives to hedge our debt and our cash flows, which include interest rate caps. To mitigate nonperformance risk, we routinely use a third party's analysis of the creditworthiness of the counterparties, which supports our belief that the counterparties' nonperformance risk is limited. All derivatives are recorded at fair value. Payments from counterparties on in-the-money interest rate caps are recognized as realized gains on our consolidated statements of operations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The following table presents a summary of our interest rate derivatives entered into over each applicable period:

	Year Ended December 31,		
	2023	2022	2021
Interest rate caps:			
Notional amount (in thousands)	\$ 2,583,271 ⁽¹⁾	\$ 3,365,941 ⁽¹⁾	\$ 3,415,301 ⁽¹⁾
Strike rate low end of range	2.50 %	2.90 %	2.00 %
Strike rate high end of range	6.90 %	5.50 %	4.00 %
Effective date range	March 2023 - December 2023	January 2022 - December 2022	January 2021 - October 2021
Termination date range	February 2024 - June 2025	January 2023 - January 2025	February 2022 - November 2024
Total cost (in thousands)	\$ 28,256	\$ 40,119	\$ 1,158

⁽¹⁾ These instruments were not designated as cash flow hedges.

We held interest rate instruments as summarized in the table below:

	December 31, 2023	December 31, 2022
Interest rate caps:		
Notional amount (in thousands)	\$ 3,351,271 ⁽¹⁾	\$ 3,549,941 ⁽¹⁾
Strike rate low end of range	2.00 %	2.00 %
Strike rate high end of range	6.90 %	5.50 %
Termination date range	February 2024 - June 2025	January 2023 - January 2025
Aggregate principal balance on corresponding mortgage loans (in thousands)	\$ 2,689,927	\$ 3,505,242

⁽¹⁾ These instruments were not designated as cash flow hedges.

Compound Embedded Debt Derivative—Based on certain provisions in the Oaktree Credit Agreement, the Company is required to pay an exit fee. Under the applicable accounting guidance, the exit fee is considered an embedded derivative liability that meets the criteria for bifurcation from the debt host. There were other features that were bifurcated, but did not have a material value. The compound embedded debt derivative, consisting of the exit fee and other features which were bifurcated, was initially measured at fair value and the fair value of the embedded debt derivative is estimated at each reporting period. See note 10.

10. Fair Value Measurements

Fair Value Hierarchy—For disclosure purposes, financial instruments, whether measured at fair value on a recurring or nonrecurring basis or not measured at fair value, are classified in a hierarchy consisting of three levels based on the observability of valuation inputs in the marketplace as discussed below:

- Level 1: Fair value measurements that are quoted prices (unadjusted) in active markets that we have the ability to access for identical assets or liabilities. Market price data generally are obtained from exchange or dealer markets.
- Level 2: Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3: Fair value measurements based on valuation techniques that use significant inputs that are unobservable. The circumstances for using these measurements include those in which there is little, if any, market activity for the asset or liability.

The fair value of interest rate caps is determined using the market standard methodology of discounting the future expected cash receipts that would occur if variable interest rates rose above the strike rates of the caps. Variable interest rates used in the calculation of projected receipts and payments on the caps are based on an expectation of future interest rates derived from observable market interest rate curves (SOFR forward curves) and volatilities (Level 2 inputs). We also incorporate credit

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

valuation adjustments (Level 3 inputs) to appropriately reflect both our own nonperformance risk and the respective counterparty's nonperformance risk.

When a majority of the inputs used to value our derivatives fall within Level 2 of the fair value hierarchy, the derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy. However, when valuation adjustments associated with our derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by us and our counterparties, which we consider significant (10 % or more) to the overall valuation of our derivatives, the derivative valuations in their entirety are classified in Level 3 of the fair value hierarchy. Transfers of inputs between levels are determined at the end of each reporting period. In determining the fair values of our derivatives at December 31, 2023, the SOFR interest rate forward curve (Level 2 inputs) assumed a downtrend from 5.348 % to 3.403 % for the remaining term of our derivatives. Credit spreads (Level 3 inputs) used in determining the fair values of derivatives assumed an uptrend in nonperformance risk for us and all of our counterparties through the maturity dates.

The Company initially recorded an embedded debt derivative of \$ 43.7 million, which was attributed to the compound embedded derivative liability associated with the Oaktree term loan.

The compound embedded derivative liability is considered a Level 3 measurement due to the utilization of significant unobservable inputs in the valuation, which were based on 'with and without' valuation models. Based on the terms and provisions of the Oaktree Credit Agreement, with the assistance of a valuation specialist, the Company utilized a risk neutral model to estimate the fair value of the embedded derivative features requiring bifurcation as of the respective issuance dates and as of the December 31, 2023 reporting date. The risk neutral model is designed to utilize market data and the Company's best estimate of the timing and likelihood of the settlement events that are related to the embedded derivative features in order to estimate the fair value of the respective notes with these embedded derivative features.

The fair value of the notes with the derivative features is compared to the fair value of a plain vanilla note (excluding the derivative features), which is calculated based on the present value of the future default adjusted expected cash flows. The difference between the two values represents the fair value of the bifurcated derivative features as of each respective valuation date.

The key inputs to the valuation models that were utilized to estimate the fair value of the embedded debt derivative are described as follows:

- the default probability-weighted exit fee and prepayment cash flows are based on the contractual terms of the Oaktree Credit Agreement and the expectation of an acceleration event, including default, of the Company;
- the remaining term of 1.04 years was determined based on the expected remaining term of the related note with embedded features subject to valuation (as of the respective valuation date);
- the Company's equity volatility estimate of 75.4 % was based on the historical equity volatility of the Company, based on the remaining expected term of the respective loans;
- the risk-free rate of 4.79 % was the discount rate utilized in the valuation and was determined based on reference to market yields for U.S. treasury debt instruments with similar terms;
- the recovery rate of 61.2 % assumed upon occurrence of a default event was estimated based upon recovery rate data published by credit rating agencies specific to the seniority of the notes; and
- the probabilities and timing of a default-related acceleration event of 55.5 % were estimated using an annualized probability of default which was implied from the debt issuance proceeds as of the issuance date, and updated utilizing relevant market data including market observed option-adjusted spreads as of December 31, 2023.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The following table includes a summary of the compound embedded derivative liabilities measured at fair value using significant unobservable (Level 3) inputs (in thousands):

	Fair Value
Balance at January 1, 2021	\$ —
Additions	43,680
Re-measurement of fair value	(15,774)
Balance at December 31, 2021	\$ 27,906
Re-measurement of fair value	(4,219)
Balance at December 31, 2022	23,687
Re-measurement of fair value	9
Balance at December 31, 2023	\$ 23,696

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table presents our assets and liabilities measured at fair value on a recurring basis aggregated by the level within which measurements fall in the fair value hierarchy (in thousands):

	Quoted Market Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
December 31, 2023:				
Assets				
Derivative assets:				
Interest rate derivatives - caps	\$ —	\$ 13,696	\$ —	\$ 13,696 ⁽¹⁾
Total	\$ —	\$ 13,696	\$ —	\$ 13,696
Liabilities				
Embedded debt derivative	\$ —	\$ —	\$ (23,696)	\$ (23,696) ⁽²⁾
Net	\$ —	\$ 13,696	\$ (23,696)	\$ (10,000)
December 31, 2022:				
Assets				
Derivative assets:				
Interest rate derivatives - caps	\$ —	\$ 47,182	\$ —	\$ 47,182 ⁽¹⁾
Total	\$ —	\$ 47,182	\$ —	\$ 47,182
Liabilities				
Embedded debt derivative	\$ —	\$ —	\$ (23,687)	\$ (23,687) ⁽²⁾
Net	\$ —	\$ 47,182	\$ (23,687)	\$ 23,495

⁽¹⁾ Reported net as "derivative assets" in our consolidated balance sheets.

⁽²⁾ Reported in "indebtedness, net" in our consolidated balance sheets.

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Effect of Fair Value Measured Assets and Liabilities on Condensed Consolidated Statements of Operations

The following table summarizes the effect of fair value measured assets and liabilities on our consolidated statements of operations (in thousands):

	Gain (Loss) Recognized in Income		
	Year Ended December 31,		
	2023	2022	2021
Assets			
Derivative assets:			
Interest rate derivatives - floors	\$ —	\$ —	\$ (643)
Interest rate derivatives - caps	(2,191)	10,947	(657)
	(2,191)	10,947	(1,300)
Liabilities			
Derivative liabilities:			
Embedded debt derivative	(9)	4,219	15,774
Net	<u>\$ (2,200)</u>	<u>\$ 15,166</u>	<u>\$ 14,474</u>
Total combined			
Interest rate derivatives - floors	\$ —	\$ —	\$ (624)
Interest rate derivatives - caps	(44,032)	6,562	(657)
Embedded debt derivative	(9)	4,219	15,774
Unrealized gain (loss) on derivatives	(44,041) ⁽¹⁾	10,781 ⁽¹⁾	14,493 ⁽¹⁾
Realized gain (loss) on interest rate caps	41,841 ^{(1) (3)}	4,385 ^{(1) (3)}	—
Realized gain (loss) on interest rate floors	—	—	(19) ⁽²⁾
Net	<u>\$ (2,200)</u>	<u>\$ 15,166</u>	<u>\$ 14,474</u>

⁽¹⁾ Reported in "realized and unrealized gain (loss) on derivatives" in our consolidated statements of operations.

⁽²⁾ Included in "other income (expense)" in our consolidated statements of operations.

⁽³⁾ Represents settled and unsettled payments from counterparties on interest rate caps.

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11. Summary of Fair Value of Financial Instruments

Determining estimated fair values of our financial instruments such as notes receivable and indebtedness requires considerable judgment to interpret market data. Market assumptions and/or estimation methodologies used may have a material effect on estimated fair value amounts. Accordingly, estimates presented are not necessarily indicative of amounts at which these instruments could be purchased, sold, or settled. Carrying amounts and estimated fair values of financial instruments, for periods indicated, were as follows (in thousands):

	December 31, 2023		December 31, 2022	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Financial assets measured at fair value:				
Derivative assets	\$ 13,696	\$ 13,696	\$ 47,182	\$ 47,182
Financial liabilities measured at fair value:				
Embedded debt derivative	\$ 23,696	\$ 23,696	\$ 23,687	\$ 23,687
Financial assets not measured at fair value:				
Cash and cash equivalents ⁽¹⁾	\$ 165,232	\$ 165,232	\$ 417,064	\$ 417,064
Restricted cash ⁽¹⁾	146,302	146,302	141,962	141,962
Accounts receivable, net ⁽¹⁾	45,692	45,692	49,809	49,809
Notes receivable, net	7,369	7,369	5,062	5,062
Due from Ashford Inc., net	—	—	486	486
Due from related parties, net	—	—	6,570	6,570
Due from third-party hotel managers ⁽¹⁾	21,681	21,681	22,462	22,462
Financial liabilities not measured at fair value:				
Indebtedness ⁽¹⁾	\$ 3,393,259	\$ 3,249,657	\$ 3,815,023	\$ 3,684,879
Accounts payable and accrued expenses ⁽¹⁾	129,554	129,554	115,970	115,970
Accrued interest payable ⁽¹⁾	27,064	27,064	15,287	15,287
Dividends and distributions payable	3,566	3,566	3,118	3,118
Due to Ashford Inc., net ⁽¹⁾	13,262	13,262	—	—
Due to related parties, net	5,874	5,874	—	—
Due to third-party hotel managers	1,193	1,193	1,319	1,319

⁽¹⁾ Includes balances associated with assets held for sale and liabilities associated with assets held for sale as of December 31, 2023.

Cash, cash equivalents and restricted cash. These financial assets bear interest at market rates and have original maturities of less than 90 days. The carrying value approximates fair value due to their short-term nature. This is considered a Level 1 valuation technique.

Accounts receivable, net, accounts payable and accrued expenses, accrued interest payable, dividends and distributions payable, due to/from related parties, net, due to/from Ashford Inc., net and due to/from third-party hotel managers. The carrying values of these financial instruments approximate their fair values due to their short-term nature. This is considered a Level 1 valuation technique.

Notes receivable, net. The carrying amount of notes receivable, net approximates its fair value. We estimate the fair value of the notes receivable, net to be approximately 100.0 % of the carrying value of \$ 7.4 million at December 31, 2023 and approximately 100.0 % of the carrying value of \$ 5.1 million at December 31, 2022. This is considered a Level 2 valuation technique.

Derivative assets and embedded debt derivative. See notes 9 and 10 for a complete description of the methodology and assumptions utilized in determining fair values.

Indebtedness. Fair value of indebtedness is determined using future cash flows discounted at current replacement rates for these instruments. Cash flows are determined using a forward interest rate yield curve. Current replacement rates are determined by using the U.S. Treasury yield curve or the index to which these financial instruments are tied and adjusted for credit spreads. Credit spreads take into consideration general market conditions, maturity, and collateral. We estimated the fair value of total indebtedness to be approximately 95.8 % of the carrying value of \$ 3.4 billion at December 31, 2023 and

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approximately 96.6 % of the carrying value of \$ 3.8 billion at December 31, 2022. These fair value estimates are considered a Level 2 valuation technique.

12. Income (Loss) Per Share

Basic income (loss) per common share is calculated using the two-class method by dividing net income (loss) attributable to common stockholders by the weighted average number of common shares outstanding during the period. Diluted income (loss) per common share is calculated using the two-class method, or treasury stock method if more dilutive, and reflects the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted into common shares, whereby such exercise or conversion would result in lower income per share.

The following table reconciles the amounts used in calculating basic and diluted income (loss) per share (in thousands, except per-share amounts):

	Year Ended December 31,		
	2023	2022	2021
Income (loss) allocated to common stockholders - basic and diluted:			
Income (loss) attributable to the Company	\$ (178,489)	\$ (139,825)	\$ (267,005)
Less: dividends on preferred stock	(15,921)	(12,433)	(252)
Less: deemed dividends on redeemable preferred stock	(2,673)	(946)	—
Add: Gain (loss) on extinguishment of preferred stock	3,390	—	(607)
Add: Claw back of dividends on cancelled performance stock units	—	—	349
Distributed and undistributed income (loss) allocated to common stockholders - basic	<u>\$ (193,693)</u>	<u>\$ (153,204)</u>	<u>\$ (267,515)</u>
Net income (loss) attributable to redeemable noncontrolling interests in operating partnership	—	—	(3,970)
Distributed and undistributed income (loss) allocated to common stockholders - diluted	<u>\$ (193,693)</u>	<u>\$ (153,204)</u>	<u>\$ (271,485)</u>
Weighted average common shares outstanding:			
Weighted average common shares outstanding - basic	<u>34,523</u>	<u>34,339</u>	<u>21,625</u>
Effect of assumed conversion of operating partnership units	—	—	219
Weighted average shares outstanding - basic and diluted	<u>34,523</u>	<u>34,339</u>	<u>21,844</u>
Basic income (loss) per share:			
Net income (loss) allocated to common stockholders per share	<u>\$ (5.61)</u>	<u>\$ (4.46)</u>	<u>\$ (12.37)</u>
Diluted income (loss) per share:			
Net income (loss) allocated to common stockholders per share	<u>\$ (5.61)</u>	<u>\$ (4.46)</u>	<u>\$ (12.43)</u>

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Due to their anti-dilutive effect, the computation of diluted income (loss) per share does not reflect adjustments for the following items (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Income (loss) allocated to common stockholders is not adjusted for:			
Income (loss) attributable to redeemable noncontrolling interests in operating partnership	\$ (2,239)	\$ (1,233)	\$ —
Dividends on preferred stock - Series J (inclusive of deemed dividends)	6,014	944	—
Dividends on preferred stock - Series K (inclusive of deemed dividends)	317	21	—
Total	<u>\$ 4,092</u>	<u>\$ (268)</u>	<u>\$ —</u>
Weighted average diluted shares are not adjusted for:			
Effect of unvested restricted stock	—	—	20
Effect of unvested performance stock units	—	—	9
Effect of assumed conversion of operating partnership units	416	288	—
Effect of assumed issuance of shares for term loan exit fee	1,745	1,745	1,672
Effect of assumed conversion of preferred stock - Series J	16,933	33	—
Effect of assumed conversion of preferred stock - Series K	934	1	—
Total	<u>20,028</u>	<u>2,067</u>	<u>1,701</u>

13. Redeemable Noncontrolling Interests in Operating Partnership

Redeemable noncontrolling interests in the operating partnership represents the limited partners' proportionate share of equity in earnings/losses of the operating partnership, which is an allocation of net income/loss attributable to the common unit holders based on the weighted average ownership percentage of these limited partners' common units of limited partnership interest in the operating partnership (the "common units") and the units issued under our Long-Term Incentive Plan (the "LTIP units") that are vested. Each common unit may be redeemed for either cash or, at our sole discretion, up to one share of our REIT common stock, which is either: (i) issued pursuant to an effective registration statement; (ii) included in an effective registration statement providing for the resale of such common stock; or (iii) issued subject to a registration rights agreement.

LTIP units, which are issued to certain executives and employees of Ashford LLC as compensation, generally have vesting periods of three years. Additionally, certain independent members of the board of directors have elected to receive LTIP units as part of their compensation, which are fully vested upon grant. Upon reaching economic parity with common units, each vested LTIP unit can be converted by the holder into one common unit which can then be redeemed for cash or, at our election, settled in our common stock. An LTIP unit will achieve parity with the common units upon the sale or deemed sale of all or substantially all of the assets of the operating partnership at a time when our stock is trading at a level in excess of the price it was trading on the date of the LTIP issuance. More specifically, LTIP units will achieve full economic parity with common units in connection with (i) the actual sale of all or substantially all of the assets of the operating partnership or (ii) the hypothetical sale of such assets, which results from a capital account revaluation, as defined in the partnership agreement, for the operating partnership.

The compensation committee of the board of directors of the Company may authorize the issuance of Performance LTIP units to certain executive officers and directors from time to time. The award agreements provide for the grant of a target number of Performance LTIP units that will be settled in common units of Ashford Trust OP, if, when and to the extent the applicable vesting criteria have been achieved following the end of the performance and service period.

With respect to the 2021, 2022 and 2023 award agreements, the criteria for the Performance LTIP units are based on performance conditions and market conditions under the relevant literature. The corresponding compensation cost is recognized, based on the applicable measurement date fair value of the award, ratably over the service period for the award as the service is rendered, which may vary from period to period, as the number of performance grants earned may vary based on the estimated probable achievement of certain performance targets (performance conditions). The number of Performance LTIP Units to be earned based on the applicable performance conditions is determined upon the final vesting date. The initial calculation of the Performance LTIP units earned can range from 0 % to 200 % of target, which is further subjected to a specified absolute total stockholder return modifier (market condition) based on the formulas determined by the Company's compensation committee on the grant date. This will result in an adjustment (75 % to 125 %) of the initial calculation of the number of performance awards earned based on the applicable performance targets resulting in a final award calculation.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

ranging from 0 % to 250 % of the target amount. During the year ended December 31, 2023, approximately 86,000 performance-based LTIP units were forfeited due to the performance conditions not being met and adjustments from the market condition.

As of December 31, 2023, there were approximately 1.5 million Performance LTIP units outstanding, representing 250 % of the target number granted for the 2022 and 2023 grants.

As of December 31, 2023, we have issued a total of approximately 2.0 million LTIP and Performance LTIP units, net of Performance LTIP cancellations. All LTIP and Performance LTIP units other than approximately 1.5 million Performance LTIP units and 124,000 LTIP units have reached full economic parity with, and are convertible into, common units upon vesting.

We recorded compensation expense for Performance LTIP units and LTIP units as presented in the table below (in thousands):

Type	Line Item	Year Ended December 31,		
		2023	2022	2021
Performance LTIP units	Advisory services fee	\$ 783	\$ 1,158	\$ 1,128
LTIP units	Advisory services fee	435	569	1,119
LTIP units	Corporate, general and administrative	15	32	22
LTIP units - independent directors	Corporate, general and administrative	475	413	397
		<u>\$ 1,708</u>	<u>\$ 2,172</u>	<u>\$ 2,666</u>

The unamortized cost of the unvested Performance LTIP units, which was \$ 992,000 at December 31, 2023, will be expensed over a period of 2.0 years with a weighted average period of 1.3 years. The unamortized cost of the unvested LTIP units, which was \$ 89,000 at December 31, 2023, will be expensed over a period of 0.2 years with a weighted average period of 0.2 years.

The following table presents the common units redeemed and the fair value upon redemption (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Common units converted to stock	—	—	1
Fair value of common units converted	\$ —	\$ —	\$ 43

The following table presents the redeemable noncontrolling interests in Ashford Trust OP and the corresponding approximate ownership percentage:

	December 31, 2023	December 31, 2022
Redeemable noncontrolling interests in Ashford Trust OP (in thousands)	\$ 22,007	\$ 21,550
Cumulative adjustments to redeemable noncontrolling interests ⁽¹⁾ (in thousands)	\$ 186,201	\$ 184,625
Ownership percentage of operating partnership	1.27 %	0.91 %

⁽¹⁾ Reflects the excess of the redemption value over the accumulated historical costs.

We allocated net (income) loss to the redeemable noncontrolling interests as presented in the table below (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	\$ 2,239	\$ 1,233	\$ 3,970
Performance LTIP dividend claw back upon cancellation	—	—	(518)

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

A summary of the activity of the units in our operating partnership is as follow (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Outstanding at beginning of year	1,669	400	217
LTIP units issued	112	79	70
Performance LTIP units issued	282	1,194	122
Performance LTIP units canceled	(86)	(4)	(8)
Common units converted to common stock	—	—	(1)
Outstanding at end of year	1,977	1,669	400
Common units convertible/redeemable at end of year	359	309	207

14. Equity

Common Stock and Preferred Stock Repurchases—On April 6, 2022, the board of directors reapproved a stock repurchase program (the “2022 Repurchase Program”) pursuant to which the board of directors granted a repurchase authorization to acquire shares of the Company’s common stock, par value \$ 0.01 per share and preferred stock having an aggregate value of up to \$ 200 million. The board of directors’ authorization replaced any previous repurchase authorizations. For the years ended December 31, 2023, 2022 and 2021, no shares of our common stock or preferred stock have been repurchased under the Repurchase Program.

In addition, we acquired 24,007 , 43,007 and 1,420 shares of our common stock in 2023, 2022 and 2021, respectively, to satisfy employees’ statutory minimum U.S. federal income tax obligations in connection with vesting of equity grants issued under our stock-based compensation plan.

At-the-Market-Equity Distribution Agreement—On April 11, 2022, the Company entered into an equity distribution agreement (the “Virtu Equity Distribution Agreement”) with Virtu Americas LLC (“Virtu”), to sell from time to time shares of the Company’s common stock having an aggregate offering price of up to \$ 100 million. We will pay Virtu a commission of approximately 1 % of the gross sales price of the shares of our common stock sold. The Company may also sell some or all of the shares of our common stock to Virtu as principal for its own account at a price agreed upon at the time of sale.

The table below summarizes the activity (in thousands):

	Year Ended December 31, 2023
Common stock issued	723
Gross proceeds	\$ 1,477
Commissions and other expenses	15
Net proceeds	\$ 1,462

Common Stock Resale Agreement—On September 9, 2021, the Company and M3A LP (“M3A”) entered into a purchase agreement (the “M3A Purchase Agreement”) pursuant to which the Company may issue or sell to M3A up to 6.0 million shares of the Company’s common stock from time to time during the term of the M3A Purchase Agreement.

The issuance activity is summarized below (in thousands):

	Year Ended December 31, 2021
Shares sold to M3A	900
Gross proceeds received	\$ 12,941

Preferred Stock—In accordance with Ashford Trust’s charter, we are authorized to issue 50 million shares of preferred stock, which currently includes Series D Cumulative Preferred Stock, Series F Cumulative Preferred Stock, Series G Cumulative Preferred Stock, Series H Cumulative Preferred Stock and Series I Cumulative Preferred Stock.

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Ashford Trust entered into privately negotiated exchange agreements with certain holders of its 8.45 % Series D Cumulative Preferred Stock, 7.375 % Series F Cumulative Preferred Stock, 7.375 % Series G Cumulative Preferred Stock, 7.50 % Series H Cumulative Preferred Stock and 7.50 % Series I Cumulative Preferred Stock in reliance on Section 3(a)(9) of the Securities Act of 1933, as amended (the "Securities Act").

The table below summarizes the activity (in thousands):

	Year Ended December 31, 2023		Year Ended December 31, 2021		
	Preferred Shares	Common Shares	Preferred	Common Shares	Common Shares
	Tendered	Issued	Shares Tendered	Initially Issued	Issued ⁽¹⁾
8.45 % Series D Cumulative Preferred Stock	14	89	617	4,174	653
7.375 % Series F Cumulative Preferred Stock	76	527	1,640	11,185	1,482
7.375 % Series G Cumulative Preferred Stock	—	—	2,891	21,371	2,764
7.50 % Series H Cumulative Preferred Stock	138	882	1,361	10,033	1,217
7.50 % Series I Cumulative Preferred Stock	92	612	2,138	14,735	1,660
	320	2,110	8,647	61,498	7,776

⁽¹⁾ Reflects the number of shares issued after the adjustment for the reverse stock split.

8.45 % Series D Cumulative Preferred Stock. At December 31, 2023 and 2022, there were 1.2 million and 1.2 million shares of Series D Cumulative Preferred Stock outstanding, respectively. The Series D Cumulative Preferred Stock ranks senior to all classes or series of the Company's common stock and future junior securities, on a parity with each series of the Company's outstanding preferred stock, Series F Cumulative Preferred Stock (noted below), Series G Cumulative Preferred Stock (noted below), Series H Cumulative Preferred Stock (noted below), Series I Cumulative Preferred Stock (noted below), Series J Preferred Stock (see note 16) and Series K Preferred Stock (see note 16) and with any future parity securities and junior to future senior securities and to all of the Company's existing and future indebtedness, with respect to the payment of dividends and the distribution of amounts upon liquidation, dissolution or winding up of the Company's affairs. Series D Cumulative Preferred Stock has no maturity date, and we are not required to redeem the shares at any time. Series D Cumulative Preferred Stock is redeemable at our option for cash, in whole or from time to time in part, at a redemption price of \$ 25 per share plus accrued and unpaid dividends, if any, at the redemption date. Series D Cumulative Preferred Stock quarterly dividends are set at the rate of 8.45 % per annum of the \$ 25.00 liquidation preference (equivalent to an annual dividend rate of \$ 2.1124 per share). The dividend rate increases to 9.45 % per annum if these shares are no longer traded on a major stock exchange. In general, Series D Cumulative Preferred Stockholders have no voting rights.

7.375 % Series F Cumulative Preferred Stock. At December 31, 2023 and 2022, there were 1.2 million and 1.3 million shares of 7.375 % Series F Cumulative Preferred Stock outstanding, respectively. The Series F Cumulative Preferred Stock ranks senior to all classes or series of the Company's common stock and future junior securities, on a parity with each series of the Company's outstanding preferred stock, Series D Cumulative Preferred Stock, Series G Cumulative Preferred Stock (noted below), Series H Cumulative Preferred Stock (noted below), Series I Cumulative Preferred Stock (noted below), Series J Preferred Stock and Series K Preferred Stock and with any future parity securities and junior to future senior securities and to all of the Company's existing and future indebtedness, with respect to the payment of dividends and the distribution of amounts upon liquidation, dissolution or winding up of the Company's affairs. Series F Cumulative Preferred Stock has no maturity date, and we are not required to redeem the shares at any time. Series F Cumulative Preferred Stock is redeemable at our option for cash (on or after July 15, 2021), in whole or from time to time in part, at a redemption price of \$ 25.00 per share plus accrued and unpaid dividends, if any, at the redemption date. Series F Cumulative Preferred Stock may be converted into shares of our common stock, at the option of the holder, in certain limited circumstances such as a change of control. Each share of Series F Cumulative Preferred Stock is convertible into a maximum 0.09690 shares of our common stock in those limited circumstances. The actual number is based on a formula as defined in the Series F Cumulative Preferred Stock agreement (unless the Company exercises its right to redeem the Series F cumulative preferred shares for cash, for a limited period upon a change in control). The necessary conditions to convert the Series F Cumulative Preferred Stock to common stock have not been met as of period end. Therefore, Series F Cumulative Preferred Stock will not impact our earnings per share calculations. Series F Cumulative Preferred Stock quarterly dividends are set at the rate of 7.375 % of the \$ 25.00 liquidation preference (equivalent to an annual dividend rate of \$ 1.8436 per share). In general, Series F Cumulative Preferred Stockholders have no voting rights.

7.375 % Series G Cumulative Preferred Stock. At December 31, 2023 and 2022, there were 1.5 million and 1.5 million shares of 7.375 % Series G Cumulative Preferred Stock outstanding, respectively. The Series G Cumulative Preferred Stock

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ranks senior to all classes or series of the Company's common stock and future junior securities, on a parity with each series of the Company's outstanding preferred stock, Series D Cumulative Preferred Stock, Series F Cumulative Preferred Stock, Series H Cumulative Preferred Stock (noted below), Series I Cumulative Preferred Stock (noted below), Series J Preferred Stock and Series K Preferred Stock and with any future parity securities and junior to future senior securities and to all of the Company's existing and future indebtedness, with respect to the payment of dividends and the distribution of amounts upon liquidation, dissolution or winding up of the Company's affairs. Series G Cumulative Preferred Stock has no maturity date, and we are not required to redeem the shares at any time. Series G Cumulative Preferred Stock is redeemable at our option for cash (on or after October 18, 2021), in whole or from time to time in part, at a redemption price of \$ 25.00 per share plus accrued and unpaid dividends, if any, at the redemption date. Series G Cumulative Preferred Stock may be converted into shares of our common stock, at the option of the holder, in certain limited circumstances such as a change of control. Each share of Series G Cumulative Preferred Stock is convertible into a maximum 0.08333 shares of our common stock in those limited circumstances. The actual number is based on a formula as defined in the Series G Cumulative Preferred Stock agreement (unless the Company exercises its right to redeem the Series G cumulative preferred shares for cash, for a limited period upon a change in control). The necessary conditions to convert the Series G Cumulative Preferred Stock to common stock have not been met as of period end. Therefore, Series G Cumulative Preferred Stock will not impact our earnings per share calculations. Series G Cumulative Preferred Stock quarterly dividends are set at the rate of 7.375 % of the \$ 25.00 liquidation preference (equivalent to an annual dividend rate of \$ 1.8436 per share). In general, Series G Cumulative Preferred Stockholders have no voting rights.

7.50 % Series H Cumulative Preferred Stock. At December 31, 2023 and 2022, there were 1.2 million and 1.3 million shares of 7.50 % Series H Cumulative Preferred Stock outstanding, respectively. The Series H Cumulative Preferred Stock ranks senior to all classes or series of the Company's common stock and future junior securities, on a parity with each series of the Company's outstanding preferred stock, Series D Cumulative Preferred Stock, Series F Cumulative Preferred Stock, Series G Cumulative Preferred Stock, Series I Cumulative Preferred Stock (noted below), Series J Preferred Stock and Series K Preferred Stock and with any future parity securities and junior to future senior securities and to all of the Company's existing and future indebtedness, with respect to the payment of dividends and the distribution of amounts upon liquidation, dissolution or winding up of the Company's affairs. Series H Cumulative Preferred Stock has no maturity date, and we are not required to redeem the shares at any time. Series H Cumulative Preferred Stock is redeemable at our option for cash (on or after August 25, 2022), in whole or from time to time in part, at a redemption price of \$ 25.00 per share plus accrued and unpaid dividends, if any, at the redemption date. Series H Cumulative Preferred Stock may be converted into shares of our common stock, at the option of the holder, in certain limited circumstances such as a change of control. Each share of Series H Cumulative Preferred Stock is convertible into a maximum 0.08251 shares of our common stock in those limited circumstances. The actual number is based on a formula as defined in the Series H Cumulative Preferred Stock agreement (unless the Company exercises its right to redeem the Series H cumulative preferred shares for cash, for a limited period upon a change in control). The necessary conditions to convert the Series H Cumulative Preferred Stock to common stock have not been met as of period end. Therefore, Series H Cumulative Preferred Stock will not impact our earnings per share. Series H Cumulative Preferred Stock quarterly dividends are set at the rate of 7.50 % of the \$ 25.00 liquidation preference (equivalent to an annual dividend rate of \$ 1.8750 per share). In general, Series H Cumulative Preferred Stockholders have no voting rights.

7.50 % Series I Cumulative Preferred Stock. At December 31, 2023 and 2022, there were 1.2 million and 1.3 million shares of 7.50 % Series I Cumulative Preferred Stock outstanding, respectively. The Series I Cumulative Preferred Stock ranks senior to all classes or series of the Company's common stock and future junior securities, on a parity with each series of the Company's outstanding preferred stock (the Series D Cumulative Preferred Stock, Series F Cumulative Preferred Stock, Series G Cumulative Preferred Stock, Series H Cumulative Preferred Stock, Series J Preferred Stock and Series K Preferred Stock) and with any future parity securities and junior to future senior securities and to all of the Company's existing and future indebtedness, with respect to the payment of dividends and the distribution of amounts upon liquidation, dissolution or winding up of the Company's affairs. Series I Cumulative Preferred Stock has no maturity date, and we are not required to redeem the shares at any time. Series I Cumulative Preferred Stock is redeemable at our option for cash (on or after November 17, 2022), in whole or from time to time in part, at a redemption price of \$ 25.00 per share plus accrued and unpaid dividends, if any, at the redemption date. Series I Cumulative Preferred Stock may be converted into shares of our common stock, at the option of the holder, in certain limited circumstances such as a change of control. Each share of Series I Cumulative Preferred Stock is convertible into a maximum 0.08065 shares of our common stock in those limited circumstances. The actual number is based on a formula as defined in the Series I Cumulative Preferred Stock agreement (unless the Company exercises its right to redeem the Series I cumulative preferred shares for cash, for a limited period upon a change in control). The necessary conditions to convert the Series I Cumulative Preferred Stock to common stock have not been met as of period end. Therefore, Series I Cumulative Preferred Stock will not impact our earnings per share. Series I Cumulative Preferred Stock quarterly dividends are

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set at the rate of 7.50 % of the \$ 25.00 liquidation preference (equivalent to an annual dividend rate of \$ 1.8750 per share). In general, Series I Cumulative Preferred Stockholders have no voting rights.

Dividends— A summary of dividends declared is as follows (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Common stock	\$ —	\$ —	\$ —
Preferred stock:			
Series D Cumulative Preferred Stock	2,472	2,481	4,342 ⁽²⁾
Series F Cumulative Preferred Stock	2,272	2,307	4,036 ⁽²⁾
Series G Cumulative Preferred Stock	2,824	2,824	4,943 ⁽²⁾
Series H Cumulative Preferred Stock	2,389	2,453	4,293 ⁽²⁾
Series I Cumulative Preferred Stock	2,306	2,349	4,111 ⁽²⁾
Total dividends declared ⁽¹⁾	<u>\$ 12,263</u>	<u>\$ 12,414</u>	<u>\$ 21,725</u>

⁽¹⁾ In the year ended December 31, 2021, we recorded \$ 252,000 of preferred dividend expense after the impact of preferred stock exchanges. All unpaid dividends in arrears as of December 31, 2020 of \$ 21.5 million were declared and paid in 2021.

⁽²⁾ In the year ended December 31, 2021, the Company declared and paid dividends for each series of preferred stock for unpaid dividends from the second quarter 2020 through the third quarter of 2021. Additionally, the Company declared dividends for the fourth quarter of 2021 that were paid in January 2022.

Noncontrolling Interest in Consolidated Entities—Our noncontrolling entity partner held an ownership interest of 15 % in two hotel properties until December 21, 2021, when the Company purchased the remaining ownership interest in the two hotel properties.

On December 7, 2023, Stirling OP issued 8,000 Class E units at a price of \$ 25.00 per unit to Stirling REIT Advisors LLC, in exchange for a cash contribution of \$ 200,000 . Stirling REIT Advisors LLC holds an ownership interest of 0.57 % in Stirling OP, this ownership interest is included in "noncontrolling interests in consolidated entities" on the consolidated balance sheet. The carrying value of the investment at December 31, 2023 was \$ 193,000 .

As of December 31, 2023, our noncontrolling interest partner held a \$ 14.7 million interest in 815 Commerce MM. See note 4.

The table below summarizes (income) loss allocated to noncontrolling interests in consolidating entities (in thousands):

Line Item	Year Ended December 31,		
	2023	2022	2021
(Income) loss allocated to noncontrolling interests in consolidated entities.	\$ 6	\$ —	\$ 73

15. Stock-Based Compensation

Under the 2021 Stock Incentive Plan approved by stockholders, we are authorized to grant approximately 2.1 million shares of restricted stock and performance stock units as incentive stock awards. At December 31, 2023, approximately 649,000 shares were available for future issuance under the 2021 Stock Incentive Plan.

Restricted Stock—We incur stock-based compensation expense in connection with restricted stock awarded to certain employees of Ashford LLC and its affiliates. We also issue common stock to certain of our independent directors, which vests immediately upon issuance.

At December 31, 2023, the unamortized cost of the unvested restricted stock was \$ 260,000 which will be amortized over a period of 0.2 years with a weighted average period of 0.2 years.

The following table summarizes the stock-based compensation expense (in thousands):

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Line Item	Year Ended December 31,		
	2023	2022	2021
Advisory services fee	\$ 1,446	\$ 2,509	\$ 3,716
Management fees	10	56	199
Corporate, general and administrative	89	163	151
Corporate, general and administrative - independent directors	170	90	186
	<u>\$ 1,715</u>	<u>\$ 2,818</u>	<u>\$ 4,252</u>

A summary of our restricted stock activity is as follows (shares in thousands):

	Year Ended December 31,					
	2023		2022		2021	
	Units	Weighted Average Price at Grant	Units	Weighted Average Price at Grant	Units	Weighted Average Price at Grant
Outstanding at beginning of year	121	\$ 20.63	231	\$ 30.76	17	\$ 306.10
Restricted stock granted	42	4.01	19	5.59	251	25.38
Restricted stock vested	(114)	23.06	(125)	36.70	(33)	126.09
Restricted stock forfeited	—	—	(4)	31.88	(4)	76.73
Outstanding at end of year	<u>49</u>	<u>\$ 26.17</u>	<u>121</u>	<u>\$ 20.63</u>	<u>231</u>	<u>\$ 30.76</u>

The fair value of restricted stock vested during the years ended December 31, 2023, 2022 and 2021 was \$ 417,000 , \$ 1.2 million and \$ 926,000 , respectively.

Performance Stock Units—The compensation committee of the board of directors of the Company may authorize the issuance of performance stock units (“PSUs”), which have a cliff vesting period of three years , to certain executive officers and directors from time to time. The award agreements provide for the grant of a target number of PSUs that will be settled in shares of common stock of the Company, if, when and to the extent the applicable vesting criteria have been achieved following the end of the performance and service period.

With respect to the 2021, 2022 and 2023 award agreements, the criteria for the PSUs are based on performance conditions and market conditions under the relevant literature. The corresponding compensation cost is recognized, based on the corresponding measurement date fair value of the award, ratably over the service period for the award as the service is rendered, which may vary from period to period, as the number of PSUs earned may vary based on the estimated probable achievement of certain performance targets (performance conditions). The number of PSUs to be earned based on the applicable performance conditions is determined upon the final vesting date. The initial calculation of PSUs earned can range from 0 % to 200 % of target, which is further subjected to a specified absolute total stockholder return modifier (market condition) based on the formulas determined by the Company's compensation committee on the grant date. This will result in an adjustment (75 % to 125 %) of the initial calculation for the number of PSUs earned based on the applicable performance targets resulting in a final award calculation ranging from 0 % to 250 % of the target amount.

During the year ended December 31, 2021, approximately 8,000 PSUs granted in 2018 and 2019 were canceled due to the market condition criteria not being met. As a result there was a claw back of the previously declared dividends in the amount of \$ 349,000 .

The following table summarizes the compensation expense (in thousands):

Line Item	Year Ended December 31,		
	2023	2022	2021
Advisory services fee	\$ 604	\$ 1,008	\$ 3,177

The unamortized cost of PSUs, which was \$ 485,000 at December 31, 2023, will be expensed over a period of approximately 2.0 years with a weighted average period of 1.9 years.

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A summary of our PSU activity is as follows (shares in thousands):

	Year Ended December 31,					
	2023		2022		2021	
	Units	Weighted Average Price at Grant	Units	Weighted Average Price at Grant	Units	Weighted Average Price at Grant
Outstanding at beginning of year	136	\$ 29.04	139	\$ 34.81	13	\$ 377.90
PSUs granted	164	4.93	34	12.09	134	29.70
PSUs vested	(76)	29.70	(33)	29.70	—	—
PSUs canceled	(25)	29.70	(4)	80.00	(8)	627.36
Outstanding at end of year	<u>199</u>	<u>\$ 7.81</u>	<u>136</u>	<u>\$ 29.04</u>	<u>139</u>	<u>\$ 34.81</u>

16. Redeemable Preferred Stock

Series J Redeemable Preferred Stock

The Company enters into equity distribution agreements with certain sales agents to sell from time-to-time shares of the Series J Redeemable Preferred Stock (the "Series J Preferred Stock"). Pursuant to such equity distribution agreements, the Company is offering a maximum of 20.0 million shares of Series J Preferred Stock or Series K Preferred Stock in a primary offering at a price of \$ 25.00 per share. The Company is also offering a maximum of 8.0 million shares of the Series J Preferred Stock or Series K Preferred Stock pursuant to a dividend reinvestment plan (the "DRIP") at \$ 25.00 per share (the "Stated Value").

The Series J Preferred Stock ranks senior to all classes or series of the Company's common stock and future junior securities, on a parity with each series of the Company's outstanding preferred stock (Series D Preferred Stock, Series F Preferred Stock, Series G Preferred Stock, Series H Preferred Stock, Series I Preferred Stock and Series K Preferred Stock) and with any future parity securities and junior to future senior securities and to all of the Company's existing and future indebtedness, with respect to the payment of dividends and the distribution of amounts upon liquidation, dissolution or winding up of the Company's affairs.

Holders of the Series J Preferred Stock shall not have any voting rights, except for if and whenever dividends on any shares of the Series J Preferred Stock shall be in arrears for 18 or more monthly periods, whether or not such quarterly periods are consecutive and the number of directors then constituting the board shall be increased by two and the holders of such shares of Series J Preferred Stock (voting together as a single class with all other classes or series of capital stock ranking on a parity with the Series J Preferred Stock) shall be entitled to vote for the election of the additional directors of the Company who shall each be elected for one-year terms.

Each share is redeemable at any time, at the option of the holder, at a redemption price of \$ 25.00 per share, plus any accumulated, accrued, and unpaid dividends, less a redemption fee. Starting on the second anniversary, each share is redeemable at any time, at the option of the Company, at a redemption price of \$ 25.00 per share, plus any accumulated, accrued, and unpaid dividends (with no redemption fee). The Company has the right, in its sole discretion, to redeem the shares in cash, or in an equal number of shares of common stock or any combination thereof, calculated based on the closing price per share for the single trading day prior to the date of redemption. The Series J Preferred Stock is also subject to conversion upon certain events constituting a change of control. Upon a change of control, the Company, at its option, may redeem, within 120 days, outstanding shares at a redemption price equal to the Stated Value plus an amount equal to any accrued but unpaid dividends. The Company must pay the redemption price in cash upon a change of control.

The redemption fee shall be an amount equal to:

- 8.0 % of the stated value of \$ 25.00 per share (the "Stated Value") beginning on the Original Issue Date (as defined in the Articles Supplementary) of the shares of the Series J Preferred Stock to be redeemed;
- 5.0 % of the Stated Value beginning on the second anniversary from the Original Issue Date of the shares of the Series J Preferred Stock to be redeemed; and
- 0 % of the Stated Value beginning on the third anniversary from the Original Issue Date of the shares of the Series J Preferred Stock to be redeemed.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The Series J Preferred Stock provides for cash dividends at an annual rate equal to 8.0 % per annum of the Stated Value beginning on the date of the first settlement of the Series J Preferred Stock.

Dividends are payable on a monthly basis and payable in arrears on the 15th of each month (or, if such payment date is not a business day, the next succeeding business day) to holders of record at the close of business on the last business day of each month immediately preceding the applicable dividend payment date. Dividends will be computed on the basis of twelve 30-day months and a 360-day year.

The Company has a DRIP that allows participating holders to have their Series J Preferred Stock dividend distributions automatically reinvested in additional shares of the Series J Preferred Stock at a price of \$ 25.00 per share.

The issuance activity of the Series J Preferred Stock is summarized below (in thousands):

	Year Ended December 31,	
	2023	2022
Series J Preferred Stock shares issued ⁽¹⁾	3,371	87
Net proceeds	\$ 75,837	\$ 1,959

⁽¹⁾ Exclusive of shares issued under the DRIP.

The Series J Preferred Stock does not meet the requirements for permanent equity classification prescribed by the authoritative guidance because of certain cash redemption features that are outside of the Company's control. As such, the Series J Preferred Stock is classified outside of permanent equity.

At the date of issuance, the carrying amount of the Series J Preferred Stock was less than the redemption value. As a result of the Company's determination that redemption is probable, the carrying value will be adjusted to the redemption amount each reporting period.

The redemption value adjustment of Series J Preferred Stock is summarized below (in thousands):

	December 31,	
	2023	December 31, 2022
Series J Preferred Stock	\$ 79,975	\$ 2,004
Cumulative adjustments to Series J Preferred Stock ⁽¹⁾	3,473	926

⁽¹⁾ Reflects the excess of the redemption value over the accumulated carrying value.

The following table summarizes dividends declared (in thousands):

	Year Ended December 31,	
	2023	2022
Series J Preferred Stock	\$ 3,467	\$ 18

The redemption activities of Series J Preferred stock is summarized below (in thousands):

	Year Ended December 31,	
	2023	
Series J Preferred Stock shares redeemed	3	
Redemption amount, net of redemption fees	\$	78

Series K Redeemable Preferred Stock

The Company enters into equity distribution agreements with certain sales agents to sell from time-to-time shares of the Series K Redeemable Preferred Stock (the "Series K Preferred Stock"). Pursuant to such equity distribution agreements, the Company is offering a maximum of 20.0 million shares of Series K Preferred Stock or Series J Preferred Stock in a primary

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

offering at a price of \$ 25.00 per share. The Company is also offering a maximum of 8.0 million shares of the Series K Preferred Stock or Series J Preferred Stock pursuant to the DRIP at the Stated Value.

The Series K Preferred Stock ranks senior to all classes or series of the Company's common stock and future junior securities, on a parity with each series of the Company's outstanding preferred stock (Series D Preferred Stock, Series F Preferred Stock, Series G Preferred Stock, Series H Preferred Stock, Series I Preferred Stock and Series J Preferred Stock) and with any future parity securities and junior to future senior securities and to all of the Company's existing and future indebtedness, with respect to the payment of dividends and the distribution of amounts upon liquidation, dissolution or winding up of the Company's affairs.

Holders of the Series K Preferred Stock shall not have any voting rights, except for if and whenever dividends on any shares of the Series K Preferred Stock shall be in arrears for 18 or more monthly periods, whether or not such quarterly periods are consecutive, and the number of directors then constituting the board shall be increased by two and the holders of such shares of Series K Preferred Stock (voting together as a single class with all other classes or series of capital stock ranking on a parity with the Series K Preferred Stock) shall be entitled to vote for the election of the additional directors of the Company who shall each be elected for one-year terms.

Each share is redeemable at any time, at the option of the holder, at a redemption price of \$ 25.00 per share, plus any accumulated, accrued, and unpaid dividends, less a redemption fee. Starting on the second anniversary, each share is redeemable at any time, at the option of the Company, at a redemption price of \$ 25.00 per share, plus any accumulated, accrued, and unpaid dividends (with no redemption fee). The Company has the right, in its sole discretion, to redeem the shares in cash, or in an equal number of shares of common stock or any combination thereof, calculated based on the closing price per share for the single trading day prior to the date of redemption. The Series K Preferred Stock is also subject to conversion upon certain events constituting a change of control. Upon a change of control, the Company, at its option, may redeem, within 120 days, outstanding shares at a redemption price equal to the Stated Value plus an amount equal to any accrued but unpaid dividends. The Company must pay the redemption price in cash upon a change of control.

The redemption fee shall be an amount equal to:

- 1.5 % of the stated value of \$ 25.00 per share (the "Stated Value") beginning on the Original Issue Date (as defined in the Articles Supplementary) of the shares of the Series K Preferred Stock to be redeemed; and
- 0 % of the Stated Value beginning on the first anniversary from the Original Issue Date of the shares of the Series K Preferred Stock to be redeemed.

Holders of Series K Preferred Stock are entitled to receive cumulative cash dividends at the initial rate of 8.2 % per annum of the Stated Value of \$ 25.00 per share (equivalent to an annual dividend rate of \$ 2.05 per share). Beginning one year from the date of original issuance of each share of Series K Preferred Stock and on each one-year anniversary thereafter for such share of Series K Preferred Stock, the dividend rate shall increase by 0.10 % per annum; provided, however, that the dividend rate for any share of Series K Preferred Stock shall not exceed 8.7 % per annum of the Stated Value.

Dividends are payable on a monthly basis in arrears on the 15th of each month (or, if such payment date is not a business day, on the next succeeding business day) to holders of record at the close of business on the last business day of each month immediately preceding the applicable dividend payment date. Dividends will be computed on the basis of twelve 30-day months and a 360-day year.

The Company has a DRIP that allows participating holders to have their Series K Preferred Stock dividend distributions automatically reinvested in additional shares of the Series K Preferred Stock at a price of \$ 25.00 per share.

The issuance activity of the Series K Preferred Stock is summarized below (in thousands):

	Year Ended December 31,	
	2023	2022
Series K Preferred Stock shares issued ⁽¹⁾	192	2
Net proceeds	\$ 4,664	\$ 44

⁽¹⁾ Exclusive of shares issued under the DRIP.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The Series K Preferred Stock does not meet the requirements for permanent equity classification prescribed by the authoritative guidance because of certain cash redemption features that are outside of the Company's control. As such, the Series K Preferred Stock is classified outside of permanent equity.

At the date of issuance, the carrying amount of the Series K Preferred Stock was less than the redemption value. As a result of the Company's determination that redemption is probable, the carrying value will be adjusted to the redemption amount each reporting period.

The redemption value adjustment of Series K Preferred Stock is summarized below (in thousands):

	December 31, 2023	December 31, 2022
Series K Preferred Stock	\$ 4,783	\$ 44
Cumulative adjustments to Series K Preferred Stock ⁽¹⁾	146	20

⁽¹⁾ Reflects the excess of the redemption value over the accumulated carrying value.

The following table summarizes dividends declared (in thousands):

	Year Ended December 31,	
	2023	2022
Series K Preferred Stock	\$ 191	\$ 1

17. Related Party Transactions

Ashford Inc.

Advisory Agreement with Ashford Trust OP

Ashford LLC, a subsidiary of Ashford Inc., acts as our advisor. Our chairman, Mr. Monty J. Bennett, also serves as chairman of the board of directors and chief executive officer of Ashford Inc.

Under our advisory agreement, we pay advisory fees to Ashford LLC. Advisory fees consist of base fees and incentive fees. We pay a monthly base fee in an amount equal to 1/12 of (i) 0.70% of the Total Market Capitalization (as defined in our advisory agreement) of the Company for the prior month, plus (ii) the Net Asset Fee Adjustment (as defined in our advisory agreement), if any, on the last day of the prior month during which the advisory agreement was in effect; provided, however, that in no event shall the Base Fee (as defined in our advisory agreement) for any month be less than the Minimum Base Fee as provided by the advisory agreement. The Company shall pay the Base Fee or the Minimum Base Fee (as defined in our advisory agreement) on the fifth business day of each month.

The Minimum Base Fee for Ashford Trust for each quarter beginning January 1, 2021 is equal to the greater of:

- (i) ninety percent (90 %) of the base fee paid for the same month in the prior fiscal year and
- (ii) 1/12th of the G&A Ratio (as defined in the advisory agreement) for the most recently completed fiscal quarter multiplied by the Company's Total Market Capitalization.

We are also required to pay Ashford LLC an incentive fee that is measured annually (or for a stub period if the advisory agreement is terminated at other than year-end). In each year that the Company's total shareholder return exceeds the average total shareholder return for the peer group, the Company shall pay to Ashford LLC an incentive fee. The incentive fee, if any, subject to the Fixed Coverage Charge Ratio Condition (as defined in the advisory agreement), shall be payable in arrears in three equal annual installments.

We also reimburse Ashford LLC for certain reimbursable overhead and internal audit, risk management advisory and asset management services, as specified in the advisory agreement. We also record equity-based compensation expense for equity grants of common stock and LTIP units awarded to officers and employees of Ashford LLC in connection with providing advisory services.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The following table summarizes the advisory services fees incurred (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Advisory services fee			
Base advisory fee	\$ 33,109	\$ 34,802	\$ 36,239
Reimbursable expenses ⁽¹⁾	12,473	9,851	6,934
Equity-based compensation ⁽²⁾	3,268	5,244	9,140
Total advisory services fee	\$ 48,850	\$ 49,897	\$ 52,313

⁽¹⁾ Reimbursable expenses include overhead, internal audit, risk management advisory, asset management services and deferred cash awards.

⁽²⁾ Equity-based compensation is associated with equity grants of Ashford Trust's common stock, LTIP units and Performance LTIP units awarded to officers and employees of Ashford LLC.

On September 27, 2022, an agreement was entered into by Ashford Inc., Ashford Trust and Braemar Hotels & Resorts Inc. ("Braemar") pursuant to which the Advisor is to implement the REITs cash management strategies. This will include actively managing the REITs excess cash by primarily investing in short-term U.S. Treasury securities. The annual fee is 20 basis points ("bps") of the average daily balance of the funds managed by the advisor and is payable monthly in arrears.

On January 14, 2021, we entered into the Second Amended and Restated Advisory Agreement with Ashford LLC (the "Second Amended and Restated Advisory Agreement"). The Second Amended and Restated Advisory Agreement amends and restates the terms of the Amended and Restated Advisory Agreement, dated June 10, 2015, as amended by the Enhanced Return Funding Program Agreement and Amendment No. 1 to the Amended and Restated Advisory Agreement, dated as of June 26, 2018 to, among other items: (i) revise the term and termination rights; (ii) fix the percentage used to calculate the base fee thereunder at 0.70 % per annum; (iii) update the list of peer group members; (iv) suspend the requirement that we maintain a minimum Consolidated Tangible Net Worth (as defined in the Second Amended and Restated Advisory Agreement) until the first fiscal quarter beginning after June 30, 2023; and (v) revise the criteria that would constitute a Company Change of Control (as defined in the Second Amended and Restated Advisory Agreement) in order to provide us additional flexibility to dispose of underperforming assets. In connection with the transactions contemplated by the Oaktree Credit Agreement on January 15, 2021, we entered into a Subordination and Non-Disturbance Agreement with Ashford Inc. and Oaktree pursuant to which we agreed to subordinate to the prior repayment in full of all obligations under the Oaktree Credit Agreement: (1) prior to the later of: (i) the second anniversary of the Oaktree Credit Agreement; and (ii) the date accrued interest "in kind" is paid in full, advisory fees (other than reimbursable expenses) in excess of 80 % of such fees paid during the fiscal year ended December 31, 2019; (2) any termination fee or liquidated damages amounts under the advisory agreement, or any amount owed under the enhanced return funding program in connection with the termination of the advisory agreement or sale or foreclosure of assets financed thereunder; and (3) any payments to Lismore in connection with the transactions contemplated by the Oaktree Credit Agreement.

On March 15, 2022, we entered into a Limited Waiver Under Advisory Agreement (the "2022 Limited Waiver") with Ashford Trust OP, Ashford TRS, Ashford Inc. and Ashford LLC. The Company, Ashford Trust OP, Ashford TRS and the Advisor are parties to the Second Amended and Restated Advisory Agreement, which (i) allocates responsibility for certain employee costs between us and our advisor and (ii) permits our board of directors to issue annual equity awards in the Company or Ashford Trust OP to employees and other representatives of our advisor based on achievement by the Company of certain financial or other objectives or otherwise as our board of directors sees fit. Pursuant to the 2022 Limited Waiver, the Company, Ashford Trust OP, Ashford TRS and the Advisor waived the operation of any provision in the advisory agreement that would otherwise have limited our ability, in our discretion and at our cost and expense, to award during the first and second fiscal quarters of calendar year 2022 cash incentive compensation to employees and other representatives of our advisor; provided that such awarded cash incentive compensation does not exceed \$ 8.5 million, in the aggregate, during the waiver period.

On March 2, 2023, we entered into a second Limited Waiver Under Advisory Agreement (the "2023 Limited Waiver") with Ashford Trust OP, Ashford TRS, Ashford Inc. and Ashford LLC. Pursuant to the 2023 Limited Waiver, the Company, Ashford Trust OP, Ashford TRS and the Advisor waived the operation of any provision in the advisory agreement that would otherwise limit our ability, in our discretion and at our cost and expense, to award during the first and second fiscal quarters of calendar year 2023 cash incentive compensation to employees and other representatives of our advisor; provided that such awarded cash incentive compensation does not exceed \$ 13.1 million, in the aggregate, during the waiver period.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

On March 11, 2024, we entered into a Limited Waiver Under Advisory Agreement with Ashford Inc. and Ashford LLC (the "Advisory Agreement Limited Waiver"). Pursuant to the Advisory Agreement Limited Waiver, the Company, the Operating Partnership, TRS and the Advisor waive the operation of any provision in our advisory agreement that would otherwise limit the ability of the Company in its discretion, at the Company's cost and expense, to award during calendar year 2024, cash incentive compensation to employees and other representatives of the Advisor.

On March 12, 2024, we entered into the Third Amended and Restated Advisory Agreement with Ashford LLC (the "Third Amended and Restated Advisory Agreement"). The Third Amended and Restated Advisory Agreement amends and restates the terms of the Second Amended and Restated Advisory Agreement, dated January 14, 2021, to, among other items: (i) require the Company pay the advisor the Portfolio Company Fee (as defined in the Third Amended and Restated Advisory Agreement) upon certain specified defaults under the Company's loan agreements resulting in the foreclosure of the Company's hotel properties, (ii) provide that there shall be no additional payments to the advisor from the amendments to the master hotel management agreement with Remington Hospitality and the master project management agreement with Premier until the Oaktree Credit Agreement is paid in full, and limits, for a period of two years thereafter, the incremental financial impact to no more than \$ 2 million per year in additional payments to the advisor from such amendments, (iii) reduces the Consolidated Tangible Net Worth covenant (as defined in the Third Amended and Restated Advisory Agreement) to \$ 750 million (plus 75 % of net equity proceeds received) from \$ 1 billion (plus 75 % of net equity proceeds received), (iv) revise the criteria that would constitute a Company Change of Control, (v) revise the definition of termination fee to provide for a minimum amount of such termination fee and (vi) revise the criteria that would constitute a voting control event.

Pursuant to the Company's hotel management agreements with each hotel management company, the Company bears the economic burden for casualty insurance coverage. Under the advisory agreement, Ashford Inc. secures casualty insurance policies to cover Ashford Trust, Braemar, Stirling OP, their hotel managers, as needed, and Ashford Inc. The total loss estimates included in such policies are based on the collective pool of risk exposures from each party. Ashford Inc. has managed the casualty insurance program and beginning in December 2023, Warwick Insurance Company ("Warwick"), a subsidiary of Ashford Inc., provides and manages the general liability, workers' compensation and business automobile insurance policies within the casualty insurance program. Each year Ashford Inc. collects funds from Ashford Trust, Braemar, Stirling OP and their respective hotel management companies, to fund the casualty insurance program as needed, on an allocated basis.

Advisory Agreement with Stirling OP

Stirling REIT Advisors, LLC ("Stirling Advisor"), a subsidiary of Ashford Inc., acts as Stirling OP's advisor. The Advisory Agreement was effective December 6, 2023.

Stirling Advisor is paid an annual management fee (payable monthly in arrears) of 1.25 % of aggregate NAV represented by the Class T, Class S, Class D and Class I shares of Stirling Inc. Additionally, to the extent Stirling OP issues Class T, Class S, Class D or Class I operating partnership units to parties other than Stirling Inc., Stirling OP will pay Stirling Advisor a management fee equal to 1.25 % of the aggregate NAV of Stirling OP attributable to such Class T, Class S, Class D and Class I operating partnership units not held by Stirling Inc. per annum payable monthly in arrears. No management fee will be paid with respect to Class E shares of Stirling Inc. or Class E units of Stirling OP. The management fee is allocated on a class-specific basis and borne by all holders of the applicable class. The management fee will be paid, at Stirling Advisor's election, in cash, Class E shares of Stirling Inc. or Class E units of Stirling OP. If Stirling Advisor elects to receive any portion of its management fee in Class E shares or Class E units of Stirling OP, Stirling Inc. may be obligated to repurchase such Class E shares of Stirling Inc. or Class E units of Stirling OP from Stirling Advisor at a later date. Such repurchases will be outside Stirling Inc.'s share repurchase plan and thus will not be subject to the repurchase limits of the share repurchase plan or any early repurchase deduction.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Stirling OP does not intend to pay Stirling Advisor any acquisition or other similar fees in connection with making investments. Stirling OP will, however, reimburse Stirling Advisor for out-of-pocket expenses in connection with the selection and acquisition of properties and real estate related debt, whether or not such investments are acquired, and make payments to third parties in connection with making investments. In addition to organization and offering expense and acquisition expense reimbursements, Stirling OP will reimburse Stirling Advisor for out-of-pocket costs and expenses it incurs in connection with the services it provides to Stirling Inc., including, but not limited to, (i) the actual cost of goods and services used by Stirling OP and obtained from third parties, including fees paid to administrators, consultants, attorneys, technology providers and other service providers, and brokerage fees paid in connection with the purchase and sale of investments, (ii) expenses of managing and operating Stirling OP's properties, whether payable to an affiliate or a non-affiliated person, and (iii) expenses related to personnel of Stirling Advisor performing services for Stirling OP other than those who provide investment advisory services or serve as executive officers of Stirling Inc.

The following table summarizes the advisory services fees incurred (in thousands):

	Year Ended December 31, 2023
Advisory services fee	
Base advisory fee	\$ 67
Reimbursable expenses ⁽¹⁾	10
Total advisory services fee	<u>\$ 77</u>

⁽¹⁾ Reimbursable expenses include overhead, internal audit, risk management advisory, asset management services and deferred cash awards .

Lismore

We engage Lismore or its subsidiaries to provide debt placement services and assist with loan modifications on our behalf.

During June 2023, we entered into various 12-month agreements with Lismore to seek modifications or refinancings of certain mortgage loans of the Company. For the year ended December 31, 2023, we incurred fees of approximately \$ 525,000 to Lismore in nonrefundable work fees and \$ 406,000 of success fees. The unamortized nonrefundable work fees are included in "other assets" on the consolidated balance sheet, and are amortized on a straight line basis over the term of the agreements.

In addition to the above agreements, we engage Lismore or its subsidiaries to provide debt placement services and assist with loan modifications on our behalf. During the years ended December 31, 2023, 2022 and 2021, we made payments of \$ 1.5 million, \$ 863,000 and \$ 784,000 , respectively to Lismore.

Ashford Securities

On December 31, 2020, an Amended and Restated Contribution Agreement (the "Amended and Restated Contribution Agreement") was entered into by Ashford Inc., Ashford Trust and Braemar (collectively, the "Parties" and each individually a "Party") with respect to funding certain expenses of Ashford Securities LLC, a subsidiary of Ashford Inc. ("Ashford Securities"). Beginning on the effective date of the Amended and Restated Contribution Agreement, costs were allocated 50 % to Ashford Inc., 50 % to Braemar and 0 % to Ashford Trust. Upon reaching the earlier of \$ 400 million in aggregate preferred equity offerings raised, or June 10, 2023, there was to be a true up (the "Amended and Restated True-up Date") among Ashford Inc., Ashford Trust and Braemar whereby the actual amount contributed by each company will be based on the actual amount of capital raised by Ashford Inc., Ashford Trust and Braemar, respectively, through Ashford Securities (the resulting ratio of contributions among the Parties, the "Initial True-up Ratio"). On January 27, 2022, Ashford Trust, Braemar and Ashford Inc. entered into a Second Amended and Restated Contribution Agreement which provided for an additional \$ 18 million in expenses to be reimbursed with all expenses allocated 45 % to Ashford Trust, 45 % to Braemar and 10 % to Ashford Inc.

On February 1, 2023, Ashford Trust entered into a Third Amended and Restated Contribution Agreement, which provided that after the Amended and Restated True-Up Date, capital contributions for the remainder of fiscal year 2023 would be divided between each Party based on the Initial True-Up Ratio, there would be a true up reflecting amounts raised by Ashford Securities since June 10, 2019, and thereafter, the capital contributions would be divided among each Party in accordance the cumulative ratio of capital raised by the Parties. However, effective January 1, 2024, Ashford Trust entered into a Fourth Amended and Restated Contribution Agreement with Ashford Inc. and Braemar which states that, notwithstanding anything in the prior

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

contribution agreements: (1) the Parties equally split responsibility for all aggregate contributions made by them to Ashford Securities through September 30, 2021 and (2) thereafter, their contributions for each quarter will be based on the ratio of the amounts raised by each Party through Ashford Securities the prior quarter compared to the total aggregate amount raised by the Parties through Ashford Securities the prior quarter. To the extent contributions made by any of the Parties through December 31, 2023 differed from the amounts owed pursuant to the foregoing, the Parties shall make true up payments to each other to settle the difference.

During the year ended December 31, 2022, the funding estimate was revised based on the latest capital raise estimates of the aggregate capital raised through Ashford Securities. As of December 31, 2022, Ashford Trust had funded approximately \$ 6.2 million of which \$ 126,000 of the pre-funded amount was included in "other assets" and \$ 5.9 million was included in "due from Ashford Inc., net" on our consolidated balance sheet. In March 2023, Ashford Inc. paid \$ 6.1 million to Ashford Trust as a result of the contribution true-up between the entities described above. As of December 31, 2023, Ashford Trust has funded approximately \$ 180,000 and has a \$ 3.1 million payable that is included in "due to Ashford Inc., net" on our consolidated balance sheet.

The table below summarizes the amount Ashford Trust has expensed related to reimbursed operating expenses of Ashford Securities (in thousands):

Line Item	Year Ended December 31,		
	2023	2022	2021
Corporate, general and administrative	\$ 3,030	\$ (2,617)	\$ 19

Design and Construction Services - Ashford Trust

Premier Project Management LLC ("Premier"), as a subsidiary of Ashford Inc., provides design and construction services to our hotels, including construction management, interior design, architectural services, and the purchasing, freight management, and supervision of installation of FF&E and related services. Pursuant to the design and construction services agreement, we pay Premier: (a) design and construction fees of up to 4 % of project costs; and (b) market service fees at current market rates with respect to construction management, interior design, architecture, FF&E purchasing, FF&E expediting/freight management, FF&E warehousing and FF&E installation and supervision.

On March 12, 2024, Ashford Hospitality Limited Partnership entered into an Amended and Restated Master Project Management Agreement with Premier (the "A&R PMA"). The provisions of the A&R PMA are substantially the same as the Master Project Management Agreement, dated as of August 8, 2018. The A&R PMA provides for an initial term of ten years as to each hotel governed by the A&R PMA. The term may be renewed by Premier, at its option, for three successive periods of seven years each, and, thereafter, a final term of four years, provided that at the time the option to renew is exercised, Premier is not then in default under the A&R PMA. The A&R PMA also (i) provides that fees will be payable monthly as the service is delivered based on percentage completion; (ii) allows a project management fee to be paid on a development, together with (and not in lieu of) the development fee; and (iii) fixes the fees for FF&E purchasing, expediting, freight management and warehousing at 8 %.

Design and Construction Services - Stirling OP

The Master Project Management Agreement provides that Premier shall be paid a project management fee equal to 4 % of the total project costs associated with the implementation of the capital improvement budget (both hard and soft) until such time that the capital improvement budget and/or renovation project involves the expenditure of an amount in excess of 5 % of the gross revenues of the applicable hotel, whereupon the design project management fee shall be reduced to 3 % of the total project costs in excess of the 5 % of gross revenue threshold.

The Master Project Management Agreement provides that, Premier shall provide the following services, and shall be paid the following fees: (i) architecture (6.5 % of total construction costs, plus reimbursement for all third-party, out-of-pocket costs and expenses of mechanical, electrical and structural engineering services utilized in providing architectural services for project management work); (ii) construction management for projects without a general contractor (10 % of total construction costs); (iii) interior design (6 % of the purchase price of FFE designed or selected by Premier); (iv) FFE purchasing (8 % of the purchase price of the FFE purchased by Premier; provided that if the purchase price exceeds \$ 2.0 million for a single hotel in a calendar year, then the procurement fee is reduced to 6 % of the FFE purchase price in excess of \$ 2.0 million for such hotel in such calendar year); (v) freight expediting (8 % of the cost of expediting FFE); (vi) warehousing (8 % of the cost of warehousing goods delivered to the job site); and (vi) development (4 % of total project costs).

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Hotel Management Services

At December 31, 2023, Remington Hospitality managed 61 of our 90 hotel properties and three of the four Stirling OP hotel properties.

We pay monthly hotel management fees equal to the greater of approximately \$ 17,000 per hotel (increased annually based on consumer price index adjustments) or 3 % of gross revenues as well as annual incentive management fees, if certain operational criteria were met, and other general and administrative expense reimbursements primarily related to accounting services.

On March 12, 2024, Ashford TRS Corporation entered into a Second Consolidated, Amended and Restated Hotel Master Management Agreement with Remington Hospitality (the "Second A&R HMA"). The provisions of the Second A&R HMA are substantially the same as in the Consolidated, Amended and Restated Hotel Master Management Agreement, dated as of August 8, 2018. The Second A&R HMA provides for an initial term of ten years as to each hotel governed by the Second A&R HMA. The term may be renewed by Remington Hospitality, at its option, for three successive periods of seven years each, and, thereafter, a final term of four years, provided that at the time the option to renew is exercised, Remington Hospitality is not then in default under the Second A&R HMA. The Second A&R HMA also provides that Remington Hospitality may charge market premiums for its self-insured health plans to its hotel employees, the cost of which is an operating expense of the hotel properties.

Enhanced Return Funding Program

The Enhanced Return Funding Program Agreement (the "ERFP Agreement") generally provides that Ashford LLC will make investments to facilitate the acquisition of properties by Ashford Trust OP that are recommended by Ashford LLC, in an aggregate amount of up to \$ 50 million (subject to increase to up to \$ 100 million by mutual agreement). The investments will equal 10 % of the property acquisition price and will be made, either at the time of the property acquisition or at any time generally in the following three years, in exchange for hotel FF&E for use at the acquired property or any other property owned by Ashford Trust OP.

The initial term of the ERFP Agreement was two years (the "Initial Term"), unless earlier terminated pursuant to the terms of the ERFP Agreement. At the end of the Initial Term, the ERFP Agreement shall automatically renew for successive one-year periods (each such period a "Renewal Term") unless either Ashford Inc. or Ashford Trust provides written notice to the other at least 60 days in advance of the expiration of the Initial Term or Renewal Term, as applicable, that such notifying party intends not to renew the ERFP Agreement.

On April 20, 2021, the Company delivered written notice to Ashford LLC of its intention not to renew the ERFP Agreement. As a result, the ERFP Agreement terminated in accordance with its terms at the end of the current term on June 26, 2021.

Summary of Transactions

In accordance with our advisory agreement, our advisor, or entities in which our advisor has an interest, have a right to provide products or services to our hotels, provided such transactions are evaluated and approved by our independent directors. The following tables summarize the entities in which our advisor has an interest with which we or our hotel properties contracted for products and services, the amounts recorded by us for those services and the applicable classification on our consolidated financial statements (in thousands):

Company	Product or Service	Year Ended December 31, 2023					
		Total	Investments in Hotel		Other	Other Hotel	
			Properties, net ⁽¹⁾	Indebtedness, net ⁽²⁾	Assets ⁽⁴⁾	Revenue	Management Fees
Ashford LLC	Insurance claims services	\$ 9	\$ —	\$ —	\$ —	\$ —	\$ —
Ashford Securities	Capital raise services/Broker dealer expense	5,120	—	—	—	—	—
INSPIRE	Audio visual commissions	9,955	—	—	—	10,064	—
Lismore Capital	Debt placement and related services	2,444	—	767	525	—	—
OpenKey	Mobile key app	122	—	—	—	—	—
Premier	Design and construction services	22,961	21,106	—	—	—	—
Pure Wellness	Hypoallergenic premium rooms	1,393	—	—	—	—	—
Remington Hospitality	Hotel management services ⁽³⁾	57,587	—	—	—	—	30,787

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

		Year Ended December 31, 2023						
Company	Product or Service	Total	Other Hotel Expenses	Property Taxes, Insurance and Other	Advisory Services Fee	Corporate, General and Administrative	Write-off of premiums, loan costs and exit fees	Preferred Stock
Ashford LLC	Insurance claims services	\$ 9	\$ —	\$ 9	\$ —	\$ —	\$ —	\$ —
Ashford Securities	Capital raise services/Broker dealer expense	5,120	—	—	—	3,030	—	2,090
INSPIRE	Audio visual commissions	9,955	—	—	—	109	—	—
Lismore Capital	Debt placement and related services	2,444	—	—	—	—	1,152	—
OpenKey	Mobile key app	122	122	—	—	—	—	—
Premier	Design and construction services	22,961	—	—	1,855	—	—	—
Pure Wellness	Hypoallergenic premium rooms	1,393	1,393	—	—	—	—	—
Remington Hospitality	Hotel management services ⁽³⁾	57,587	26,800	—	—	—	—	—

		Year Ended December 31, 2022				
Company	Product or Service	Total	Investments in Hotel Properties, net ⁽¹⁾	Other Hotel Revenue	Management Fees	Other Hotel Expenses
Ashford LLC	Insurance claims services	\$ 17	\$ —	\$ —	\$ —	\$ —
Ashford Securities	Capital raise services	(2,566)	—	—	—	—
Ashford Securities	Dealer manager fees	44	—	—	—	—
INSPIRE	Audio visual commissions	7,973	—	7,973	—	—
Lismore Capital	Debt placement and related services	1,631	—	—	—	—
OpenKey	Mobile key app	121	—	—	—	121
Premier	Design and construction services	18,776	17,482	—	—	—
Pure Wellness	Hypoallergenic premium rooms	1,294	—	—	—	1,294
Remington Hospitality	Hotel management services ⁽³⁾	49,762	—	—	23,856	25,906

		Year Ended December 31, 2022						
Company	Product or Service	Total	Preferred Stock	Property Taxes, Insurance and Other	Advisory Services Fee	Corporate, General and Administrative	Write-off of Premiums, Loan Costs and Exit Fees	
Ashford LLC	Insurance claims services	\$ 17	\$ —	\$ 17	\$ —	\$ —	\$ —	—
Ashford Securities	Capital raise services	(2,566)	51	—	—	(2,617)	—	—
Ashford Securities	Dealer manager fees	44	44	—	—	—	—	—
INSPIRE	Audio visual commissions	7,973	—	—	—	—	—	—
Lismore Capital	Debt placement and related services	1,631	—	—	—	—	—	1,631
OpenKey	Mobile key app	121	—	—	—	—	—	—
Premier	Design and construction services	18,776	—	—	1,294	—	—	—
Pure Wellness	Hypoallergenic premium rooms	1,294	—	—	—	—	—	—
Remington Hospitality	Hotel management services ⁽³⁾	49,762	—	—	—	—	—	—

		Year Ended December 31, 2021					
Company	Product or Service	Total	Investments in Hotel Properties, net ⁽¹⁾	Indebtedness, net ⁽²⁾	Other Assets	Other Hotel Revenue	Management Fees
Ashford LLC	Insurance claims services	\$ 74	\$ —	\$ —	\$ —	\$ —	\$ —
Ashford Securities	Capital raise services	19	—	—	—	—	—
INSPIRE	Audio visual commissions	2,993	—	—	—	2,993	—
Lismore Capital	Debt placement and related services	7,220	—	784	792	—	—
Lismore Capital	Broker services	955	—	955	—	—	—
OpenKey	Mobile key app	121	—	—	—	—	—
Premier	Design and construction services	5,940	5,192	—	—	—	—
Pure Wellness	Hypoallergenic premium rooms	1,366	—	—	—	—	—
Remington Hospitality	Hotel management services ⁽³⁾	35,526	—	—	—	—	17,754

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Company	Product or Service	Year Ended December 31, 2021					
		Total	Other Hotel Expenses	Property Taxes, Insurance and Other	Advisory Services Fee	Corporate, General and Administrative	Write-off of Premiums, Loan Costs and Exit Fees
Ashford LLC	Insurance claims services	\$ 74	\$ —	\$ 74	\$ —	\$ —	\$ —
Ashford Securities	Capital raise services	19	—	—	—	19	—
INSPIRE	Audio visual commissions	2,993	—	—	—	—	—
Lismore Capital	Debt placement and related services	7,220	—	—	—	—	5,644
Lismore Capital	Broker services	955	—	—	—	—	—
OpenKey	Mobile key app	121	121	—	—	—	—
Premier	Design and construction services	5,940	—	—	748	—	—
Pure Wellness	Hypoallergenic premium rooms	1,366	1,366	—	—	—	—
Remington Hospitality	Hotel management services ⁽³⁾	35,526	17,772	—	—	—	—

⁽¹⁾ Recorded in FF&E and depreciated over the estimated useful life.

⁽²⁾ Recorded as deferred loan costs, which are included in "indebtedness, net" on our consolidated balance sheets and amortized over the initial term of the applicable loan agreement.

⁽³⁾ Other hotel expenses include incentive hotel management fees and other hotel management costs.

⁽⁴⁾ The Lismore fees in "other assets" on our consolidated balance sheets are amortized to "write-off of premiums, loan costs and exit fees."

The following table summarizes amounts due (to) from Ashford Inc. (in thousands):

Company	Product or Service	Due (to) from Ashford Inc.	
		December 31, 2023	December 31, 2022
Ashford LLC	Advisory services ⁽¹⁾	\$ (2,289)	\$ (1,831)
Ashford LLC	Insurance claims services	(5)	(3)
Ashford LLC	Casualty insurance	(4,057)	—
Ashford Securities	Capital raise services/Broker dealer expense	(3,140)	5,951
INSPIRE	Audio visual	(1,238)	(1,650)
OpenKey	Mobile key app	(9)	(12)
Premier	Design and construction services	(2,507)	(1,966)
Pure Wellness	Hypoallergenic premium rooms	(17)	(3)
		<u>\$ (13,262)</u>	<u>\$ 486</u>

⁽¹⁾ Includes liabilities associated with assets held for sale as of December 31, 2023.

As of December 31, 2023, due to related parties, net included a net payable to Remington Hospitality in the amount of \$ 5.9 million primarily related to accrued base and incentive management fees and casualty insurance premiums.

As of December 31, 2022, due from related parties, net included a net receivable from Remington Hospitality in the amount of \$ 5.4 million, primarily related to advances made by Ashford Trust and accrued base and incentive management fees.

18. Commitments and Contingencies

Restricted Cash—Under certain management and debt agreements for our hotel properties existing at December 31, 2023, escrow payments are required for insurance, real estate taxes, and debt service. In addition, for certain properties based on the terms of the underlying debt and management agreements, we escrow generally 4 % to 6 % of gross revenues for capital improvements. From time to time, the Company may work with its property managers and lenders in order to utilize lender and manager held reserves to fund operating shortfalls.

Franchise Fees—Under franchise agreements for our hotel properties existing at December 31, 2023, we pay franchisor royalty fees between 3 % and 6 % of gross rooms revenue and, in some cases, 1 % to 3 % of food and beverage revenues. Additionally, we pay fees for marketing, reservations, and other related activities aggregating between 1 % and 4 % of gross rooms revenue and, in some cases, food and beverage revenues. These franchise agreements expire on varying dates between 2024 and 2047. When a franchise term expires, the franchisor has no obligation to renew the franchise. In addition, if we breach the franchise agreement and the franchisor terminates a franchise prior to its expiration date, we may be liable for up to three times the average annual fees incurred for that property.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The table below summarizes the franchise fees incurred (in thousands):

Line Item	Year Ended December 31,		
	2023	2022	2021
Other hotel expenses	\$ 64,437	\$ 59,195	\$ 39,633

Management Fees—Under hotel management agreements for our hotel properties existing at December 31, 2023, we pay monthly hotel management fees equal to the greater of approximately \$ 17,000 per hotel (increased annually based on consumer price index adjustments) or 3 % of gross revenues, or in some cases 2 % to 7 % of gross revenues, as well as annual incentive management fees, if applicable. These hotel management agreements expire from 2025 through 2038, with renewal options. If we terminate a hotel management agreement prior to its expiration, we may be liable for estimated management fees through the remaining term and liquidated damages or, in certain circumstances, we may substitute a new management agreement.

Leases—We lease land and facilities under non-cancelable operating and finance leases, which expire between 2054 and 2084, including two ground leases related to two hotels and one lease that encompasses the Hilton Marietta. These leases are subject to base rent plus contingent rent based on each hotel property's financial results and escalation clauses. Additionally, other leases have certain contingent rentals included. See note 19. See discussion of the 815 Commerce MM failed sale and leaseback in note 4.

Capital Commitments—At December 31, 2023, we had capital commitments of \$ 59.7 million, including commitments that will be satisfied with insurance proceeds, relating to general capital improvements that are expected to be paid in the next twelve months.

Potential Pension Liabilities—Upon our 2006 acquisition of a hotel property, certain employees of such hotel were unionized and covered by a multi-employer defined benefit pension plan. At that time, no unfunded pension liabilities existed. Subsequent to our acquisition, a majority of employees, who are employees of the hotel manager, Remington Hospitality, petitioned the employer to withdraw recognition of the union. As a result of the decertification petition, Remington Hospitality withdrew recognition of the union. At the time of the withdrawal, the National Retirement Fund, the union's pension fund, indicated unfunded pension liabilities existed. The National Labor Relations Board filed a complaint against Remington Hospitality seeking, among other things, a ruling that Remington Hospitality's withdrawal of recognition was unlawful. The pension fund entered into a settlement agreement with Remington Hospitality on November 1, 2011, providing that Remington Hospitality will continue to make monthly pension fund payments pursuant to the collective bargaining agreement. As of December 31, 2023, Remington Hospitality continues to comply with the settlement agreement by making the appropriate monthly pension fund payments. If Remington Hospitality does not comply with the settlement agreement, we have agreed to indemnify Remington Hospitality for the payment of the unfunded pension liability, if any, as set forth in the settlement agreement equal to \$ 1.7 million minus the monthly pension payments made by Remington Hospitality since the settlement agreement. To illustrate, if Remington Hospitality - as of the date a final determination occurs - has made monthly pension payments equaling \$ 100,000 , Remington Hospitality's remaining withdrawal liability would be the unfunded pension liability of \$ 1.7 million minus \$ 100,000 (or \$ 1.6 million). This remaining unfunded pension liability would be paid to the pension fund in annual installments of \$ 84,000 (but may be made monthly or quarterly, at Remington Hospitality's election), which shall continue for the remainder of 20 years, which is capped, unless Remington Hospitality elects to pay the unfunded pension liability amount earlier.

Income Taxes—We and our subsidiaries file income tax returns in the federal jurisdiction and various states. Tax years 2019 through 2023 remain subject to potential examination by certain federal and state taxing authorities.

Litigation—On December 20, 2016, a class action lawsuit was filed against one of the Company's hotel management companies in the Superior Court of the State of California in and for the County of Contra Costa alleging violations of certain California employment laws, which class action affects nine hotels owned by subsidiaries of the Company. The court has entered an order granting class certification with respect to: (i) a statewide class of non-exempt employees of our manager who were allegedly deprived of rest breaks as a result of our manager's previous written policy requiring its employees to stay on premises during rest breaks; and (ii) a derivative class of non-exempt former employees of our manager who were not paid for allegedly missed breaks upon separation from employment. Notices to potential class members were sent out on February 2, 2021. Potential class members had until April 4, 2021 to opt out of the class; however, the total number of employees in the class has not been definitively determined and is the subject of continuing discovery. The opt out period has been extended until such time that discovery has concluded. In May 2023 the trial court requested additional briefing from the parties to determine whether the case should be maintained, dismissed, or the class de-certified. After submission of the briefs, the court requested

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

that the parties submit stipulations for the court to rule upon. On February 13, 2024, the judge ordered the parties to submit additional briefing related to on-site breaks. While we believe it is reasonably possible that we may incur a loss associated with this litigation, because there remains uncertainty under California law with respect to a significant legal issue, discovery relating to class members continues, and the trial judge retains discretion to award lower penalties than set forth in the applicable California employment laws, we do not believe that any potential loss to the Company is reasonably estimable at this time. As of December 31, 2023, no amounts have been accrued.

We are also engaged in other legal proceedings that have arisen but have not been fully adjudicated. To the extent the claims giving rise to these legal proceedings are not covered by insurance, they relate to the following general types of claims: employment matters, tax matters and matters relating to compliance with applicable law (for example, the Americans with Disability Act and similar state laws). The likelihood of loss from these legal proceedings is based on the definitions within contingency accounting literature. We recognize a loss when we believe the loss is both probable and reasonably estimable. Based on the information available to us relating to these legal proceedings and/or our experience in similar legal proceedings, we do not believe the ultimate resolution of these proceedings, either individually or in the aggregate, will have a material adverse effect on our consolidated financial position, results of operations, or cash flow.

During the quarter ended September 30, 2023, we had a cyber incident that resulted in the potential exposure of certain employee personal information. We have completed an investigation and have identified certain employee information that may have been exposed, but we have not identified that any customer information was exposed. All systems have been restored. We believe that we maintain a sufficient level of insurance coverage related to such events, and the related incremental costs incurred to date are immaterial. In February of 2024, two class action lawsuits were filed related to the cyber incident. The suits are currently pending in the U.S. District Court for the Northern District of Texas. We intend to vigorously defend these matters and do not believe that any potential loss is reasonably estimable at this time. It is reasonably possible that the Company may incur additional costs related to the matter, but we are unable to predict with certainty the ultimate amount or range of potential loss.

Our assessment may change depending upon the development of any current or future legal proceedings, and the final results of such legal proceedings cannot be predicted with certainty. If we ultimately do not prevail in one or more of these legal matters, and the associated realized losses exceed our current estimates of the range of potential losses, our consolidated financial position, results of operations, or cash flows could be materially adversely affected in future periods.

19. Leases

The majority of our leases, as lessee, are operating ground leases. We also have operating equipment leases, such as copier and vehicle leases, at our hotel properties. Some leases include one or more options to renew, with renewal terms that can extend the lease term from one year to 99 years. The exercise of lease renewal options is at our sole discretion. Some leases have variable payments, however, if variable payments are contingent, they are not included in the ROU assets and liabilities.

In December 2022, the Company acquired the lease of a single hotel property in Marietta, Georgia. The lease is considered a finance lease and resulted in an increase to "investments in hotel properties, net" and "finance lease liabilities" of approximately \$ 19.0 million, inclusive of transaction costs, and \$ 18.8 million, respectively.

The discount rate used to calculate the lease liability and ROU asset related to our ground leases is based on our incremental borrowing rate ("IBR"), as the rate implicit in each lease is not readily determinable. The IBR is determined at commencement of the lease, or upon modification of the lease, as the interest rate a lessee would have to pay to borrow on a fully collateralized basis over a similar term and at an amount equal to the lease payments in a similar economic environment.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

As of December 31, 2023 and 2022, our leased assets and liabilities consisted of the following (in thousands):

	Lease Classification	December 31, 2023	December 31, 2022
Assets			
Operating lease right-of-use assets	Operating lease right-of-use assets	\$ 44,047	\$ 43,921
Finance lease assets	Investments in hotel properties, net	17,269	18,972
Total leased assets		\$ 61,316	\$ 62,893
Liabilities			
Operating lease liabilities	Operating lease liabilities	\$ 44,765	\$ 44,661
Finance lease liabilities	Finance lease liabilities	18,469	18,847
Total leased liabilities		\$ 63,234	\$ 63,508

We incurred the following lease costs related to our leases (in thousands):

Lease cost	Classification	Year Ended December 31,		
		2023	2022	2021
Operating lease cost				
Rent expense	Hotel operating expenses - other ⁽¹⁾	\$ 4,351	\$ 4,714	\$ 4,665
Finance lease cost				
Amortization of lease assets	Depreciation and amortization	\$ 537	\$ 26	\$ —

⁽¹⁾ For the years ended December 31, 2023, 2022, and 2021, operating lease cost includes approximately \$ 1.1 million, \$ 1.2 million and \$ 1.1 million, respectively, of variable lease cost associated primarily with the ground leases and \$(15,000), \$ 181,000 and \$ 211,000 , respectively of net amortization costs related to the intangible assets and liabilities that were reclassified to "operating lease right-of-use assets" upon adoption of ASC 842. The change in net intangible amortization costs from 2022 to 2023 was primarily due to certain leases with intangible balances reaching maturity in 2023. Short-term lease costs in aggregate are immaterial.

Other information related to leases is as follows:

Supplemental Cash Flows Information	Year Ended December 31,		
	2023	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases (in thousands)	\$ 2,647	\$ 2,713	\$ 2,824
Weighted Average Remaining Lease Term			
Operating leases ⁽¹⁾	67 years	67 years	68 years
Finance lease ⁽²⁾	31 years	32 years	—
Weighted Average Discount Rate			
Operating leases ⁽¹⁾	5.26 %	5.14 %	5.14 %
Finance lease	10.68 %	10.68 %	— %

⁽¹⁾ Calculated using the lease term, excluding extension options, and our calculated discount rates of the ground leases and owner managed leases.

⁽²⁾ The weighted-average remaining lease term includes the lease term of our finance lease with the City of Marietta which terminates December 31, 2054.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Future minimum lease payments due under non-cancellable leases as of December 31, 2023 were as follows (in thousands):

	Operating Leases	Finance Lease
2024	\$ 3,102	\$ 2,411
2025	3,085	2,411
2026	3,057	2,284
2027	3,017	1,904
2028	3,017	1,904
Thereafter	180,660	51,917
Total future minimum lease payments ⁽¹⁾	195,938	62,831
Less: interest	151,173	44,362
Present value of lease liabilities	\$ 44,765	\$ 18,469

⁽¹⁾ Based on payment amounts as of December 31, 2023.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. Income Taxes

For U.S. federal income tax purposes, we elected to be treated as a REIT under the Code. To qualify as a REIT, we must meet certain organizational and operational stipulations, including a requirement that we distribute at least 90 % of our REIT taxable income, excluding net capital gains, to our stockholders. We currently intend to adhere to these requirements and maintain our REIT status. If we fail to qualify as a REIT in any taxable year, we will be subject to U.S. federal income taxes at regular corporate rates (including any applicable alternative minimum tax) and may not qualify as a REIT for four years that are subsequently taxable. Even if we qualify for taxation as a REIT, we may be subject to certain state and local taxes as well as to federal income and excise taxes on our undistributed taxable income.

At December 31, 2023, our 90 hotel properties and four Stirling OP hotel properties were leased or owned by our wholly owned or majority owned subsidiaries that are treated as taxable REIT subsidiaries for U.S. federal income tax purposes. Ashford TRS recognized net book income (loss) of \$ 3.7 million, \$ 44.2 million and \$ 31.1 million for the years ended December 31, 2023, 2022 and 2021, respectively.

The following table reconciles the income tax (expense) benefit at statutory rates to the actual income tax (expense) benefit recorded (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Income tax (expense) benefit at federal statutory income tax rate of 21%	\$ (761)	\$ (9,291)	\$ (6,513)
State income tax (expense) benefit, net of U.S. federal income tax benefit	(311)	(1,219)	(413)
Permanent differences	(168)	(2,342)	(238)
Provision to return adjustment	15	1,971	60
Gross receipts and margin taxes	(958)	(506)	(199)
Interest and penalties	184	(199)	(18)
Valuation allowance	1,099	5,250	1,373
Total income tax (expense) benefit	<u>\$ (900)</u>	<u>\$ (6,336)</u>	<u>\$ (5,948)</u>

The components of income tax (expense) benefit are as follows (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Current:			
Federal	\$ (195)	\$ (4,616)	\$ (4,950)
State	(733)	(1,773)	(885)
Total current income tax (expense) benefit	<u>(928)</u>	<u>(6,389)</u>	<u>(5,835)</u>
Deferred:			
Federal	28	53	(113)
State	—	—	—
Total deferred income tax (expense) benefit	<u>28</u>	<u>53</u>	<u>(113)</u>
Total income tax (expense) benefit	<u>\$ (900)</u>	<u>\$ (6,336)</u>	<u>\$ (5,948)</u>

For the years ended December 31, 2023, 2022 and 2021 income tax expense includes interest and penalties paid to/(received from) taxing authorities of \$(184,000), \$ 199,000 and \$ 18,000 , respectively. At December 31, 2023 and 2022, we determined that there were no material amounts to accrue for interest and penalties due to taxing authorities.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

At December 31, 2023 and 2022, our deferred tax asset (liability) and related valuation allowance consisted of the following (in thousands):

	December 31,	
	2023	2022
Deferred tax assets:		
Allowance for doubtful accounts	\$ 274	\$ 104
Unearned income	812	950
Federal and state net operating losses	23,071	22,367
Capital loss carryforward	5,659	7,440
Accrued expenses	1,598	1,781
Tax derivatives basis greater than book basis	307	315
Operating lease liability	2,295	2,368
Other	271	321
Deferred tax assets	34,287	35,646
Valuation allowance	(29,302)	(31,205)
Net deferred tax asset	4,985	4,441
Deferred tax liabilities:		
Prepaid expenses	(31)	(22)
Investment in partnership	(487)	—
Operating lease right-of-use assets	(2,295)	(2,368)
Tax property basis less than book basis	(2,576)	(2,483)
Deferred tax liabilities	(5,389)	(4,873)
Net deferred tax asset (liability)	<u>\$ (404)</u>	<u>\$ (432)</u>

At December 31, 2023, we had TRS NOLs for U.S. federal income tax purposes of \$ 94.2 million, however \$ 90.2 million of our NOLs are subject to limitation in the amount of approximately \$ 7.3 million per year through 2025, and \$ 1.2 million per year thereafter under Section 382 of the Internal Revenue Code. NOLs become subject to an annual limitation in the event of certain cumulative changes in the ownership of significant shareholders over a three-year period in excess of 50%, as defined under Section 382 of the Internal Revenue Code. The remaining \$ 4.0 million of our TRS NOLs are not subject to the limitations of Section 382. In total \$ 9.6 million of our TRS NOLs are subject to expiration and will begin to expire in 2024. The remainder was generated after December 31, 2017 and are not subject to expiration under the Tax Cuts and Jobs Act. At December 31, 2023, we had NOLs for U.S. federal income tax purposes of \$ 1.2 billion based on the latest filed tax returns. Utilization of the REIT NOLs subject to Section 382 are limited to approximately \$ 37.2 million per year through 2025, and \$ 9.4 million per year thereafter. \$ 425.2 million of our net operating loss carryforwards will begin to expire in 2024 and are available to offset future taxable income, if any, through 2036. The remainder were generated after December 31, 2017 and are not subject to expiration under the Tax Cuts and Jobs Act.

At December 31, 2023 and 2022, we maintained a valuation allowance of \$ 29.3 million and \$ 31.2 million, respectively. At December 31, 2023 and 2022, we have reserved certain deferred tax assets of our TRS entities as we believe it is more likely than not that these deferred tax assets will not be realized. We considered all available evidence, both positive and negative. We concluded that the objectively verifiable negative evidence of a history of consolidated losses and the limitations imposed by the Code on the utilization of net operating losses of acquired subsidiaries outweigh the positive evidence. We believe this treatment is appropriate considering the nature of the intercompany transactions and leases between the REIT and its subsidiaries and that the current level of taxable income at the TRS is primarily attributable to our current transfer pricing arrangements. The transfer pricing arrangements are renewed upon expiration. All existing leases were extended and terms amended in 2020 to reflect the economic impact of COVID-19. Outside consultants prepared the transfer pricing studies supporting the rents from the leases. Outside consultants will continue to provide transfer pricing studies on any newly acquired properties. The intercompany rents are determined in accordance with the arms' length transfer pricing standard, taking into account the cost of ownership to the REIT among other factors. We do not recognize deferred tax assets and a valuation allowance for the REIT since the REIT distributes its taxable income as dividends to stockholders, and in turn, the stockholders incur income taxes on those dividends.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The following table summarizes the changes in the valuation allowance (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Balance at beginning of year	\$ 31,205	\$ 38,810	\$ 40,029
Additions	—	—	—
Deductions	(1,903)	(7,605)	(1,219)
Balance at end of year	<u>\$ 29,302</u>	<u>\$ 31,205</u>	<u>\$ 38,810</u>

21. Deferred Costs, net

Deferred costs, net consist of the following (in thousands):

	December 31,	
	2023	2022
Deferred franchise fees	\$ 3,171	\$ 3,171
Deferred loan costs	—	5,479
Total costs	3,171	8,650
Accumulated amortization	(1,363)	(5,985)
Deferred costs, net	<u>\$ 1,808</u>	<u>\$ 2,665</u>

22. Intangible Assets, net and Intangible Liabilities, net

Intangible assets, net and intangible liabilities, net consisted of the following (in thousands):

	Intangible Assets, net		Intangible Liabilities, net	
	December 31,		December 31,	
	2023	2022	2023	2022
Cost	\$ 797	\$ 797	\$ 2,723	\$ 2,723
Accumulated amortization	—	—	(706)	(626)
	<u>\$ 797</u>	<u>\$ 797</u>	<u>\$ 2,017</u>	<u>\$ 2,097</u>

The intangible assets represent the acquisition of the permanent exclusive docking easement for riverfront land located in front of the Hyatt Savannah hotel in Savannah, Georgia. This intangible asset is not subject to amortization and has a carrying value of \$ 797,000 as of December 31, 2023 and 2022.

As of December 31, 2023 and 2022, intangible liabilities, net represents below market rate leases where the Company is the lessor. For the years ended December 31, 2023, 2022 and 2021 we recorded \$ 80,000 , \$ 80,000 , and \$ 80,000 , respectively, of other revenue related to leases where we are the lessor.

Estimated future amortization for intangible liabilities for each of the next five years and thereafter is as follows (in thousands):

2024	\$ 36
2025	32
2026	32
2027	32
2028	32
Thereafter	1,853
Total	<u>\$ 2,017</u>

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. Concentration of Risk

Our investments are primarily concentrated within the hotel industry. Our investment strategy is predominantly focused on investing in upper upscale full-service hotels in the United States that have RevPAR generally less than twice the national average. During 2023, approximately 12 % of our total hotel revenue was generated from nine hotel properties located in the Washington D.C. area. All hotel properties securing our mortgage loans are located domestically at December 31, 2023. Accordingly, adverse conditions in the hotel industry will have a material adverse effect on our operating and investment revenues and cash available for distribution to stockholders.

Financial instruments that potentially subject us to significant concentrations of credit risk consist principally of cash and cash equivalents. We are exposed to credit risk with respect to cash held at various financial institutions that are in excess of the FDIC insurance limits of \$250,000 and amounts due or payable under our derivative contracts. At December 31, 2023, we have exposure risk related to our derivative contracts. Our counterparties are investment grade financial institutions.

24. Segment Reporting

We operate in one business segment within the hotel lodging industry: direct hotel investments. Direct hotel investments refer to owning hotel properties through either acquisition or new development. We report operating results of direct hotel investments on an aggregate basis as substantially all of our hotel investments have similar economic characteristics. As of December 31, 2023 and December 31, 2022, all of our hotel properties were domestically located.

25. Subsequent Events

On March 1, 2024, the Company received notice that the hotel properties securing the KEYS A and KEYS B loan pools have been transferred to a court-appointed receiver.

On March 6, 2024, the Company completed the sale of the Residence Inn in Salt Lake City, Utah for approximately \$ 19.2 million. As of December 31, 2023, the carrying value of the building and FF&E was approximately \$ 11.9 million at December 31, 2023. The Company also repaid approximately \$ 19 million of principal on its mortgage loan partially secured by the hotel property.

On March 11, 2024, we entered into Amendment No. 3 to the Oaktree Credit Agreement which, among other items, (i) extends the Credit Agreement to January 15, 2026, (ii) removes the \$ 50 million minimum cash requirement, (iii) removes the 3 % increase in the interest rate if cash is below \$ 100 million, (iv) removes the provision in which a default under mortgage indebtedness is a default under the Credit Agreement, (v) increases the interest rate by 3.5 % if the principal balance is not less than \$ 100 million as of September 30, 2024 or not fully repaid by March 31, 2025, (vi) terminates all "delayed draw" term loan commitments and the unused fees thereon, (vii) provides for a mandatory prepayment of the Credit Agreement at the end of each calendar quarter in the amount by which unrestricted cash exceeds \$ 75 million for the first three quarters of 2024, \$ 50 million for the fourth quarter of 2024, and \$ 25 million for each quarter thereafter, (viii) provides for a mandatory prepayment of the Credit Agreement in an amount equal to 50 % of all net proceeds raised from the issuance of equity, including non-traded preferred stock (increased to 100 % of such net proceeds if the principal balance is not less than \$ 100 million as of September 30, 2024 or not fully repaid by March 31, 2025), (ix) removes the option to pay the exit fee in the form of common stock warrants, (x) requires the exit fee to be paid in the form of a 15 % cash exit fee (payable entirely in cash), which exit fee shall be reduced to 12.5 % if the Oaktree Credit Agreement is repaid on or before September 30, 2024, (xi) requires the Company to use commercially reasonable efforts to sell fifteen specified hotels, (xii) if the principal balance is not less than \$ 100 million as of September 30, 2024 or not fully repaid by March 31, 2025, requires the Company to sell eight specified hotels at a minimum sales price within six months, with the net sales proceeds to be applied as a prepayment of the Credit Agreement, (xiii) requires the Company to use commercially reasonable efforts to refinance the Renaissance Nashville hotel property, and (xiv) limits the Company's ability to perform discretionary capital expenditures.

On March 11, 2024, the Company and Ashford Trust OP, as borrower (the "Borrower") entered into that certain Limited Waiver to Credit Agreement (the "Limited Waiver to Credit Agreement") with the guarantors party thereto, the lenders party thereto (the "Lenders") and Oaktree Fund Administration, LLC, as administrative agent. Pursuant to the Limited Waiver to Credit Agreement, the Borrower, the other Loan Parties (as defined in the Oaktree Credit Agreement), the Lenders and the Administrative Agent acknowledged and agreed that:

(a) certain deferred cash grants were or are being awarded to employees and/or officers of the Advisor and/or their affiliates pursuant to equity compensation plans during 2022, 2023 and 2024, in aggregate amounts of \$ 7,950,817 in 2022,

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

\$ 13,063,844 in 2023 and \$ 14,880,846 in 2024 (i.e., \$ 35,895,507 in the aggregate) (the "Specified Deferred Cash Grants"), which the parties agreed may be made (and were or are being made) in lieu of deferred stock grants that would otherwise be permitted and made under the terms of the Advisory Agreement;

(b) accordingly, (i) the departure from the terms of the Advisory Agreement in making the Specified Deferred Cash Grants as described in the foregoing clause (a) shall be deemed to be permitted under Section 7.13(b) of the Credit Agreement; provided, however, the Borrower and the other Loan Parties agree that actual cash payments made under the Specified Deferred Cash Grants, together with any other Restricted Payments (as defined in the Oaktree Credit Agreement) made pursuant to Section 7.06(f) of the Oaktree Credit Agreement, shall not exceed \$ 30,000,000 in the aggregate unless and until the Borrower has repaid in full the principal amount of the Loans, including any Cash Exit Fee Loans (as such terms are defined in the Oaktree Credit Agreement); (ii) the Lenders and the Administrative Agent waive non-compliance with Section 7.13(b), if any, prior to March 11, 2024, which resulted or would result (absent the waiver) from the making of the Specified Deferred Cash Grants in accordance with the foregoing provisions of Section 2 of the Limited Waiver to Credit Agreement, and (iii) effective from March 11, 2024 Section 7.13(b) shall be deemed to be amended to permit the Specified Deferred Cash Grants in accordance with the foregoing provisions of Section 2 of the Limited Waiver to Credit Agreement; and

(c) the waiver contained in the Limited Waiver to Credit Agreement shall be effective only in this instance and for the specific purpose for which it was intended and shall not be deemed to be a consent to any other transaction or matter or waiver of compliance in the future, or a waiver of any preceding or succeeding breach of the same or any other covenant or provision of the Oaktree Credit Agreement.

Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

None.

Item 9A. *Controls and Procedures*

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, our management has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2023 ("Evaluation Date"). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the Evaluation Date, our disclosure controls and procedures were effective (i) to ensure that information required to be disclosed in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms; and (ii) to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of our internal control over financial reporting. The internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and our expenditures are being made only in accordance with authorizations of management and our directors and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2023. In making the assessment of the effectiveness of our internal control over financial reporting, management has utilized the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, (2013 framework) ("COSO").

Based on management's assessment of these criteria, we concluded that, as of December 31, 2023, our internal control over financial reporting was effective. The effectiveness of our internal control over financial reporting as of December 31, 2023 has been audited by BDO USA, P.C., an independent registered public accounting firm, as stated in their report which appears in this Annual Report on Form 10-K.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in our internal controls over financial reporting that occurred during the fiscal quarter ended December 31, 2023, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Report of Independent Registered Public Accounting Firm

Stockholders and Board of Directors
Ashford Hospitality Trust, Inc.
Dallas, Texas

Opinion on Internal Control over Financial Reporting

We have audited Ashford Hospitality Trust, Inc.'s (the "Company's") internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive income (loss), equity (deficit), and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and schedule and our report dated March 14, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Item 9A, Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of internal control over financial reporting in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ BDO USA, P.C.

Dallas, Texas
March 14, 2024

Item 9B. Other Information

During the three months ended December 31, 2023, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading agreement” or “non-Rule 10b5-1 trading agreement,” as each term is defined in Item 408(a) of Regulation S-K.

Entry into a Material Definitive Agreement

Third Amended and Restated Advisory Agreement

On March 12, 2024, we entered into the Third Amended and Restated Advisory Agreement with Ashford LLC (the “Third Amended and Restated Advisory Agreement”). The Third Amended and Restated Advisory Agreement amends and restates the terms of the Second Amended and Restated Advisory Agreement, dated January 14, 2021, to, among other items: (i) require the Company pay the advisor the Portfolio Company Fee (as defined in the Third Amended and Restated Advisory Agreement) upon certain specified defaults under the Company’s loan agreements resulting in the foreclosure of the Company’s hotel properties, (ii) provide that there shall be no additional payments to the advisor from the amendments to the master hotel management agreement with Remington Hospitality and the master project management agreement with Premier until the Oaktree Credit Agreement is paid in full, and limits, for a period of two years thereafter, the incremental financial impact to no more than \$2 million per year in additional payments to the advisor from such amendments, (iii) reduces the Consolidated Tangible Net Worth covenant (as defined in the Third Amended and Restated Advisory Agreement) to \$750 million (plus 75% of net equity proceeds received) from \$1 billion (plus 75% of net equity proceeds received), (iv) revise the criteria that would constitute a Company Change of Control, (v) revise the definition of termination fee to provide for a minimum amount of such termination fee and (vi) revise the criteria that would constitute a voting control event.

Second Consolidated, Amended and Restated Hotel Master Management Agreement

On March 12, 2024, Ashford TRS Corporation entered into a Second Consolidated, Amended and Restated Hotel Master Management Agreement with Remington Hospitality (the “Second A&R HMA”). The provisions of the Second A&R HMA are substantially the same as in the Consolidated, Amended and Restated Hotel Master Management Agreement, dated as of August 8, 2018. The Second A&R HMA provides for an initial term of ten years as to each hotel governed by the Second A&R HMA. The term may be renewed by Remington Hospitality, at its option, for three successive periods of seven years each, and, thereafter, a final term of four years, provided that at the time the option to renew is exercised, Remington Hospitality is not then in default under the Second A&R HMA. The Second A&R HMA also provides that Remington Hospitality may charge market premiums for its self-insured health plans to its hotel employees, the cost of which is an operating expense of the hotel properties.

Amended and Restated Master Project Management Agreement

On March 12, 2024, Ashford Hospitality Limited Partnership entered into an Amended and Restated Master Project Management Agreement with Premier (the “A&R PMA”). The provisions of the A&R PMA are substantially the same as the Master Project Management Agreement, dated as of August 8, 2018. The A&R PMA provides for an initial term of ten years as to each hotel governed by the A&R PMA. The term may be renewed by Premier, at its option, for three successive periods of seven years each, and, thereafter, a final term of four years, provided that at the time the option to renew is exercised, Premier is not then in default under the A&R PMA. The A&R PMA also (i) provides that fees will be payable monthly as the service is delivered based on percentage completion; (ii) allows a project management fee to be paid on a development, together with (and not in lieu of) the development fee; and (iii) fixes the fees for FF&E purchasing, expediting, freight management and warehousing at 8%.

Amendment No. 3 to Oaktree Credit Agreement

On March 11, 2024, we entered into Amendment No. 3 to the Oaktree Credit Agreement which, among other items, (i) extends the Credit Agreement to January 15, 2026, (ii) removes the \$50 million minimum cash requirement, (iii) removes the 3% increase in the interest rate if cash is below \$100 million, (iv) removes the provision in which a default under mortgage indebtedness is a default under the Credit Agreement, (v) increases the interest rate by 3.5% if the principal balance is not less than \$100 million as of September 30, 2024 or not fully repaid by March 31, 2025, (vi) terminates all “delayed draw” term loan commitments and the unused fees thereon, (vii) provides for a mandatory prepayment of the Credit Agreement at the end of each calendar quarter in the amount by which unrestricted cash exceeds \$75 million for the first three quarters of 2024, \$50 million for the fourth quarter of 2024, and \$25 million for each quarter thereafter, (viii) provides for a mandatory prepayment of the Credit Agreement in an amount equal to 50% of all net proceeds raised from the issuance of equity, including non-traded preferred stock (increased to 100% of such net proceeds if the principal balance is not less than \$100 million as of September 30, 2024 or not fully repaid by March 31, 2025), (ix) removes the option to pay the exit fee in the form of common stock warrants, (x) requires the exit fee to be paid in the form of a 15% cash exit fee (payable entirely in cash), which exit fee shall be

reduced to 12.5% if the Oaktree Credit Agreement is repaid on or before September 30, 2024, (xi) requires the Company to use commercially reasonable efforts to sell fifteen specified hotels, (xii) if the principal balance is not less than \$100 million as of September 30, 2024 or not fully repaid by March 31, 2025, requires the Company to sell eight specified hotels at a minimum sales price within six months, with the net sales proceeds to be applied as a prepayment of the Credit Agreement, (xiii) requires the Company to use commercially reasonable efforts to refinance the Renaissance Nashville hotel property, and (xiv) limits the Company's ability to perform discretionary capital expenditures.

Limited Waiver Under Advisory Agreement

On March 11, 2024, we entered into a Limited Waiver Under Advisory Agreement with Ashford Inc. and Ashford LLC (the "Advisory Agreement Limited Waiver"). Pursuant to the Advisory Agreement Limited Waiver, the Company, the Operating Partnership, TRS and the Advisor waive the operation of any provision in our advisory agreement that would otherwise limit the ability of the Company in its discretion, at the Company's cost and expense, to award during calendar year 2024, cash incentive compensation to employees and other representatives of the Advisor.

Limited Waiver to Credit Agreement

On March 11, 2024, the Company and Ashford Trust OP, as borrower (the "Borrower") entered into that certain Limited Waiver to Credit Agreement (the "Limited Waiver to Credit Agreement") with the guarantors party thereto, the lenders party thereto (the "Lenders") and Oaktree Fund Administration, LLC, as administrative agent. Pursuant to the Limited Waiver to Credit Agreement, the Borrower, the other Loan Parties (as defined in the Oaktree Credit Agreement), the Lenders and the Administrative Agent acknowledged and agreed that:

(a) certain deferred cash grants were or are being awarded to employees and/or officers of the Advisor and/or their affiliates pursuant to equity compensation plans during 2022, 2023 and 2024, in aggregate amounts of \$7,950,817 in 2022, \$13,063,844 in 2023 and \$14,880,846 in 2024 (i.e., \$35,895,507 in the aggregate) (the "Specified Deferred Cash Grants"), which the parties agreed may be made (and were or are being made) in lieu of deferred stock grants that would otherwise be permitted and made under the terms of the Advisory Agreement;

(b) accordingly, (i) the departure from the terms of the Advisory Agreement in making the Specified Deferred Cash Grants as described in the foregoing clause (a) shall be deemed to be permitted under Section 7.13(b) of the Credit Agreement; provided, however, the Borrower and the other Loan Parties agree that actual cash payments made under the Specified Deferred Cash Grants, together with any other Restricted Payments (as defined in the Oaktree Credit Agreement) made pursuant to Section 7.06(f) of the Oaktree Credit Agreement, shall not exceed \$30,000,000 in the aggregate unless and until the Borrower has repaid in full the principal amount of the Loans, including any Cash Exit Fee Loans (as such terms are defined in the Oaktree Credit Agreement); (ii) the Lenders and the Administrative Agent waive non-compliance with Section 7.13(b), if any, prior to March 11, 2024, which resulted or would result (absent the waiver) from the making of the Specified Deferred Cash Grants in accordance with the foregoing provisions of Section 2 of the Limited Waiver to Credit Agreement, and (iii) effective from March 11, 2024 Section 7.13(b) shall be deemed to be amended to permit the Specified Deferred Cash Grants in accordance with the foregoing provisions of Section 2 of the Limited Waiver to Credit Agreement; and

(c) the waiver contained in the Limited Waiver to Credit Agreement shall be effective only in this instance and for the specific purpose for which it was intended and shall not be deemed to be a consent to any other transaction or matter or waiver of compliance in the future, or a waiver of any preceding or succeeding breach of the same or any other covenant or provision of the Oaktree Credit Agreement.

The foregoing descriptions of the Third Amended and Restated Advisory Agreement, the Second A&R HMA, the A&R PMA, Amendment No. 3 to Oaktree Credit Agreement, the Advisory Agreement Limited Waiver and the Limited Waiver to Credit Agreement contained in this Item 9B do not purport to be complete and are subject to and qualified in their entirety by the full text of the agreements, copies of which are attached hereto as Exhibit 10.64, Exhibit 10.65, Exhibit 10.66, Exhibit 10.67, Exhibit 10.68 and Exhibit 10.69, respectively, and are incorporated herein by reference.

Item 9C. Disclosure Regarding Foreign Jurisdictions That Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The required information is incorporated by reference from the Proxy Statement pertaining to our 2024 Annual Meeting of Stockholders, to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 11. *Executive Compensation*

The required information is incorporated by reference from the Proxy Statement pertaining to our 2024 Annual Meeting of Stockholders, to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

The required information is incorporated by reference from the Proxy Statement pertaining to our 2024 Annual Meeting of Stockholders, to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

The required information is incorporated by reference from the Proxy Statement pertaining to our 2024 Annual Meeting of Stockholders, to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 14. *Principal Accountant Fees and Services*

The required information is incorporated by reference from the Proxy Statement pertaining to our 2024 Annual Meeting of Stockholders, to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

PART IV

Item 15. *Exhibits, Financial Statement Schedules*

(a), (c) Financial Statement Schedules

See Item 8, "Financial Statements and Supplementary Data," on pages 66 through 128 hereof, for our consolidated financial statements and report of independent registered public accounting firm.

The following financial statement schedule is included herein on pages 142 through 145 hereof.

Schedule III – Real Estate and Accumulated Depreciation

All other financial statement schedules have been omitted because such schedules are not required under the related instructions, such schedules are not significant, or the required information has been disclosed elsewhere in the consolidated financial statements and related notes thereto.

(b) Exhibits

Exhibit	Description
2.1	<u>Separation and Distribution Agreement, dated October 31, 2014, by and between Ashford Hospitality Trust, Inc., Ashford OP Limited Partner LLC, Ashford Hospitality Limited Partnership, Ashford Inc. and Ashford Hospitality Advisors LLC (incorporated by reference to Exhibit 2.1 to Form 8-K, filed on November 6, 2014, for the event dated October 31, 2014) (File No. 001-31775)</u>
3.1	<u>Articles of Amendment and Restatement, as amended by Amendment Number One to Articles of Amendment and Restatement (incorporated by reference to Exhibit 4.6 to Registration Statement on Form S-3 filed May 15, 2015)</u>
3.2	<u>Amendment Number Two to Articles of Amendment and Restatement (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K, filed on May 22, 2017) (File No. 00131775)</u>
3.3	<u>Articles of Amendment to the Company's charter (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K, filed on July 1, 2020) (File No. 001-31775)</u>
3.4	<u>Articles of Amendment to the Articles of Amendment and Restatement of the Company (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K, filed on July 16, 2021) (File No. 001-31775)</u>
3.5	<u>Second Amended and Restated Bylaws, as amended by Amendment No. 1 on October 26, 2014, by Amendment No. 2 on October 19, 2015, by Amendment No. 3 on August 2, 2016 by Amendment No. 4 on March 17, 2022 and by Amendment No. 5 on February 23, 2023 by Amendment No. 6 on August 8, 2023 and by Amendment No. 7 on February 27, 2024, adopted on February 27, 2024 (incorporated by reference to Exhibit 3.2 to the Registrant's Form 8-K, filed on March 1, 2024) (File No. 01-31775)</u>
4.1	<u>Form of Certificate for Common Stock (incorporated by reference to Exhibit 4.1 of Form S-11/A, filed on August 20, 2003) (File No. 001-31775)</u>
4.1.1	<u>Articles Supplementary for Series A Cumulative Preferred Stock, dated September 15, 2004 (incorporated by reference to Exhibit 4.1.1 of Form 10-K, filed on February 28, 2012) (File No. 001-31775)</u>
4.1.2	<u>Form of Certificate of Series A Cumulative Preferred Stock (incorporated by reference to Exhibit 4.1.2 of Form 10-K, filed on February 28, 2012) (File No. 001-31775)</u>
4.2.1	<u>Articles Supplementary for Series D Cumulative Preferred Stock, dated July 17, 2007 (incorporated by reference to Exhibit 3.5 to the Registrant's Form 8-A, filed July 17, 2007)</u>
4.2.2	<u>Form of Certificate of Series D Cumulative Preferred Stock (incorporated by reference to Exhibit 4.2 to the Registrant's Form 8-A, filed July 17, 2007)</u>
4.3.1	<u>Articles Supplementary for Series E Cumulative Preferred Stock, dated April 15, 2011 (incorporated by reference to Exhibit 3.6 to the Registrant's Form 8-A, filed April 18, 2011)</u>
4.3.2	<u>Form of Certificate of Series E Cumulative Preferred Stock (incorporated by reference to Exhibit 4.2 to the Registrant's Form 8-A, filed April 18, 2011)</u>
4.4	<u>Articles Supplementary for Series F Cumulative Preferred Stock, accepted for record and certified by the Maryland State Department of Assessments and Taxation on July 11, 2016 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K, filed July 12, 2016) (File No. 001-31775)</u>
4.5	<u>Articles Supplementary for Series G Cumulative Preferred Stock, accepted for record and certified by the Maryland State Department of Assessments and Taxation on October 17, 2016 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K, filed on October 18, 2016) (File No. 001-31775)</u>
4.6	<u>Articles Supplementary for Series H Cumulative Preferred Stock, accepted for record and certified by the Maryland State Department of Assessments and Taxation on August 18, 2017 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K, filed on August 22, 2017) (File No. 001-31775)</u>
4.7	<u>Articles Supplementary for Series I Cumulative Preferred Stock, accepted for record and certified by the Maryland State Department of Assessments and Taxation on November 14, 2017 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K, filed on November 14, 2017) (File No. 001-31775)</u>
4.8	<u>Articles Supplementary establishing the Series J Preferred Stock, accepted for record and certified by the SDAT on September 14, 2022 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K, filed on September 14, 2022) (File No. 001-31775)</u>
4.9	<u>Articles Supplementary establishing the Series K Preferred Stock, accepted for record and certified by the SDAT on September 14, 2022 (incorporated by reference to Exhibit 3.2 to the Registrant's Form 8-K, filed on September 14, 2022) (File No. 001-31775)</u>
4.10*	<u>Description of Securities</u>
10.1	<u>Seventh Amended and Restated Agreement of Limited Partnership of Ashford Hospitality Limited Partnership (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed on April 15, 2016) (File No. 001-31775)</u>
10.1.2	<u>Amendment No. 1 to Seventh Amended and Restated Agreement of Limited Partnership of Ashford Hospitality Limited Partnership, dated July 12, 2016 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed on July 12, 2016) (File No. 001-31775)</u>

Exhibit	Description
10.1.3	<u>Amendment No. 2 to Seventh Amended and Restated Agreement of Limited Partnership of Ashford Hospitality Limited Partnership, dated October 18, 2016 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed on October 18, 2016) (File No. 001-31775)</u>
10.1.4	<u>Amendment No. 3 to Seventh Amended and Restated Agreement of Limited Partnership of Ashford Hospitality Limited Partnership, dated August 25, 2017 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed on August 25, 2017) (File No. 001-31775)</u>
10.1.5	<u>Amendment No. 4 to Seventh Amended and Restated Agreement of Limited Partnership of Ashford Hospitality Limited Partnership, dated November 17, 2017 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed on November 17, 2017) (File No. 001-31775)</u>
10.1.6	<u>Amendment No. 5 to Seventh Amended and Restated Agreement of Limited Partnership of Ashford Hospitality Limited Partnership, dated December 13, 2017 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed on December 14, 2017) (File No. 001-31775)</u>
10.1.7	<u>Amendment No. 6 to Seventh Amended and Restated Agreement of Limited Partnership of Ashford Hospitality Limited Partnership, dated as of February 26, 2019 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed on April 29, 2022) (File No. 001-31775).</u>
10.1.8	<u>Amendment No. 7 to Seventh Amended and Restated Agreement of Limited Partnership of Ashford Hospitality Limited Partnership, dated July 15, 2020 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed on July 15, 2020) (File No. 001-31775)</u>
10.1.9	<u>Amendment No. 8 to the Seventh Amended and Restated Agreement of Limited Partnership of Ashford Hospitality Limited Partnership, dated December 9, 2020 (incorporated by reference to Exhibit 99.1 to the Registrant's Form 8-K, filed on December 15, 2020) (File No. 001-31775)</u>
10.1.10	<u>Amendment No. 9 to Seventh Amended and Restated Agreement of Limited Partnership of Ashford Hospitality Limited Partnership, dated as of July 16, 2021 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on July 16, 2021)</u>
10.1.11	<u>Amendment No. 10 to Seventh Amended and Restated Agreement of Limited Partnership of Ashford Hospitality Limited Partnership, dated as of April 28, 2022 (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed with the SEC on April 29, 2022)</u>
10.1.12	<u>Amendment No. 11 to the Seventh Amended and Restated Agreement of Limited Partnership of Ashford Hospitality Limited Partnership, dated as of September 14, 2022 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on September 14, 2022)</u>
10.2.1†	<u>2011 Stock Incentive Plan of Ashford Hospitality Trust, Inc. dated May 17, 2011 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed on May 20, 2011, for the event dated May 17, 2011) (File No. 001-31775)</u>
10.2.1.1†	<u>Amendment No. 1 to 2011 Incentive Stock Plan of Ashford Hospitality Trust, Inc., dated May 13, 2014 (incorporated by reference to Exhibit 10.2 of Form 8-K, filed on May 19, 2014) (File No. 001-31775)</u>
10.2.1.2†	<u>Amendment No. 2. to 2011 Incentive Stock Plan of Ashford Hospitality Trust, Inc., dated August 2, 2016 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed August 8, 2016) (File No.001-31775)</u>
10.2.1.3†	<u>Amendment No. 3 to 2011 Incentive Stock Plan of Ashford Hospitality Trust, Inc., dated May 16, 2017 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed May 22, 2017) (File No.001-31775)</u>
10.2.1.4†	<u>Amendment No. 4 to 2011 Incentive Stock Plan of Ashford Hospitality Trust, Inc., dated July 15, 2020 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K, filed on July 15, 2020) (File No. 001-31775)</u>
10.2.2.1†	<u>2021 Stock Incentive Plan of Ashford Hospitality Trust, Inc., as amended and restated through May 10, 2022 (incorporated by reference to Exhibit 10.1 to the Registrant's Form S-8, filed on May 11, 2022) (File No. 001-31775)</u>
10.2.2.2†	<u>Form of 2023 Deferred Cash Award Agreement (incorporated by reference to Exhibit 10.2.2.2 to the Registrant's Form 10-K, filed on March 10, 2023) (File No. 001-31775)</u>
10.2.2.3†	<u>Form of 2023 Performance Stock Unit Award Agreement (incorporated by reference to Exhibit 10.2.2.4 to the Registrant's Form 10-K, filed on March 10, 2023) (File No. 001-31775)</u>
10.2.2.4†	<u>Form of 2023 Performance LTIP Unit Award Agreement (incorporated by reference to Exhibit 10.2.2.4 to the Registrant's Form 10-K, filed on March 10, 2023) (File No. 001-31775)</u>
10.2.5†	<u>Second Amended and Restated Employment Agreement, by and among Ashford Inc., Ashford Hospitality Advisors, LLC, and J. Robison Hays, III, dated as of January 4, 2021 (incorporated by reference to Exhibit 99.1 of Form 8-K, filed on January 5, 2021) (File No. 001-31775)</u>
10.3	<u>Non-Compete/Services Agreement, dated as of March 21, 2008, between Ashford Hospitality Trust, Inc. and Archie Bennett, Jr. (incorporated by reference to Exhibit 10.4 of Form 10-K, filed on March 3, 2014) (File No. 001-31775)</u>
10.4	<u>Chairman Emeritus Agreement, dated January 7, 2013, between Ashford Hospitality Trust, Inc. Ashford Hospitality Limited Partnership, and Archie Bennett, Jr. (incorporated by reference to Exhibit 10.1 of Form 8-K filed on January 9, 2013) (File No. 001-31775)</u>
10.5.1	<u>Hotel Management Agreement between Remington Management, L.P. and Ashford TRS companies (incorporated by reference to Exhibit 10.6.1 of Form 10-K, filed on February 28, 2012) (File No. 001-31775)</u>
10.5.2	<u>Hotel Master Management Agreement between Remington Lodging & Hospitality, LLC and PHH TRS Corporation (incorporated by reference to Exhibit 10.6.2 of Form 10-K, filed on February 28, 2012) (File No. 001-31775)</u>

Exhibit	Description
10.6	<u>Form of Lease Agreement between Ashford Hospitality Limited Partnership and Ashford TRS Corporation (incorporated by reference to Exhibit 10.11 of Form S-11/A, filed on July 31, 2003) (File No. 001-31775)</u>
10.7	<u>Indemnity Agreement dated March 10, 2011, between the Registrant and Remington Lodging & Hospitality, LLC (incorporated by reference to Exhibit 10.31 to the Registrant's Form 10-Q, filed on May 10, 2011) (File No. 001-31775)</u>
10.8	<u>Right of First Offer Agreement between Ashford Hospitality Trust, Inc. and Ashford Hospitality Prime, Inc., dated November 19, 2013 (incorporated by reference to Exhibit 10.6 of Form 8-K, filed on November 25, 2013, for the event dated November 19, 2013) (File No. 001-31775)</u>
10.9	<u>Option Agreement Pier House Resort by and between Ashford Hospitality Prime Limited Partnership and Ashford Hospitality Limited Partnership with respect to the Properties Entities, and Ashford TRS Corporation and Ashford Prime TRS Corporation with respect to the TRS Entity, dated November 19, 2013 (incorporated by reference to Exhibit 10.7 of Form 8-K, filed on November 25, 2013, for the event dated November 19, 2013) (File No. 001-31775)</u>
10.10	<u>Option Agreement Crystal Gateway Marriott by and between Ashford Hospitality Prime Limited Partnership and Ashford Hospitality Limited Partnership with respect to the Properties Entities, and Ashford TRS Corporation and Ashford Prime TRS Corporation with respect to the TRS Entity, dated November 19, 2013 (incorporated by reference to Exhibit 10.8 of Form 8-K, filed on November 25, 2013, for the event dated November 19, 2013) (File No. 001-31775)</u>
10.11	<u>Registration Rights Agreement by and between Ashford Hospitality Prime, Inc., Ashford Hospitality Limited Partnership and Ashford Hospitality Advisors LLC, dated November 19, 2013 (incorporated by reference to Exhibit 10.9 of Form 8-K, filed on November 25, 2013, for the event dated November 19, 2013) (File No. 001-31775)</u>
10.12	<u>Assignment, Assumption and Admission Agreement, dated as of September 10, 2014, by and between Ashford Hospitality Advisors LLC and Monty Bennett, regarding the sale of Class B company interests of AIM Management Holdco, LLC (incorporated by reference to Exhibit 10.3 of Form 8-K, filed on September 10, 2014, for the event dated September 10, 2014) (File No. 001-31775)</u>
10.13	<u>Assignment, Assumption and Admission Agreement, dated as of September 10, 2014, by and between Ashford Hospitality Advisors LLC and Rob Hays, regarding the sale of Class B company interests of AIM Management Holdco, LLC (incorporated by reference to Exhibit 10.4 of Form 8-K, filed on September 10, 2014, for the event dated September 10, 2014) (File No. 001-31775)</u>
10.14	<u>Assignment, Assumption and Admission Agreement, dated as of September 10, 2014, by and between Ashford Hospitality Advisors LLC and Monty Bennett, regarding the sale of Class B limited partnership interests of AIM Performance Holdco, LP (incorporated by reference to Exhibit 10.5 of Form 8-K, filed on September 10, 2014, for the event dated September 10, 2014) (File No. 001-31775)</u>
10.15	<u>Assignment, Assumption and Admission Agreement, dated as of September 10, 2014, by and between Ashford Hospitality Advisors LLC and Rob Hays, regarding the sale of Class B limited partnership interests of AIM Performance Holdco, LP (incorporated by reference to Exhibit 10.6 of Form 8-K, filed on September 10, 2014, for the event dated September 10, 2014) (File No. 001-31775)</u>
10.16	<u>Amended and Restated Limited Liability Company Agreement of Ashford Hospitality Advisors LLC (incorporated by reference to Exhibit 10.1 of Form 8-K, filed on October 15, 2014) (File No. 001-31775)</u>
10.17	<u>Third Amended and Restated Limited Partnership Agreement of AIM Performance Holdco, LP (incorporated by reference to Exhibit 10.1 of Form 8-K, filed on November 6, 2014, for the event dated November 5, 2014) (File No. 001-31775)</u>
10.18	<u>Second Amended and Restated Limited Liability Company Operating Agreement of AIM Management Holdco, LLC (incorporated by reference to Exhibit 10.2 of Form 8-K, filed on November 6, 2014, for the event dated November 5, 2014) (File No. 001-31775)</u>
10.19	<u>Tax Matters Agreement, dated October 31, 2014, between Ashford Inc., Ashford Hospitality Advisors LLC, Ashford Hospitality Trust, Inc. and Ashford Hospitality Limited Partnership (incorporated by reference to Exhibit 10.1 to Form 8-K, filed on November 6, 2014, for the event dated October 31, 2014) (File No. 001-31775)</u>
10.20.1	<u>Amended and Restated Advisory Agreement, dated as of June 10, 2015, by and between Ashford Hospitality Trust, Inc., Ashford Hospitality Limited Partnership, Ashford TRS Corporation, Ashford Inc. and Ashford Hospitality Advisors LLC (incorporated by reference to Exhibit 10.1 of Form 8-K, filed on June 12, 2015) (File No. 001-31775)</u>
10.20.2	<u>Enhanced Return Funding Program Agreement and Amendment No. 1 to the Amended and Restated Advisory Agreement, dated June 26, 2018, among Ashford Hospitality Trust, Inc., Ashford Hospitality Limited Partnership, Ashford TRS Corporation, Ashford Inc. and Ashford Hospitality Advisors LLC, dated June, 26, 2018, incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on June 26, 2018 (File No. 001-31775)</u>
10.20.3	<u>Extension Agreement to Enhanced Return Funding Program Agreement and Amendment No. 1 to the Amended and Restated Advisory Agreement, dated March 13, 2020, by and among Ashford Hospitality Trust, Inc., Ashford Hospitality Limited Partnership, Ashford TRS Corporation, Ashford Inc., and Ashford Hospitality Advisors LLC (incorporated by reference to Exhibit 10.2 of Form 8-K filed on March 16, 2020)</u>
10.20.4	<u>Side Letter, dated as of December 16, 2022, by and among, Ashford Hospitality Trust, Inc., Ashford Hospitality Limited Partnership, Ashford TRS Corporation, Ashford Hospitality Advisors LLC and Ashford Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed on December 21, 2022) (File No. 001-31775)</u>
10.20.5	<u>Second Amended and Restated Advisory Agreement, dated as of January 14, 2021, by and between Ashford Hospitality Trust, Inc., Ashford Hospitality Limited Partnership, Ashford TRS Corporation, Ashford Inc. and Ashford Hospitality Advisors LLC. (incorporated by reference to Exhibit 10.1 of Form 8-K filed on January 15, 2021)</u>

Exhibit	Description
10.20.6	<u>Limited Waiver Under Advisory Agreement, dated as of March 15, 2022, by and among Ashford Hospitality Trust, Inc., Ashford Hospitality Limited Partnership, Ashford TRS Corporation, Ashford Inc., and Ashford Hospitality Advisors LLC (incorporated by reference to Exhibit 10.1 of Form 8-K filed on March 16, 2022)</u>
10.21	<u>Assignment and Assumption Agreement, dated as of November 12, 2014 by and between Ashford Hospitality Trust, Inc., Ashford Hospitality Limited Partnership and Ashford Hospitality Advisors LLC (incorporated by reference to Exhibit 10.2 to Form 8-K, filed on November 18, 2014, for the event dated November 12, 2014) (File No. 001-31775)</u>
10.22	<u>Licensing Agreement, dated as of November 12, 2014 by and between Ashford Hospitality Advisors LLC, Ashford Hospitality Trust, Inc. and Ashford Hospitality Limited Partnership (incorporated by reference to Exhibit 10.3 to Form 8-K, filed on November 18, 2014, for the event dated November 12, 2014) (File No. 001-31775)</u>
10.23	<u>Letter Agreement dated December 14, 2014, between PRISA III Investments, LLC, a Delaware limited liability company and Ashford Hospitality Limited Partnership, a Delaware limited partnership (incorporated by reference to Exhibit 10.1 to Form 8-K, filed on December 19, 2014) (File No. 001-31775)</u>
10.24	<u>Letter Agreement, dated September 17, 2015, by and between Ashford Hospitality Trust, Inc., and Ashford Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on September 18, 2015) (File No. 001-31775)</u>
10.25	<u>Restricted Stock Award Agreement, dated February 20, 2017, by and between Ashford Hospitality Trust, Inc. and Douglas A. Kessler (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on February 21, 2017) (File No. 001-31775).</u>
10.26	<u>Amended and Restated Employment Agreement, dated as of February 20, 2017, by and among Ashford Inc., Ashford Hospitality Advisors LLC and Douglas A. Kessler (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filed on February 21, 2017) (File No. 001-31775)</u>
10.27	<u>Indemnification Agreement, dated as of February 20, 2017, by and between Ashford Hospitality Trust, Inc. and Douglas A. Kessler (incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K filed on February 21, 2017) (File No. 001-31775).</u>
10.28	<u>Loan Agreement, dated as of June 13, 2018, between Bank of America, N.A., Barclays Bank PLC and Morgan Stanley Bank, N.A., as lenders, and Ashford Tipton Lakes LP, Ashford Scottsdale LP, Ashford Phoenix Airport LP, Ashford Hawthorne LP, Ashford San Jose LP, Ashford LV Hughes Center LP and Ashford Plymouth Meeting LP, as borrowers (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on June 19, 2018) (File No. 001-31775)</u>
10.29	<u>Senior Mezzanine Loan Agreement, dated June 13, 2018, between Bank of America, N.A., Barclays Bank PLC and Morgan Stanley Mortgage Capital Holdings LLC, as lenders, and Ashford Senior A LLC, as borrower (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filed on June 19, 2018) (File No. 001-31775)</u>
10.30	<u>Loan Agreement, dated June 13, 2018, between Bank of America, N.A., Barclays Bank PLC and Morgan Stanley Bank, N.A., as lenders, and Ashford Newark LP, Ashford BWI Airport LP, Ashford Oakland LP, Ashford Plano-C LP, Ashford Plano-R LP, Ashford Manhattan Beach LP and Ashford Basking Ridge LP as borrowers (incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K filed on June 19, 2018) (File No. 001-31775)</u>
10.31	<u>Senior Mezzanine Loan Agreement, dated June 13, 2018, between Bank of America, N.A., Barclays Bank PLC and Morgan Stanley Mortgage Capital Holdings LLC, as lenders, and Ashford Senior B LLC, as borrower (incorporated by reference to Exhibit 10.4 to the Registrant's Form 8-K filed on June 19, 2018) (File No. 001-31775)</u>
10.32	<u>Loan Agreement, dated as of June 13, 2018, between Bank of America, N.A., Barclays Bank PLC and Morgan Stanley Bank, N.A., as lenders, and Ashford MV San Diego LP, Ashford Bucks County LLC, New Fort Tower I Hotel Limited Partnership, Ashford Coral Gables LP and Ashford Minneapolis Airport LP, as borrowers (incorporated by reference to Exhibit 10.5 to the Registrant's Form 8-K filed on June 19, 2018) (File No. 001-31775)</u>
10.33	<u>Senior Mezzanine Loan Agreement, dated June 13, 2018, between Bank of America, N.A., Barclays Bank PLC and Morgan Stanley Mortgage Capital Holdings LLC, as lenders, and Ashford Senior C LLC, as borrower (incorporated by reference to Exhibit 10.6 to the Registrant's Form 8-K filed on June 19, 2018) (File No. 001-31775)</u>
10.34	<u>Junior Mezzanine Loan Agreement, dated June 13, 2018, between Bank of America, N.A., Barclays Bank PLC and Morgan Stanley Mortgage Capital Holdings LLC, as lenders, and Ashford Junior C LLC, as borrower (incorporated by reference to Exhibit 10.7 to the Registrant's Form 8-K filed on June 19, 2018) (File No. 001-31775)</u>
10.35	<u>Loan Agreement, dated as of June 13, 2018, between Bank of America, N.A., Barclays Bank PLC and Morgan Stanley Bank, N.A., as lenders, and Ashford Dulles LP, Ashford Santa Fe LP, Ashford Market Center LP, New Beverly Hills Hotel Limited Partnership and Ashford Atlantic Beach LP, as borrowers (incorporated by reference to Exhibit 10.8 to the Registrant's Form 8-K filed on June 19, 2018) (File No. 001-31775)</u>
10.36	<u>Senior Mezzanine Loan Agreement, dated June 13, 2018, between Bank of America, N.A., Barclays Bank PLC and Morgan Stanley Mortgage Capital Holdings LLC, as lenders, and Ashford Senior D LLC, as borrower (incorporated by reference to Exhibit 10.9 to the Registrant's Form 8-K filed on June 19, 2018) (File No. 001-31775)</u>
10.37	<u>Junior Mezzanine Loan Agreement, dated June 13, 2018, between Bank of America, N.A., Barclays Bank PLC and Morgan Stanley Mortgage Capital Holdings LLC, as lenders, and Ashford Junior D LLC, as borrower (incorporated by reference to Exhibit 10.10 to the Registrant's Form 8-K filed on June 19, 2018) (File No. 001-31775)</u>
10.38	<u>Loan Agreement, dated as of June 13, 2018, between Bank of America, N.A., Barclays Bank PLC and Morgan Stanley Bank, N.A., as lenders, and Ashford Memphis LP, Ashford Philly LP, Ashford Anchorage LP, Ashford Lakeway LP and Ashford Fremont LP, as borrowers (incorporated by reference to Exhibit 10.11 to the Registrant's Form 8-K filed on June 19, 2018) (File No. 001-31775)</u>

Exhibit	Description
10.39	<u>Senior Mezzanine Loan Agreement, dated June 13, 2018, between Bank of America, N.A., Barclays Bank PLC and Morgan Stanley Mortgage Capital Holdings LLC, as lenders, and Ashford Senior E LLC, as borrower (incorporated by reference to Exhibit 10.12 to the Registrant's Form 8-K filed on June 19, 2018) (File No. 001-31775)</u>
10.40	<u>Junior Mezzanine Loan Agreement, dated June 13, 2018, between Bank of America, N.A., Barclays Bank PLC and Morgan Stanley Mortgage Capital Holdings LLC, as lenders, and Ashford Junior E LLC, as borrower (incorporated by reference to Exhibit 10.13 to the Registrant's Form 8-K filed on June 19, 2018) (File No. 001-31775)</u>
10.41	<u>Loan Agreement, dated as of June 13, 2018, between Bank of America, N.A., Barclays Bank PLC and Morgan Stanley Bank, N.A., as lenders, and Ashford Downtown Atlanta LP, Ashford Flagstaff LP, Ashford Walnut Creek LP, Ashford Bridgewater Hotel Partnership, LP and Ashford Durham I LLC, as borrowers (incorporated by reference to Exhibit 10.14 to the Registrant's Form 8-K filed on June 19, 2018) (File No. 001-31775)</u>
10.42	<u>Senior Mezzanine Loan Agreement, dated June 13, 2018, between Bank of America, N.A., Barclays Bank PLC and Morgan Stanley Mortgage Capital Holdings LLC, as lenders, and Ashford Senior F LLC, as borrower (incorporated by reference to Exhibit 10.15 to the Registrant's Form 8-K filed on June 19, 2018) (File No. 001-31775)</u>
10.43	<u>Junior Mezzanine Loan Agreement, dated June 13, 2018, between Bank of America, N.A., Barclays Bank PLC and Morgan Stanley Mortgage Capital Holdings LLC, as lenders, and Ashford Junior F LLC, as borrower (incorporated by reference to Exhibit 10.16 to the Registrant's Form 8-K filed on June 19, 2018) (File No. 001-31775)</u>
10.44	<u>Consolidated, Amended and Restated Hotel Master Management Agreement, dated August 8, 2018, by and among Ashford TRS Corporation, RI Manchester Tenant Corporation, CY Manchester Tenant Corporation and Remington Lodging & Hospitality, LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on August 14, 2018) (File No. 001-31775)</u>
10.45	<u>Master Project Management Agreement, dated August 8, 2018, by and among Ashford TRS Corporation, RI Manchester Tenant Corporation, CY Manchester Tenant Corporation, Project Management LLC and Ashford Hospitality Limited Partnership (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filed on August 14, 2018) (File No. 001-31775)</u>
10.46	<u>Amended and Restated Mutual Exclusivity Agreement, dated August 8, 2018, by and among Ashford Hospitality Limited Partnership, Ashford Hospitality Trust, Inc. and Remington Lodging & Hospitality, LLC, as consented to by Monty J. Bennett (incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K filed on August 14, 2018) (File No. 001-31775)</u>
10.47	<u>Mutual Exclusivity Agreement, dated August 8, 2018, dated August 8, 2018, by and among Ashford Hospitality Limited Partnership, Ashford Hospitality Trust, Inc. and Project Management LLC (incorporated by reference to Exhibit 10.4 to the Registrant's Form 8-K filed on August 14, 2018) (File No. 001-31775)</u>
10.48	<u>Investor Agreement, dated as of January 15, 2021, by and among Ashford Hospitality Trust, Inc., OPPS AHT Holdings, LLC and ROF8 AHT PT, LLC (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K, filed on January 15, 2021) (File No. 001-31775)</u>
10.49	<u>Subordination and Non-Disturbance Agreement, dated as of January 15, 2021, by and among Oaktree Fund Administration, LLC as the Administrative Agent and collateral agent on behalf of the Lenders, Ashford Inc., Ashford Hospitality Advisors LLC, Ashford Hospitality Trust, Inc., Ashford Hospitality Limited Partnership, Ashford TRS Corporation, Remington Lodging & Hospitality, LLC, Premier Project Management, LLC and Lismore Capital II LLC (incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K, filed on January 15, 2021) (File No. 001-31775)</u>
10.50	<u>Credit Agreement, dated as of January 15, 2021, by and among Ashford Hospitality Trust, Inc., Ashford Hospitality Limited Partnership, OPPS AHT Holdings, LLC, ROF8 AHT PT, LLC, Oaktree Phoenix Investment Fund AIF (Delaware), L.P., and Oaktree Fund Administration, LLC, as administrative agent (incorporated by reference to Exhibit 10.1 of Form 8-K filed on January 15, 2021) (File No. 001-31775)</u>
10.51	<u>Amendment No. 1 to the Credit Agreement, dated as of October 12, 2021, by and among Ashford Hospitality Trust, Inc., Ashford Hospitality Limited Partnership, OPPS AHT Holdings, LLC, ROF8 AHT PT, LLC, The Lenders Phoenix Investment Fund AIF (Delaware), L.P., and Oaktree Fund Administration, LLC, as administrative agent. (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K, filed on October 13, 2021) (File No. 001-31775)</u>
10.52	<u>Limited Waiver to Credit Agreement, dated as of November 19, 2021, by and among Ashford Hospitality Trust, Inc., Ashford Hospitality Limited Partnership, the guarantors party thereto, the Lenders party thereto and Oaktree Fund Administration, LLC, as administrative agent. (incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K, filed on November 23, 2021) (File No. 001-31775)</u>
10.53	<u>Common Stock Purchase Agreement, dated as of September 9, 2021, by and between the Company and M3A LP (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed on September 9, 2021) (File No. 001-31775)</u>
10.54	<u>Registration Rights Agreement, dated as of September 9, 2021, by and between the Company and M3A LP (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K, filed on September 9, 2021) (File No. 001-31775)</u>
10.55	<u>Agreement of Purchase and Sale, dated as of December 16, 2022, by and between Ashford Hospitality Limited Partnership and Ashford Hospitality Advisors LLC (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K, filed on December 21, 2022) (File No. 001-31775)</u>
10.56	<u>Form of Equity Distribution Agreement, dated April 11, 2022, by and between the Company and Virtu Americas LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed on April 11, 2022) (File No. 00131775)</u>

Exhibit	Description
10.57	Limited Waiver Under Advisory Agreement, dated as of March 2, 2023, by and among Ashford Hospitality Trust, Inc., Ashford Hospitality Limited Partnership, Ashford TRS Corporation, Ashford Inc. and Ashford Hospitality Advisors LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed on March 3, 2023) (File No. 001-31775)
10.58	Limited Waiver to Credit Agreement, dated as of March 2, 2023, by and among Ashford Hospitality Limited Partnership, Ashford Hospitality Trust, Inc., the guarantors party thereto, the Lenders party thereto and Oaktree Fund Administration, LLC, as administrative agent (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K, filed on March 3, 2023) (File No. 001-31775)
10.59†	Ashford Hospitality Trust, Inc. 2021 Stock Incentive Plan, as amended by Amendment No. 3 (incorporated by reference to Annex B to the Company's Proxy Statement on Schedule 14A, filed on March 28, 2023) (File No. 001-31775)
10.60	Amendment No. 2 to Credit Agreement, dated as of June 21, 2023, by and among Ashford Hospitality Trust, Inc., Ashford Hospitality Limited Partnership, OCM AHT Holdings, LLC, ROF8 AHT PT, LLC, Oaktree Phoenix Investment Fund AIF (Delaware), L.P., and Oaktree Fund Administration, LLC, as administrative agent (incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K filed on June 23, 2023) (File No. 001-31775)
10.61***	Contribution Agreement, by and among Ashford Hospitality Limited Partnership, Ashford TRS Corporation and Stirling REIT OP, LP, dated December 6, 2023 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed on December 6, 2023) (File No. 001-31775)
10.62	Lock-Up Agreement between Ashford Hospitality Limited Partnership and Stirling REIT OP, LP, dated December 6, 2023 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K, filed on December 6, 2023) (File No. 001-31775)
10.63	Lock-Up Agreement between Ashford TRS Corporation and Stirling REIT OP, LP, dated December 6, 2023 (incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K, filed on December 6, 2023) (File No. 001-31775)
10.64*	Third Amended and Restated Advisory Agreement, dated as of March 12, 2024, by and between Ashford Hospitality Trust, Inc., Ashford Hospitality Limited Partnership, Ashford TRS Corporation, Ashford Inc. and Ashford Hospitality Advisors LLC.
10.65*	Second Consolidated, Amended and Restated Hotel Master Management Agreement, dated as of March 12, 2024, by and among, Ashford TRS companies and Remington Lodging & Hospitality, LLC.
10.66*	Amended and Restated Master Project Management Agreement, dated as of March 12, 2024, by and among Ashford Hospitality Limited Partnership, Ashford TRS Corporation, and Premier Project Management LLC.
10.67*	Amendment No. 3 to Credit Agreement, dated as of March 11, 2024, by and among Ashford Hospitality Trust, Inc., Ashford Hospitality Limited Partnership, OCM AHT Holdings, LLC, ROF8 AHT PT, LLC, Oaktree Phoenix Investment Fund AIF (Delaware), L.P., and Oaktree Fund Administration, LLC, as administrative agent.
10.68*	Limited Waiver Under Advisory Agreement, dated as of March 11, 2024, by and among Ashford Hospitality Trust, Inc., Ashford Hospitality Limited Partnership, Ashford TRS Corporation, Ashford Inc. and Ashford Hospitality Advisors LLC.
10.69*	Limited Waiver to Credit Agreement, dated as of March 11, 2024, by and among Ashford Hospitality Limited Partnership, Ashford Hospitality Trust, Inc., the guarantors party thereto, the Lenders party thereto and Oaktree Fund Administration, LLC, as administrative agent.
21.1*	Registrant's Subsidiaries Listing as of December 31, 2023
21.2*	Registrant's Special-Purpose Entities Listing as of December 31, 2023
23.1*	Consent of BDO USA, P.C.
31.1*	Certification of the Chief Executive Officer required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended
31.2*	Certification of the Chief Financial Officer required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended
32.1**	Certification of the Chief Executive Officer required by Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (In accordance with SEC Release 33-8212, this exhibit is being furnished, and is not being filed as part of this report or as a separate disclosure document, and is not being incorporated by reference into any Securities Act of 1933 registration statement.)
32.2**	Certification of the Chief Financial Officer required by Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (In accordance with SEC Release 33-8212, this exhibit is being furnished, and is not being filed as part of this report or as a separate disclosure document, and is not being incorporated by reference into any Securities Act of 1933 registration statement.)
97.1*	Policy relating to recovery of erroneously awarded compensation, as required by applicable listing standards adopted pursuant to 17 CFR 240.10D-1
99.1	Second Amended and Restated Employment Agreement, by and among Ashford Inc., Ashford Hospitality Advisors, LLC, and J. Robison Hays, III, dated as of January 4, 2021 (incorporated by reference to Exhibit 99.1 of Form 8-K, filed on January 5, 2021)(File No. 001-31775)
99.2	Release and Waiver, by and between Ashford Hospitality Services, LLC and Jeremy Welter, dated April 15, 2022 (incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed on April 19, 2022)

The following materials from the Company's Annual Report on Form 10-K for the year ended December 31, 2023 are formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Operations; (iii) Consolidated Statements of Comprehensive Income (Loss); (iii) Consolidated Statements of Equity (Deficit); (iv) Consolidated Statements of Cash Flows; and (v) Notes to Consolidated Financial Statements. In accordance with Rule 402 of Regulation S-T, the XBRL related information in Exhibit 101 to this Annual Report on Form 10-K shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be part of any registration statement or other document filed under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the XBRL document	
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	<i>Submitted electronically with this report.</i>
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document.	<i>Submitted electronically with this report.</i>
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	<i>Submitted electronically with this report.</i>
101.LAB	Inline XBRL Taxonomy Label Linkbase Document.	<i>Submitted electronically with this report.</i>
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document.	<i>Submitted electronically with this report.</i>
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)	

* Filed herewith.

** Furnished herewith.

*** Certain schedules have been omitted. The registrant agrees to furnish a copy of any omitted schedules to the Securities and Exchange Commission upon request.

† Management contract or compensatory plan or arrangement.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, on March 14, 2024.

ASHFORD HOSPITALITY TRUST, INC.

By: /s/ J. ROBISON HAYS, III

J. Robison Hays, III

President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on behalf of the Registrant in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
/s/ MONTY J. BENNETT Monty J. Bennett	Chairman of the Board of Directors	March 14, 2024
/s/ J. ROBISON HAYS, III J. Robison Hays, III	President and Chief Executive Officer (Principal Executive Officer)	March 14, 2024
/s/ DERIC S. EUBANKS Deric S. Eubanks	Chief Financial Officer (Principal Financial Officer)	March 14, 2024
/s/ JUSTIN R. COE Justin R. Coe	Chief Accounting Officer (Principal Accounting Officer)	March 14, 2024
/s/ BENJAMIN J. ANSELL, M.D. Benjamin J. Ansell, M.D.	Director	March 14, 2024
/s/ FREDERICK J. KLEISNER Frederick J. Kleisner	Director	March 14, 2024
/s/ AMISH GUPTA Amish Gupta	Director	March 14, 2024
/s/ KAMAL JAFARNIA Kamal Jafarnia	Director	March 14, 2024
/s/ SHERI L. PANTERMUEHL Sheri L. Pantermuehl	Director	March 14, 2024
/s/ DAVINDER SRA Davinder Sra	Director	March 14, 2024
/s/ ALAN L. TALLIS Alan L. Tallis	Director	March 14, 2024

SCHEDULE III
ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2023
(dollars in thousands)

Column A		Column B		Column C		Column D		Column E			Column F	Column G	Column H	Column I
Hotel Property	Location	Encumbrances	Initial Cost		Costs Capitalized Since Acquisition		Gross Carrying Amount At Close of Period ⁽⁶⁾			Accumulated Depreciation	Construction Date	Acquisition Date	Income Statement	
			Land	FF&E, Buildings and Improvements	Land	FF&E, Buildings and Improvements	Land	Improvements	Total					
			1,204				1,397		19,739					
Embassy Suites	Austin, TX	\$ 22,848	\$	\$ 9,388	\$ 193	\$ 8,954	\$	\$ 18,342	\$	\$ 8,614	08/1998		(1), (2), (3)	
Embassy Suites	Dallas, TX	15,123	1,878	8,907	238	10,324	2,116	19,231	21,347	8,777	12/1998		(1), (2), (3)	
Embassy Suites	Herndon, VA	22,674	1,303	9,836	277	5,138	1,580	14,974	16,554	9,670	12/1998		(1), (2), (3)	
Embassy Suites	Las Vegas, NV	29,613	3,307	16,952	397	4,992	3,704	21,944	25,648	14,141	05/1999		(1), (2), (3)	
Embassy Suites	Houston, TX	17,417	1,799	10,404	—	3,920	1,799	14,324	16,123	7,231		03/2005	(1), (2), (3)	
	West Palm Beach, FL	19,365	3,277	13,949	—	5,008	3,277	18,957	22,234	8,618		03/2005	(1), (2), (3)	
Embassy Suites	Philadelphia, PA	21,345	5,791	34,819	—	4,087	5,791	38,906	44,697	17,809		12/2006	(1), (2), (3)	
			36,065				36,065							
Embassy Suites	Arlington, VA	40,487		41,588	—	9,638		51,226	87,291	23,831		04/2007	(1), (2), (3)	
			11,110				11,110							
Embassy Suites	Portland, OR	77,241		60,048	—	7,927		67,975	79,085	28,855		04/2007	(1), (2), (3)	
Embassy Suites	Santa Clara, CA	58,903	8,948	46,239	—	7,927	8,948	54,166	63,114	24,345		04/2007	(1), (2), (3)	
Embassy Suites	Orlando, FL	19,675	5,674	21,593	—	6,339	5,674	27,932	33,606	12,926		04/2007	(1), (2), (3)	
Hilton Garden Inn	Jacksonville, FL	11,496	1,751	9,164	—	2,131	1,751	11,295	13,046	6,120		11/2003	(1), (2), (3)	
Hilton Garden Inn	Austin, TX	62,970	7,605	48,725	—	510	7,605	49,235	56,840	12,368		03/2015	(1), (2), (3)	
Hilton Garden Inn	Baltimore, MD	15,413	4,027	20,199	—	3,361	4,027	23,560	27,587	7,715		03/2015	(1), (2), (3)	
Hilton Garden Inn	Virginia Beach, VA	30,545	4,101	26,329	—	471	4,101	26,800	30,901	6,370		03/2015	(1), (2), (3)	
Hilton	Ft. Worth, TX	42,854	4,538	13,922	—	16,226	4,539	30,148	34,687	16,785		03/2005	(1), (2), (3)	
Hilton	Houston, TX	19,509	2,200	13,247	—	5,703	2,200	18,949	21,150	9,916		03/2005	(1), (2), (3)	
			(1,130)											
Hilton	St. Petersburg, FL	47,654	2,991	13,907		12,795	1,861	26,702	28,563	12,137		03/2005	(1), (2), (3)	
Hilton	Santa Fe, NM	23,829	7,004	10,689	—	2,838	7,004	13,527	20,531	6,734		12/2006	(1), (2), (3)	
Hilton	Bloomington, MN	32,348	5,685	59,139	—	5,613	5,685	64,752	70,437	28,720		04/2007	(1), (2), (3)	
			12,917				12,917		112,686					
Hilton	Costa Mesa, CA	57,358		91,791	—	7,978		99,769		44,077		04/2007	(1), (2), (3)	
			62,555				62,556		201,834					
Hilton	Boston, MA	98,000		134,407	—	4,872		139,279		34,658		03/2015	(1), (2), (3)	
Hilton	Parsippany, NJ	36,184	7,293	58,098	—	(147)	7,293	57,951	65,244	14,521		03/2015	(1), (2), (3)	
Hilton	Tampa, FL	26,081	5,206	21,186	—	5,298	5,206	26,484	31,690	10,940		03/2015	(1), (2), (3)	
			14,459				14,459		112,399					
Hilton	Alexandria, VA	62,753		96,602	—	1,338		97,940		15,312		06/2018	(1), (2), (3)	
Hilton	Santa Cruz, CA	22,742	9,399	38,129	—	2,055	9,399	40,184	49,583	7,291		02/2019	(1), (2), (3)	
Hampton Inn	Lawrenceville, GA	—	697	3,808	—	1,426	697	5,234	5,931	2,771		11/2003	(1), (2), (3)	
Hampton Inn	Evansville, IN	10,872	1,301	5,034	—	8,532	1,301	13,566	14,867	4,220		09/2004	(1), (2), (3)	
Hampton Inn	Parsippany, NJ	17,716	3,268	24,306	—	17	3,268	24,323	27,591	6,044		03/2015	(1), (2), (3)	
Hampton Inn	Buford, GA	10,000	1,168	5,338	—	3,732	1,168	9,070	10,238	5,354		07/2004	(1), (2), (3)	
Marriott	Beverly Hills, CA	111,129	6,510	22,061	—	3,411	6,510	25,472	31,982	12,699		03/2005	(1), (2), (3)	
			20,637				20,637		143,941					
Marriott	Arlington, VA	86,000		101,376	—	21,928		123,304		62,838		07/2006	(1), (2), (3)	
Marriott	Dallas, TX	27,439	2,701	30,893	—	5,883	2,701	36,776	39,477	16,108		04/2007	(1), (2), (3)	
Marriott	Fremont, CA	43,438	5,800	44,200	—	15,847	5,800	60,047	65,847	20,598		08/2014	(1), (2), (3)	

Column A		Column B	Column C		Column D		Column E			Column F	Column G	Column H	Column I
					Costs Capitalized		Gross Carrying Amount						
			Initial Cost		Since Acquisition		At Close of Period ⁽⁶⁾						
			FF&E,		FF&E,		FF&E,						
			Buildings and		Buildings and		Buildings and			Accumulated	Construction	Acquisition	Income
Hotel Property	Location	Encumbrances	Land	Improvements	Land	Improvements	Land	Improvements	Total	Depreciation	Date	Date	Statement
Marriott	Memphis, TN	20,113	6,210	37,284	—	(1,978)	6,210	35,306	41,516	8,510		02/2015	(1), (2), (3)
Marriott	Irving, TX	63,346	8,330	82,272	—	19,913	8,330	102,185	110,515	34,011		03/2015	(1), (2), (3)
Marriott	Omaha, NE	15,061	6,641	49,887	—	6,225	6,641	56,112	62,753	17,061		03/2015	(1), (2), (3)
Marriott	Sugarland, TX	59,211	9,047	84,043	—	8,185	9,047	92,227	101,275	21,178		03/2015	(1), (2), (3)
Marriott white label													
⁽⁷⁾	Key West, FL	56,756	—	27,514	—	27,658	—	55,172	55,172	17,056		03/2005	(1), (2), (3)
SpringHill Suites													
by Marriott	Baltimore, MD	13,600	2,502	13,206	—	1,793	2,502	14,999	17,501	7,758		05/2004	(1), (2), (3)
SpringHill Suites													
by Marriott	Kennesaw, GA	6,133	1,106	5,021	—	1,741	1,107	6,762	7,868	3,678		07/2004	(1), (2), (3)
SpringHill Suites													
by Marriott	Buford, GA	4,500	1,132	6,089	—	6,874	1,132	12,963	14,095	4,501		07/2004	(1), (2), (3)
SpringHill Suites													
by Marriott	Manhattan Beach, CA	28,560	5,726	21,187	—	1,220	5,726	22,407	28,133	9,693		04/2007	(1), (2), (3)
SpringHill Suites													
by Marriott	Plymouth Meeting, PA	20,800	3,210	24,578	—	1,740	3,210	26,318	29,528	11,393		04/2007	(1), (2), (3)
Fairfield Inn by													
Marriott	Kennesaw, GA	4,811	840	4,359	(21)	2,467	819	6,826	7,645	4,003		07/2004	(1), (2), (3)
Courtyard by													
Marriott	Bloomington, IN	13,933	900	10,741	—	1,157	900	11,898	12,798	5,919		09/2004	(1), (2), (3)
Courtyard by													
Marriott - Tremont	Boston, MA	97,368	24,494	85,246	—	2,083	24,494	87,329	111,823	22,433		03/2015	(1), (2), (3)
Courtyard by													
Marriott	Columbus, IN	8,160	673	4,804	—	1,424	673	6,228	6,901	3,033		09/2004	(1), (2), (3)
Courtyard by													
Marriott	Denver, CO	31,720	9,342	29,656	—	903	9,342	30,559	39,901	8,681		03/2015	(1), (2), (3)
Courtyard by													
Marriott	Gaithersburg, MD	27,162	5,128	30,522	—	836	5,128	31,358	36,486	7,947		03/2015	(1), (2), (3)
Courtyard by													
Marriott	Crystal City, VA	41,599	5,411	38,610	—	7,428	5,411	46,038	51,449	23,189		06/2005	(1), (2), (3)
Courtyard by													
Marriott	Overland Park, KS	8,009	1,868	14,030	—	1,784	1,868	15,814	17,682	7,559		06/2005	(1), (2), (3)
Courtyard by													
Marriott	Foothill Ranch, CA	21,255	2,447	16,005	—	1,441	2,447	17,446	19,893	8,271		06/2005	(1), (2), (3)
Courtyard by													
Marriott	Alpharetta, GA	19,230	2,244	12,345	—	1,606	2,244	13,951	16,195	6,536		06/2005	(1), (2), (3)
Courtyard by													
Marriott	Oakland, CA	28,240	5,112	19,429	—	1,313	5,112	20,742	25,854	9,185		04/2007	(1), (2), (3)
Courtyard by													
Marriott	Scottsdale, AZ	23,600	3,700	22,134	—	2,456	3,700	24,589	28,290	10,807		04/2007	(1), (2), (3)
Courtyard by													
Marriott	Plano, TX	18,160	2,115	22,360	—	2,079	2,115	24,439	26,554	10,568		04/2007	(1), (2), (3)
Courtyard by													
Marriott	Newark, CA	34,960	2,863	10,723	—	2,033	2,864	12,756	15,619	5,459		04/2007	(1), (2), (3)
Courtyard by													

		2019	2020	2021		2021	2022	2023	2024	2025		(1), (2), (3)
Marriott Residence												
Inn	San Diego, CA	28,635	3,156	29,514	—	1,980	3,156	31,494	34,650	15,155	06/2005	(1), (2), (3)
Marriott Residence												
Inn ⁽⁸⁾	Salt Lake City, UT	14,388	1,897	16,357	—	2,989	1,894	19,349	21,243	9,297	06/2005	(1), (2), (3)
					(							
Marriott Residence			18,177		6,185		11,991					
Inn	Las Vegas, NV	38,160		39,568	)	(16,376)		23,192	35,183	6,713	04/2007	(1), (2), (3), (4)
Marriott Residence												
Inn	Phoenix, AZ	23,680	4,100	23,187	—	8,995	4,100	32,182	36,282	12,451	04/2007	(1), (2), (3)
Marriott Residence												
Inn	Plano, TX	14,160	2,045	16,869	—	1,259	2,045	18,128	20,173	7,870	04/2007	(1), (2), (3)
Marriott Residence												
Inn	Newark, CA	37,760	3,272	11,706	—	2,108	3,272	13,814	17,086	6,192	04/2007	(1), (2), (3)
Marriott Residence												
Inn	Manchester, CT	7,700	1,462	8,306	—	3,079	1,462	11,385	12,847	4,363	04/2007	(1), (2), (3)
Marriott Residence												
Inn	Jacksonville, FL	8,000	1,997	16,084	—	5,044	1,997	21,128	23,125	10,507	05/2007	(1), (2), (3)
Tribute Portfolio	Santa Fe, NM	35,697	8,094	42,058	—	4,453	8,094	46,511	54,605	7,982	10/2018	(1), (2), (3)
TownePlace												
Suites by Marriott	Beach, CA	23,680	4,805	17,543	—	1,660	4,805	19,203	24,008	8,408	04/2007	(1), (2), (3)

Column A		Column B	Column C		Column D		Column E			Column F	Column G	Column H	Column I
Hotel Property	Location	Encumbrances	Initial Cost		Costs Capitalized Since Acquisition		Gross Carrying Amount At Close of Period ⁽⁶⁾			Accumulated Depreciation	Construction Date	Acquisition Date	Income Statement
			Land	FF&E, Buildings and Improvements	Land	FF&E, Buildings and Improvements	Land	FF&E, Buildings and Improvements	Total				
Ritz-Carlton	Atlanta, GA	93,045	2,477	80,139	—	18,398	2,477	98,537	101,014	30,962		03/2015	(1), (2), (3)
One Ocean	Atlantic Beach, FL	51,990	5,815	14,817	—	5,056	5,815	19,873	25,688	11,043		04/2004	(1), (2), (3)
Renaissance	Nashville, TN	207,000	20,671	158,260	—	31,761	20,671	190,021	210,692	56,282		03/2015	(1), (2), (3)
Renaissance	Palm Springs, CA	48,966	—	74,112	—	5,198	—	79,310	79,310	22,359		03/2015	(1), (2), (3)
Sheraton Hotel	Minneapolis, MN	18,283	2,953	14,280	—	1,514	2,953	15,794	18,747	7,714		03/2005	(1), (2), (3)
Sheraton Hotel	Indianapolis, IN	57,970	3,100	22,041	—	10,880	3,100	32,921	36,021	16,715		03/2005	(1), (2), (3)
Sheraton Hotel	Anchorage, AK	19,584	4,023	39,363	—	7,680	4,023	47,043	51,066	22,367		12/2006	(1), (2), (3)
Sheraton Hotel	San Diego, CA	24,993	7,294	36,382	—	2,805	7,294	39,187	46,481	17,226		12/2006	(1), (2), (3)
Hyatt Regency	Coral Gables, FL	43,683	4,805	50,820	—	13,330	4,805	64,150	68,955	29,999		04/2007	(1), (2), (3)
Hyatt Regency	Hauppauge, NY	34,304	6,284	35,669	—	446	6,284	36,115	42,399	13,322		03/2015	(1), (2), (3)
Hyatt Regency	Savannah, GA	65,789	14,041	72,721	—	7,757	14,041	80,478	94,519	23,196		03/2015	(1), (2), (3)
Annapolis Historic Inn	Annapolis, MD	16,296	3,028	7,833	—	2,214	3,028	10,047	13,075	5,146		03/2005	(1), (2), (3)
Lakeway Resort & Spa	Austin, TX	14,523	4,541	28,940	—	1,789	4,541	30,729	35,270	10,410		02/2015	(1), (2), (3)
Silversmith	Chicago, IL	26,363	4,782	22,398	—	(1,742)	4,782	20,656	25,438	6,030		03/2015	(1), (2), (3)
The Churchill	Washington, DC	39,074	25,898	32,304	—	4,154	25,898	36,458	62,356	11,043		03/2015	(1), (2), (3)
The Melrose	Washington, DC	71,710	29,277	62,507	—	(1,156)	29,277	61,351	90,628	14,611		03/2015	(1), (2), (3)
					(2,601)								
Le Pavillon	New Orleans, LA	37,000	10,933	51,549		17,731	8,332	69,280	77,612	18,260		06/2015	(1), (2), (3)
The Ashton	Ft. Worth, TX	8,881	800	7,187	—	552	800	7,739	8,539	2,205		07/2014	(1), (2), (3)
Westin	Princeton, NJ	33,000	6,475	52,195	—	3,497	6,475	55,692	62,167	15,298		03/2015	(1), (2), (3)
Atlanta Hotel Indigo	Atlanta, GA	13,759	3,230	23,713	—	3,122	3,230	26,835	30,065	7,592		10/2015	(1), (2), (3)
Le Meridien ⁽⁹⁾	Fort Worth, TX	41,563	4,609	82,749	—	—	4,609	82,749	87,358	—			(1), (2), (3)
Total ⁽⁵⁾					(								
			616,238		8,832		607,406		4,249,238				
		\$ 3,210,783	\$	\$ 3,163,713	\$)	\$ 478,119	\$	\$ 3,641,832	\$	\$ 1,302,063			

⁽¹⁾ Estimated useful life for buildings is 39 years.

⁽²⁾ Estimated useful life for building improvements is 7.5 years.

⁽³⁾ Estimated useful life for furniture and fixtures is 1.5 to 5 years.

⁽⁴⁾ Amounts include impairment charges.

⁽⁵⁾ Hilton Marietta is not included in this schedule as it is operated through a lease.

⁽⁶⁾ The cost of land and depreciable property, net of accumulated depreciation, for U.S. federal income tax purposes was approximately \$ 2.8 billion as of December 31, 2023.

⁽⁷⁾ The Company entered into a new franchise agreement with Marriott to convert the Le Pavillon in New Orleans, Louisiana to a Tribute Portfolio property. The agreement with Marriott calls for the hotel to be converted to a Tribute Portfolio property by December 31, 2024.

⁽⁸⁾ Hotel property was held for sale as of December 31, 2023.

⁽⁹⁾ Hotel property is under development.

	Year Ended December 31,		
	2023	2022	2021
Investment in Real Estate:			
Beginning balance	4,546,384	4,663,153	4,798,605
	\$	\$	\$
Additions	206,737	125,244	40,789
Impairment/write-offs	(194,343)	(195,736)	(151,753)
Sales/disposals	(292,268)	(46,277)	(24,488)
Assets held for sale	(21,246)	—	—
Ending balance	4,245,264	4,546,384	4,663,153
	\$	\$	\$
Accumulated Depreciation:			
Beginning balance	1,428,053	1,432,443	1,371,623
Depreciation expense	188,021	201,926	219,112
Impairment/write-offs	(194,343)	(195,736)	(151,753)
Sales/disposals	(119,102)	(10,580)	(6,539)
Assets held for sale	(9,297)	—	—
Ending balance	1,293,332	1,428,053	1,432,443
	\$	\$	\$
Investment in Real Estate, net	2,951,932	3,118,331	3,230,710
	\$	\$	\$

**DESCRIPTION OF SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

As of December 31, 2023, Ashford Hospitality Trust Inc. (“we,” “us,” “our” and the “Company”) has six classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”): (1) our Common Stock; (2) our Series D Preferred Stock; (3) our Series F Preferred Stock; (4) our Series G Preferred Stock; (5) our Series H Preferred Stock; and (6) our Series I Preferred Stock.

The following description of our capital stock is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to our (i) Articles of Amendment and Restatement, as amended by Amendment Number One to Articles of Amendment and Restatement and Amendment Number Two to Articles of Amendment and Restatement, (ii) Articles Supplementary for Series D Cumulative Preferred Stock, (iii) Articles Supplementary for Series F Cumulative Preferred Stock, (iv) Articles Supplementary for Series G Cumulative Preferred Stock, (v) Articles Supplementary for Series H Cumulative Preferred Stock, (vi) Articles Supplementary for Series I Cumulative Preferred Stock, (vii) Articles Supplementary for Series J Redeemable Preferred Stock, (viii) Articles Supplementary for Series K Redeemable Preferred Stock (all of the foregoing collectively referred to as our “charter”), and (ix) Second Amended and Restated Bylaws, as amended (the “bylaws”), each of which is incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.10 is a part. We encourage you to read our charter, our bylaws and the applicable provisions of the Maryland General Corporation Law (“MGCL”) for additional information.

Description of Common Stock

Authorized Capital Shares

Our authorized capital shares consist of 400,000,000 shares of common stock, par value \$0.01 per share (“Common Stock”) and 50,000,000 shares of preferred stock, par value \$0.01 per share (“Preferred Stock”). All outstanding shares of our Common Stock are fully paid and nonassessable.

Voting Rights

Subject to the provisions of our charter regarding the restrictions on transfer of stock, each outstanding share of our Common Stock entitles the holder to one vote on all matters submitted to a vote of stockholders, including the election of directors and, except as provided with respect to any other class or series of stock, the holders of such shares will possess the exclusive voting power. Director nominees in an uncontested election are elected if the votes cast for such nominee’s election exceed the votes cast against such nominee’s election (with abstentions and broker non-votes not counted as a vote cast either “for” or “against” that director’s election). In the event of a contested election, as defined in our charter, a plurality voting standard will apply.

Dividend Rights

Subject to the preferential rights of any other class or series of stock and to the provisions of the charter regarding the restrictions on transfer of stock, holders of shares of our Common Stock are entitled to receive dividends on such stock when, as and if authorized by our board of directors out of funds legally available therefor.

Liquidation Rights

Subject to the preferential rights of any other class or series of stock, holders of shares of our Common Stock are entitled to share ratably in the assets of our Company legally available for distribution to our stockholders in the event of our liquidation, dissolution or winding up after payment of or adequate provision for all known debts and liabilities of our Company, including the preferential rights on dissolution of any class or classes of Preferred Stock.

Other Rights and Preferences

Holders of shares of our Common Stock have no preference, conversion, exchange, sinking fund, or redemption and have no preemptive rights to subscribe for any securities of our Company, and generally have no appraisal rights so long as our Common Stock is listed on a national securities exchange and except in very limited circumstances involving a merger where our stock is converted into any consideration other than stock of the successor in the merger and in which our directors, officers, and 5% or greater stockholders receive different consideration than stockholders generally. Subject to the provisions of the charter regarding the restrictions on transfer of stock, shares of our Common Stock will have equal dividend, liquidation and other rights.

Under the MGCL, a Maryland corporation generally cannot dissolve, amend its charter, merge, consolidate, transfer all or substantially all of its assets, engage in a statutory share exchange or engage in similar transactions outside the ordinary course of business unless declared advisable by the board of directors and approved by the affirmative vote of stockholders holding at least two-thirds of the shares entitled to vote on the matter unless a lesser percentage (but not less than a majority of all of the votes entitled to be cast on the matter) is set forth in the corporation's charter. Our charter does not contain a provision reducing the required vote below the threshold established under the MGCL. Because operating assets may be held by a corporation's subsidiaries, as in our situation, a subsidiary of a corporation may be able to merge or transfer all of its assets without a vote of our stockholders.

Subject to the provisions of the charter regarding the restrictions on transfer of stock, we are not aware of any limitations on the rights to own our Common Stock, including rights of non-resident or foreign stockholders to hold or exercise voting rights on our Common Stock, imposed by foreign law or by our charter or bylaws.

Listing

The Common Stock is traded on the New York Stock Exchange (the "NYSE") under the trading symbol "AHT."

Description of the Series D Preferred Stock

Authorized Capital Shares

Our board of directors has classified and designated 1,174,427 shares of 8.45% Series D Cumulative Preferred Stock, par value \$0.01 per share ("Series D Preferred Stock"). All outstanding shares of our Series D Preferred Stock are fully paid and nonassessable.

Ranking

The Series D Preferred Stock will, with respect to dividend rights and rights upon liquidation, dissolution or winding up of our affairs rank:

- senior to all classes or series of Common Stock and to all equity securities ranking junior to the preferred stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of our affairs;
- on a parity with all equity securities issued by us the terms of which specifically provide that those equity securities rank on a parity with the preferred stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of our affairs; and
- junior to all equity securities issued by us the terms of which specifically provide that those equity securities rank senior to the preferred stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of our affairs.

The term "equity securities" does not include convertible debt securities.

Our Series D Preferred Stock, Series F Preferred Stock, Series G Preferred Stock, Series H Preferred Stock, and Series I Preferred Stock all rank on a parity with one another.

Voting Rights

Holders of Series D Preferred Stock generally have no voting rights, except that if six or more quarterly dividend payments have not been made, our board of directors will be expanded by two seats and the holders of Series D Preferred Stock, voting together as a single class with the holders of all other series of preferred stock that has been granted similar voting rights and is considered parity stock with the Series D Preferred Stock, will be entitled to elect these two directors. In addition, the issuance of senior shares or certain changes to the terms of the Series D Preferred Stock that would be materially adverse to the rights of holders of Series D Preferred Stock cannot be made without the affirmative vote of holders of at least 66 2/3% of the outstanding Series D Preferred Stock and shares of any class or series of shares ranking on a parity with the Series D Preferred Stock which are entitled to similar voting rights, if any, voting as a single class.

Dividend Rights

The Series D Preferred Stock provides for a cumulative cash dividend at an annual rate of 8.45% on the \$25.00 per share liquidation preference; *provided, however*, that during any period of time that both (i) the Series D Preferred Stock is not listed on either the NYSE, NYSE American LLC (the "NYSE American"), or the NASDAQ Stock Market ("NASDAQ"), or on a

successor exchange and (ii) we are not subject to the reporting requirements of the Exchange Act, the Series D Preferred Stock will accrue a cumulative cash dividend at an annual rate of 9.45% on the \$25.00 per share liquidation preference (equivalent to an annual dividend rate of \$2.3625 per share), which we refer to as a special distribution.

Liquidation Rights

Upon any voluntary or involuntary liquidation, dissolution or winding up of our Company, the holders of Series D Preferred Stock will be entitled to receive a liquidation preference of \$25.00 per share, plus an amount equal to all accumulated, accrued and unpaid dividends (whether or not earned or declared) to the date of liquidation, dissolution or winding up of the affairs of our Company, before any payment or distribution will be made to or set apart for the holders of any junior stock.

Other Rights and Preferences

The Series D Preferred Stock is not convertible or exchangeable for any of our other securities or property, and holders of shares of our Series D Preferred Stock have no preemptive rights to subscribe for any securities of our Company. Holders of Series D Preferred Stock do not have redemption rights. Our Series D Preferred Stock is not subject to any sinking fund provisions.

During any period in which we are required to pay a special distribution, holders of the Series D Preferred Stock will become entitled to certain information rights related thereto.

Subject to the provisions of the charter regarding the restrictions on transfer of stock, we are not aware of any limitations on the rights to own our Series D Preferred Stock, including rights of non-resident or foreign stockholders to hold or exercise voting rights on our Series D Preferred Stock, imposed by foreign law or by our charter or bylaws.

Listing

The Series D Preferred Stock is traded on the NYSE under the trading symbol "AHT-PD."

Description of the Series F Preferred Stock

Authorized Capital Shares

Our board of directors has classified and designated 1,251,044 shares of 7.375% Series F Cumulative Preferred Stock, par value \$0.01 per share ("Series F Preferred Stock"). All outstanding shares of our Series F Preferred Stock are fully paid and nonassessable.

Ranking

The Series F Preferred Stock will, with respect to dividend rights and rights upon liquidation, dissolution or winding up of our affairs rank:

- senior to all classes or series of Common Stock and to all equity securities ranking junior to the preferred stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of our affairs;
- on a parity with all equity securities issued by us the terms of which specifically provide that those equity securities rank on a parity with the preferred stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of our affairs; and
- junior to all equity securities issued by us the terms of which specifically provide that those equity securities rank senior to the preferred stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of our affairs.

The term "equity securities" does not include convertible debt securities.

Voting Rights

Holders of Series F Preferred Stock generally have no voting rights, except that if six or more quarterly dividend payments have not been made, our board of directors will be expanded by two seats and the holders of Series F Preferred Stock, voting together as a single class with the holders of all other series of Preferred Stock that has been granted similar voting rights and is considered parity stock with the Series F Preferred Stock, will be entitled to elect these two directors. In addition, the issuance of senior shares or certain changes to the terms of the Series F Preferred Stock that would be materially adverse to the rights of

holders of Series F Preferred Stock cannot be made without the affirmative vote of holders of at least 66 2/3% of the outstanding Series F Preferred Stock and shares of any class or series of shares ranking on a parity with the Series F Preferred Stock which are entitled to similar voting rights, if any, voting as a single class.

Dividend Rights

The Series F Preferred Stock provides for a cumulative cash dividend at an annual rate of 7.375% on the \$25.00 per share liquidation preference.

Liquidation Rights

Upon any voluntary or involuntary liquidation, dissolution or winding up of our Company, the holders of Series F Preferred Stock will be entitled to receive a liquidation preference of \$25.00 per share, plus an amount equal to all accumulated, accrued and unpaid dividends (whether or not earned or declared) to the date of liquidation, dissolution or winding up of the affairs of our Company, before any payment or distribution will be made to or set apart for the holders of any junior stock.

Redemption Provisions

Upon the occurrence of a Change of Control (as defined below), we may, at our option, redeem the Series F Preferred Stock, in whole or in part within 120 days after the first date on which such Change of Control occurred, by paying \$25.00 per share, plus any accrued and unpaid dividends to, but not including, the date of redemption. If, prior to the Change of Control conversion date, we exercise any of our redemption rights relating to the Series F Preferred Stock (whether our optional redemption right or our special optional redemption right), the holders of Series F Preferred Stock will not have the conversion right described below.

A "Change of Control" is when, after the original issuance of the Series F Preferred Stock, the following have occurred and are continuing:

- the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of our Company entitling that person to exercise more than 50% of the total voting power of all shares of our Company entitled to vote generally in elections of directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and
- following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts ("ADRs") representing such securities) listed on the NYSE, the NYSE American or NASDAQ or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE American or NASDAQ.

In addition, we may redeem the Series F Preferred Stock, in whole or from time to time in part, at a cash redemption price equal to 100% of the \$25.00 per share liquidation preference plus all accrued and unpaid dividends to the date fixed for redemption. The Series F Preferred Stock has no stated maturity and is not subject to any sinking fund or mandatory redemption provisions.

Conversion Rights

Upon the occurrence of a Change of Control, each holder of Series F Preferred Stock will have the right (unless, prior to the Change of Control conversion date, we have provided or provide notice of our election to redeem the Series F Preferred Stock) to convert some or all of the Series F Preferred Stock held by such holder on the Change of Control conversion date into a number of shares of our Common Stock per share of Series F Preferred Stock to be converted equal to the lesser of:

- the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference plus the amount of any accrued and unpaid dividends to, but not including, the Change of Control conversion date (unless the Change of Control conversion date is after a dividend record date for the Series F Preferred Stock and prior to the corresponding Series F Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividend will be included in this sum) by (ii) the Common Stock Price (as defined below); and
- 0.0968992 (the "Share Cap"), subject to certain adjustments;

subject, in each case, to provisions for the receipt of alternative consideration. The “Common Stock Price” will be (i) the amount of cash consideration per share of Common Stock, if the consideration to be received in the Change of Control by the holders of our Common Stock is solely cash; or (ii) the average of the closing prices for our Common Stock on the NYSE for the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control, if the consideration to be received in the Change of Control by the holders of our Common Stock is other than solely cash.

If, prior to the Change of Control conversion date, we have provided or provide a redemption notice, whether pursuant to our special optional redemption right in connection with a Change of Control or our optional redemption right, holders of Series F Preferred Stock will not have any right to convert the Series F Preferred Stock in connection with the Change of Control conversion right and any shares of Series F Preferred Stock selected for redemption that have been tendered for conversion will be redeemed on the related date of redemption instead of converted on the Change of Control conversion date.

Except as provided above in connection with a Change of Control, the Series F Preferred Stock is not convertible into or exchangeable for any other securities or property.

Other Rights and Preferences

Holders of shares of our Series F Preferred Stock have no preemptive rights to subscribe for any securities of our Company. Subject to the provisions of the charter regarding the restrictions on transfer of stock, we are not aware of any limitations on the rights to own our Series F Preferred Stock, including rights of non-resident or foreign stockholders to hold or exercise voting rights on our Series F Preferred Stock, imposed by foreign law or by our charter or bylaws.

Listing

The Series F Preferred Stock is traded on the NYSE under the trading symbol “AHT-PF.”

Description of the Series G Preferred Stock

Authorized Capital Shares

Our board of directors has classified and designated 1,531,996 shares of 7.375% Series G Cumulative Preferred Stock, par value \$0.01 per share (“Series G Preferred Stock”). All outstanding shares of our Series G Preferred Stock are fully paid and nonassessable.

Ranking

The Series G Preferred Stock will, with respect to dividend rights and rights upon liquidation, dissolution or winding up of our affairs rank:

- senior to all classes or series of Common Stock and to all equity securities ranking junior to the preferred stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of our affairs;
- on a parity with all equity securities issued by us the terms of which specifically provide that those equity securities rank on a parity with the preferred stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of our affairs; and
- junior to all equity securities issued by us the terms of which specifically provide that those equity securities rank senior to the preferred stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of our affairs.

The term “equity securities” does not include convertible debt securities.

Voting Rights

Holders of Series G Preferred Stock generally have no voting rights, except that if six or more quarterly dividend payments have not been made, our board of directors will be expanded by two seats and the holders of Series G Preferred Stock, voting together as a single class with the holders of all other series of Preferred Stock that has been granted similar voting rights and is considered parity stock with the Series G Preferred Stock, will be entitled to elect these two directors. In addition, the issuance of senior shares or certain changes to the terms of the Series G Preferred Stock that would be materially adverse to the rights of holders of Series G Preferred Stock cannot be made without the affirmative vote of holders of at least 66 2/3% of the outstanding Series G Preferred Stock and shares of any class or series of shares ranking on a parity with the Series G Preferred Stock which are entitled to similar voting rights, if any, voting as a single class.

Dividend Rights

The Series G Preferred Stock provides for a cumulative cash dividend at an annual rate of 7.375% on the \$25.00 per share liquidation preference.

Liquidation Rights

Upon any voluntary or involuntary liquidation, dissolution or winding up of our Company, the holders of Series G Preferred Stock will be entitled to receive a liquidation preference of \$25.00 per share, plus an amount equal to all accumulated, accrued and unpaid dividends (whether or not earned or declared) to the date of liquidation, dissolution or winding up of the affairs of our Company, before any payment or distribution will be made to or set apart for the holders of any junior stock.

Redemption Provisions

Upon the occurrence of a Change of Control (as defined below), we may, at our option, redeem the Series G Preferred Stock, in whole or in part within 120 days after the first date on which such Change of Control occurred, by paying \$25.00 per share, plus any accrued and unpaid dividends to, but not including, the date of redemption. If, prior to the Change of Control conversion date, we exercise any of our redemption rights relating to the Series G Preferred Stock (whether our optional redemption right or our special optional redemption right), the holders of Series G Preferred Stock will not have the conversion right described below.

A "Change of Control" is when, after the original issuance of the Series G Preferred Stock, the following have occurred and are continuing:

- the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of our Company entitling that person to exercise more than 50% of the total voting power of all shares of our Company entitled to vote generally in elections of directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and
- following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or ADRs representing such securities) listed on the NYSE, the NYSE American or NASDAQ or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE American or NASDAQ.

In addition, we may redeem the Series G Preferred Stock, in whole or from time to time in part, at a cash redemption price equal to 100% of the \$25.00 per share liquidation preference plus all accrued and unpaid dividends to the date fixed for redemption. The Series G Preferred Stock has no stated maturity and is not subject to any sinking fund or mandatory redemption provisions.

Conversion Rights

Upon the occurrence of a Change of Control, each holder of Series G Preferred Stock will have the right (unless, prior to the Change of Control conversion date, we have provided or provide notice of our election to redeem the Series G Preferred Stock) to convert some or all of the Series G Preferred Stock held by such holder on the Change of Control conversion date into a number of shares of our Common Stock per share of Series G Preferred Stock to be converted equal to the lesser of:

- the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference plus the amount of any accrued and unpaid dividends to, but not including, the Change of Control conversion date (unless the Change of Control conversion date is after a dividend record date for the Series G Preferred Stock and prior to the corresponding Series G Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividend will be included in this sum) by (ii) the Common Stock Price (as defined below); and
- 0.083333 (the "Share Cap"), subject to certain adjustments;

subject, in each case, to provisions for the receipt of alternative consideration. The "Common Stock Price" will be (i) the amount of cash consideration per share of Common Stock, if the consideration to be received in the Change of Control by the holders of our Common Stock is solely cash; or (ii) the average of the closing prices for our Common Stock on the NYSE for

the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control, if the consideration to be received in the Change of Control by the holders of our Common Stock is other than solely cash.

If, prior to the Change of Control conversion date, we have provided or provide a redemption notice, whether pursuant to our special optional redemption right in connection with a Change of Control or our optional redemption right, holders of Series G Preferred Stock will not have any right to convert the Series G Preferred Stock in connection with the Change of Control conversion right and any shares of Series G Preferred Stock selected for redemption that have been tendered for conversion will be redeemed on the related date of redemption instead of converted on the Change of Control conversion date.

Except as provided above in connection with a Change of Control, the Series G Preferred Stock is not convertible into or exchangeable for any other securities or property.

Other Rights and Preferences

Holders of shares of our Series G Preferred Stock have no preemptive rights to subscribe for any securities of our Company. Subject to the provisions of the charter regarding the restrictions on transfer of stock, we are not aware of any limitations on the rights to own our Series G Preferred Stock, including rights of non-resident or foreign stockholders to hold or exercise voting rights on our Series G Preferred Stock, imposed by foreign law or by our charter or bylaws.

Listing

The Series G Preferred Stock is traded on the NYSE under the trading symbol "AHT-PG."

Description of the Series H Preferred Stock

Authorized Capital Shares

Our board of directors has classified and designated 1,308,415 shares of 7.50% Series H Cumulative Preferred Stock, par value \$0.01 per share ("Series H Preferred Stock"). All outstanding shares of our Series H Preferred Stock are fully paid and nonassessable.

Ranking

The Series H Preferred Stock will, with respect to dividend rights and rights upon liquidation, dissolution or winding up of our affairs rank:

- senior to all classes or series of Common Stock and to all equity securities ranking junior to the preferred stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of our affairs;
- on a parity with all equity securities issued by us the terms of which specifically provide that those equity securities rank on a parity with the preferred stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of our affairs; and
- junior to all equity securities issued by us the terms of which specifically provide that those equity securities rank senior to the preferred stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of our affairs.

The term "equity securities" does not include convertible debt securities.

Voting Rights

Holders of Series H Preferred Stock generally have no voting rights, except that if six or more quarterly dividend payments have not been made, our board of directors will be expanded by two seats and the holders of Series H Preferred Stock, voting together as a single class with the holders of all other series of Preferred Stock that has been granted similar voting rights and is considered parity stock with the Series H Preferred Stock, will be entitled to elect these two directors. In addition, the issuance of senior shares or certain changes to the terms of the Series H Preferred Stock that would be materially adverse to the rights of holders of Series H Preferred Stock cannot be made without the affirmative vote of holders of at least 66 2/3% of the outstanding Series H Preferred Stock and shares of any class or series of shares ranking on a parity with the Series H Preferred Stock which are entitled to similar voting rights, if any, voting as a single class.

Dividend Rights

The Series H Preferred Stock provides for a cumulative cash dividend at an annual rate of 7.50% on the \$25.00 per share liquidation preference.

Liquidation Rights

Upon any voluntary or involuntary liquidation, dissolution or winding up of our Company, the holders of Series H Preferred Stock will be entitled to receive a liquidation preference of \$25.00 per share, plus an amount equal to all accumulated, accrued and unpaid dividends (whether or not earned or declared) to the date of liquidation, dissolution or winding up of the affairs of our Company, before any payment or distribution will be made to or set apart for the holders of any junior stock.

Redemption Provisions

Upon the occurrence of a Change of Control (as defined below), we may, at our option, redeem the Series H Preferred Stock, in whole or in part within 120 days after the first date on which such Change of Control occurred, by paying \$25.00 per share, plus any accrued and unpaid dividends to, but not including, the date of redemption. If, prior to the Change of Control conversion date, we exercise any of our redemption rights relating to the Series H Preferred Stock (whether our optional redemption right or our special optional redemption right), the holders of Series H Preferred Stock will not have the conversion right described below.

A "Change of Control" is when, after the original issuance of the Series H Preferred Stock, the following have occurred and are continuing:

- the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of our Company entitling that person to exercise more than 50% of the total voting power of all shares of our Company entitled to vote generally in elections of directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and
- following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or ADRs representing such securities) listed on the NYSE, the NYSE American or NASDAQ or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE American or NASDAQ.

In addition, we may redeem the Series H Preferred Stock, in whole or from time to time in part, at a cash redemption price equal to 100% of the \$25.00 per share liquidation preference plus all accrued and unpaid dividends to the date fixed for redemption. The Series H Preferred Stock has no stated maturity and is not subject to any sinking fund or mandatory redemption provisions.

Conversion Rights

Upon the occurrence of a Change of Control, each holder of Series H Preferred Stock will have the right (unless, prior to the Change of Control conversion date, we have provided or provide notice of our election to redeem the Series H Preferred Stock) to convert some or all of the Series H Preferred Stock held by such holder on the Change of Control conversion date into a number of shares of our Common Stock per share of Series H Preferred Stock to be converted equal to the lesser of:

- the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference plus the amount of any accrued and unpaid dividends to, but not including, the Change of Control conversion date (unless the Change of Control conversion date is after a dividend record date for the Series H Preferred Stock and prior to the corresponding Series H Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividend will be included in this sum) by (ii) the Common Stock Price (as defined below); and
- 0.0825083 (the "Share Cap"), subject to certain adjustments;

subject, in each case, to provisions for the receipt of alternative consideration. The "Common Stock Price" will be (i) the amount of cash consideration per share of Common Stock, if the consideration to be received in the Change of Control by the holders of our Common Stock is solely cash; or (ii) the average of the closing prices for our Common Stock on the NYSE for

the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control, if the consideration to be received in the Change of Control by the holders of our Common Stock is other than solely cash.

If, prior to the Change of Control conversion date, we have provided or provide a redemption notice, whether pursuant to our special optional redemption right in connection with a Change of Control or our optional redemption right, holders of Series H Preferred Stock will not have any right to convert the Series H Preferred Stock in connection with the Change of Control conversion right and any shares of Series H Preferred Stock selected for redemption that have been tendered for conversion will be redeemed on the related date of redemption instead of converted on the Change of Control conversion date.

Except as provided above in connection with a Change of Control, the Series H Preferred Stock is not convertible into or exchangeable for any other securities or property.

Other Rights and Preferences

Holders of shares of our Series H Preferred Stock have no preemptive rights to subscribe for any securities of our Company. Subject to the provisions of the charter regarding the restrictions on transfer of stock, we are not aware of any limitations on the rights to own our Series H Preferred Stock, including rights of non-resident or foreign stockholders to hold or exercise voting rights on our Series H Preferred Stock, imposed by foreign law or by our charter or bylaws.

Listing

The Series H Preferred Stock is traded on the NYSE under the trading symbol "AHT-PH."

Description of the Series I Preferred Stock

Authorized Capital Shares

Our board of directors has classified and designated 1,252,923 shares of 7.50% Series I Cumulative Preferred Stock, par value \$0.01 per share ("Series I Preferred Stock"). All outstanding shares of our Series I Preferred Stock are fully paid and nonassessable.

Ranking

The Series I Preferred Stock will, with respect to dividend rights and rights upon liquidation, dissolution or winding up of our affairs rank:

- senior to all classes or series of Common Stock and to all equity securities ranking junior to the preferred stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of our affairs;
- on a parity with all equity securities issued by us the terms of which specifically provide that those equity securities rank on a parity with the preferred stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of our affairs; and
- junior to all equity securities issued by us the terms of which specifically provide that those equity securities rank senior to the preferred stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of our affairs.

The term "equity securities" does not include convertible debt securities.

Voting Rights

Holders of Series I Preferred Stock generally have no voting rights, except that if six or more quarterly dividend payments have not been made, our board of directors will be expanded by two seats and the holders of Series I Preferred Stock, voting together as a single class with the holders of all other series of Preferred Stock that has been granted similar voting rights and is considered parity stock with the Series I Preferred Stock, will be entitled to elect these two directors. In addition, the issuance of senior shares or certain changes to the terms of the Series I Preferred Stock that would be materially adverse to the rights of holders of Series I Preferred Stock cannot be made without the affirmative vote of holders of at least 66 2/3% of the outstanding Series I Preferred Stock and shares of any class or series of shares ranking on a parity with the Series I Preferred Stock which are entitled to similar voting rights, if any, voting as a single class.

Dividend Rights

The Series I Preferred Stock provides for a cumulative cash dividend at an annual rate of 7.50% on the \$25.00 per share liquidation preference.

Liquidation Rights

Upon any voluntary or involuntary liquidation, dissolution or winding up of our Company, the holders of Series I Preferred Stock will be entitled to receive a liquidation preference of \$25.00 per share, plus an amount equal to all accumulated, accrued and unpaid dividends (whether or not earned or declared) to the date of liquidation, dissolution or winding up of the affairs of our Company, before any payment or distribution will be made to or set apart for the holders of any junior stock.

Redemption Provisions

Upon the occurrence of a Change of Control (as defined below), we may, at our option, redeem the Series I Preferred Stock, in whole or in part within 120 days after the first date on which such Change of Control occurred, by paying \$25.00 per share, plus any accrued and unpaid dividends to, but not including, the date of redemption. If, prior to the Change of Control conversion date, we exercise any of our redemption rights relating to the Series I Preferred Stock (whether our optional redemption right or our special optional redemption right), the holders of Series I Preferred Stock will not have the conversion right described below.

A "Change of Control" is when, after the original issuance of the Series I Preferred Stock, the following have occurred and are continuing:

- the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of our Company entitling that person to exercise more than 50% of the total voting power of all shares of our Company entitled to vote generally in elections of directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and
- following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or ADRs representing such securities) listed on the NYSE, the NYSE American or NASDAQ or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE American or NASDAQ.

In addition, on and after November 17, 2022, we may redeem the Series I Preferred Stock, in whole or from time to time in part, at a cash redemption price equal to 100% of the \$25.00 per share liquidation preference plus all accrued and unpaid dividends to the date fixed for redemption. The Series I Preferred Stock has no stated maturity and is not subject to any sinking fund or mandatory redemption provisions.

Conversion Rights

Upon the occurrence of a Change of Control, each holder of Series I Preferred Stock will have the right (unless, prior to the Change of Control conversion date, we have provided or provide notice of our election to redeem the Series I Preferred Stock) to convert some or all of the Series I Preferred Stock held by such holder on the Change of Control conversion date into a number of shares of our Common Stock per share of Series I Preferred Stock to be converted equal to the lesser of:

- the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference plus the amount of any accrued and unpaid dividends to, but not including, the Change of Control conversion date (unless the Change of Control conversion date is after a dividend record date for the Series I Preferred Stock and prior to the corresponding Series I Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividend will be included in this sum) by (ii) the Common Stock Price (as defined below); and
- 0.0806452 (the "Share Cap"), subject to certain adjustments;

subject, in each case, to provisions for the receipt of alternative consideration. The "Common Stock Price" will be (i) the amount of cash consideration per share of Common Stock, if the consideration to be received in the Change of Control by the holders of our Common Stock is solely cash; or (ii) the average of the closing prices for our Common Stock on the NYSE for

the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control, if the consideration to be received in the Change of Control by the holders of our Common Stock is other than solely cash.

If, prior to the Change of Control conversion date, we have provided or provide a redemption notice, whether pursuant to our special optional redemption right in connection with a Change of Control or our optional redemption right, holders of Series I Preferred Stock will not have any right to convert the Series I Preferred Stock in connection with the Change of Control conversion right and any shares of Series I Preferred Stock selected for redemption that have been tendered for conversion will be redeemed on the related date of redemption instead of converted on the Change of Control conversion date.

Except as provided above in connection with a Change of Control, the Series I Preferred Stock is not convertible into or exchangeable for any other securities or property.

Other Rights and Preferences

Holders of shares of our Series I Preferred Stock have no preemptive rights to subscribe for any securities of our Company.

During any period that we are not subject to the reporting requirements of the Exchange Act, and any Series I Preferred Stock is outstanding, holders of the Series I Preferred Stock will become entitled to certain information rights related thereto.

Subject to the provisions of the charter regarding the restrictions on transfer of stock, we are not aware of any limitations on the rights to own our Series I Preferred Stock, including rights of non-resident or foreign stockholders to hold or exercise voting rights on our Series I Preferred Stock, imposed by foreign law or by our charter or bylaws.

Listing

The Series I Preferred Stock is traded on the NYSE under the trading symbol "AHT-PI."

Description of the Series J and Series K Redeemable Preferred Stock

Our board of directors has classified and designated 28,000,000 shares of our capital stock as either Series J Redeemable Preferred Stock or Series K Redeemable Preferred Stock. The shares of Series J Redeemable Preferred Stock and Series K Redeemable Preferred Stock rank on a parity with our other classes of Preferred Stock listed on the NYSE, but are redeemable at the option of the holders or the Company in certain circumstances. The Series J Redeemable Preferred Stock and Series K Redeemable Preferred Stock are not listed on the NYSE. A further description of the terms of these classes of Redeemable Preferred Stock is contained in our Registration Statement on Form S-3 (File No. 333-263323) available at www.sec.gov.

Restrictions on Ownership and Transfer

In order for us to qualify as a real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended (the "Code"), not more than 50% of the value of the outstanding shares of our stock may be owned, actually or constructively, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year (other than the first year for which an election to be a REIT has been made by us). In addition, if we, or one or more owners (actually or constructively) of 10% or more of us, actually or constructively owns 10% or more of a tenant of ours (or a tenant of any partnership in which we are a partner), the rent received by us (either directly or through any such partnership) from such tenant will not be qualifying income for purposes of the REIT gross income tests of the Code. Our stock must also be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year (other than the first year for which an election to be a REIT has been made by us).

Our charter contains restrictions on the ownership and transfer of our capital stock that are intended to assist us in complying with these requirements and continuing to qualify as a REIT. The relevant sections of our charter provide that, subject to the exceptions described below, no person or persons acting as a group may own, or be deemed to own by virtue of the attribution provisions of the Code, more than (i) 9.8% of the lesser of the number or value of shares of our Common Stock outstanding or (ii) 9.8% of the lesser of the number or value of the issued and outstanding preferred or other shares of any class or series of our stock. We refer to this restriction as the "ownership limit."

The ownership attribution rules under the Code are complex and may cause stock owned actually or constructively by a group of related individuals and/or entities to be owned constructively by one individual or entity. As a result, the acquisition of less than 9.8% of our Common Stock (or the acquisition of an interest in an entity that owns, actually or constructively, our Common Stock) by an individual or entity, could, nevertheless cause that individual or entity, or another individual or entity, to

own constructively in excess of 9.8% of our outstanding Common Stock and thereby subject the Common Stock to the ownership limit.

Our board of directors may, in its sole discretion, waive the ownership limit with respect to one or more stockholders who would not be treated as “individuals” for purposes of the Code if it determines that such ownership will not cause any “individual’s” beneficial ownership of shares of our capital stock to jeopardize our status as a REIT (for example, by causing any tenant of ours to be considered a “related party tenant” for purposes of the REIT qualification rules).

As a condition of our waiver, our board of directors may require an opinion of counsel or Internal Revenue Service ruling satisfactory to our board of directors, and/or representations or undertakings from the applicant with respect to preserving our REIT status.

In connection with the waiver of the ownership limit or at any other time, our board of directors may decrease the ownership limit for all other persons and entities; provided, however, that the decreased ownership limit will not be effective for any person or entity whose percentage ownership in our capital stock is in excess of such decreased ownership limit until such time as such person or entity’s percentage of our capital stock equals or falls below the decreased ownership limit, but any further acquisition of our capital stock in excess of such percentage ownership of our capital stock will be in violation of the ownership limit. Additionally, the new ownership limit may not allow five or fewer “individuals” (as defined for purposes of the REIT ownership restrictions under the Code) to beneficially own more than 49.0% of the value of our outstanding capital stock.

Our charter provisions further prohibit:

- any person from actually or constructively owning shares of our capital stock that would result in us being “closely held” under Section 856(h) of the Code or otherwise cause us to fail to qualify as a REIT; and
- any person from transferring shares of our capital stock if such transfer would result in shares of our stock being beneficially owned by fewer than 100 persons (determined without reference to any rules of attribution).

Any person who acquires or attempts or intends to acquire beneficial or constructive ownership of shares of our Common Stock that will or may violate any of the foregoing restrictions on transferability and ownership will be required to give notice immediately to us and provide us with such other information as we may request in order to determine the effect of such transfer on our status as a REIT. The foregoing provisions on transferability and ownership will not apply if our board of directors determines that it is no longer in our best interests to qualify, or to continue to qualify, as a REIT.

Pursuant to our charter, if any purported transfer of our capital stock or any other event would otherwise result in any person violating the ownership limits or the other restrictions in our charter, then any such purported transfer will be void and of no force or effect with respect to the purported transferee or owner (collectively referred to hereinafter as the “purported owner”) as to that number of shares in excess of the ownership limit (rounded up to the nearest whole share). The number of shares in excess of the ownership limit will be automatically transferred to, and held by, a trust for the exclusive benefit of one or more charitable organizations selected by us. The trustee of the trust will be designated by us and must be unaffiliated with us and with any purported owner. The automatic transfer will be effective as of the close of business on the business day prior to the date of the violative transfer or other event that results in a transfer to the trust. Any dividend or other distribution paid to the purported owner, prior to our discovery that the shares had been automatically transferred to a trust as described above, must be repaid to the trustee upon demand for distribution to the beneficiary of the trust and all dividends and other distributions paid by us with respect to such “excess” shares prior to the sale by the trustee of such shares shall be paid to the trustee for the beneficiary. If the transfer to the trust as described above is not automatically effective, for any reason, to prevent violation of the applicable ownership limit, then our charter provides that the transfer of the excess shares will be void. Subject to Maryland law, effective as of the date that such excess shares have been transferred to the trust, the trustee shall have the authority (at the trustee’s sole discretion and subject to applicable law) (i) to rescind as void any vote cast by a purported owner prior to our discovery that such shares have been transferred to the trust and (ii) to recast such vote in accordance with the desires of the trustee acting for the benefit of the beneficiary of the trust, provided that if we have already taken irreversible action, then the trustee shall not have the authority to rescind and recast such vote.

Shares of our capital stock transferred to the trustee are deemed offered for sale to us, or our designee, at a price per share equal to the lesser of (i) the price paid by the purported owner for the shares (or, if the event which resulted in the transfer to the trust did not involve a purchase of such shares of our capital stock at market price, the market price on the day of the event which resulted in the transfer of such shares of our capital stock to the trust) and (ii) the market price on the date we, or our designee, accepts such offer. We have the right to accept such offer until the trustee has sold the shares of our capital stock held in the trust pursuant to the clauses discussed below. Upon a sale to us, the interest of the charitable beneficiary in the shares sold

terminates and the trustee must distribute the net proceeds of the sale to the purported owner and any dividends or other distributions held by the trustee with respect to such capital stock will be paid to the charitable beneficiary.

If we do not buy the shares, the trustee must, within 20 days of receiving notice from us of the transfer of shares to the trust, sell the shares to a person or entity designated by the trustee who could own the shares without violating the ownership limits. After that, the trustee must distribute to the purported owner an amount equal to the lesser of (i) the net price paid by the purported owner for the shares (or, if the event which resulted in the transfer to the trust did not involve a purchase of such shares at market price, the market price on the day of the event which resulted in the transfer of such shares of our capital stock to the trust) and (ii) the net sales proceeds received by the trust for the shares. Any proceeds in excess of the amount distributable to the purported owner will be distributed to the beneficiary.

Our charter also provides that "Benefit Plan Investors" (as defined in our charter) may not hold, individually or in the aggregate, 25% or more of the value of any class or series of shares of our capital stock to the extent such class or series does not constitute "Publicly Offered Securities" (as defined in our charter).

All persons who own, directly or by virtue of the attribution provisions of the Code, more than 5% (or such other percentage as provided in the regulations promulgated under the Code) of the lesser of the number or value of the shares of our outstanding capital stock must give written notice to us within 30 days after the end of each calendar year. In addition, each stockholder will, upon demand, be required to disclose to us in writing such information with respect to the direct, indirect and constructive ownership of shares of our stock as our board of directors deems reasonably necessary to comply with the provisions of the Code applicable to a REIT, to comply with the requirements or any taxing authority or governmental agency or to determine any such compliance.

All certificates representing shares of our capital stock bear a legend referring to the restrictions described above.

Certain Provisions of Maryland Law and Our Charter and Bylaws

The Board of Directors

Our bylaws provide that the number of directors of our Company may be established by our board of directors but may not be fewer than the minimum number permitted under the MGCL nor more than 15. Any vacancy will be filled, at any regular meeting or at any special meeting called for that purpose, by a majority of the remaining directors.

Pursuant to our charter, each member of our board of directors will serve one year terms. See "Description of Common Stock" for further information regarding the election of directors.

Business Combinations

Maryland law prohibits "business combinations" between a corporation and an interested stockholder or an affiliate of an interested stockholder for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include a merger, consolidation, statutory share exchange, or, in circumstances specified in the statute, certain transfers of assets, certain stock issuances and transfers, liquidation plans and reclassifications involving interested stockholders and their affiliates as asset transfer or issuance or reclassification of equity securities. Maryland law defines an interested stockholder as:

- any person who beneficially owns 10% or more of the voting power of our voting stock; or
- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then-outstanding voting stock of the corporation.

A person is not an interested stockholder if the board of directors approves in advance the transaction by which the person otherwise would have become an interested stockholder. However, in approving the transaction, the board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the board of directors.

After the five year prohibition, any business combination between a corporation and an interested stockholder generally must be recommended by the board of directors and approved by the affirmative vote of at least:

- 80% of the votes entitled to be cast by holders of the then outstanding shares of Common Stock; and

- two-thirds of the votes entitled to be cast by holders of the Common Stock other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or shares held by an affiliate or associate of the interested stockholder.

These super-majority vote requirements do not apply if certain fair price requirements set forth in the MGCL are satisfied.

The statute permits various exemptions from its provisions, including business combinations that are approved by the board of directors before the time that the interested stockholder becomes an interested stockholder.

Our charter includes a provision excluding the corporation from the business combinations provisions of the MGCL and, consequently, the five-year prohibition and the super-majority vote requirements will not apply to business combinations between us and any interested stockholder of ours unless we later amend our charter, with stockholder approval, to modify or eliminate this provision.

Control Share Acquisitions

The MGCL provides that “control shares” of a Maryland corporation acquired in a “control share acquisition” have no voting rights except to the extent approved at a special meeting by the affirmative vote of two-thirds of the votes entitled to be cast on the matter, excluding shares of stock in a corporation in respect of which any of the following persons is entitled to exercise or direct the exercise of the voting power of shares of stock of the corporation in the election of directors: (i) a person who makes or proposes to make a control share acquisition, (ii) an officer of the corporation or (iii) an employee of the corporation who is also a director of the corporation. “Control shares” are voting shares of stock which, if aggregated with all other such shares of stock previously acquired by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting power: (i) one-tenth or more but less than one-third, (ii) one-third or more but less than a majority, or (iii) a majority or more of all voting power. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A “control share acquisition” means the acquisition, directly or indirectly, by any person of ownership, or the power to direct the exercise of voting power with respect to, issued and outstanding control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition, upon satisfaction of certain conditions (including an undertaking to pay expenses), may compel our board of directors to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. If no request for a meeting is made, the corporation may itself present the question at any stockholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then, subject to certain conditions and limitations, the corporation may redeem any or all of the control shares (except those for which voting rights have previously been approved) for fair value determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquiror or of any meeting of stockholders at which the voting rights of such shares are considered and not approved. If voting rights for control shares are approved at a stockholders meeting and the acquiror becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares as determined for purposes of such appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition.

The control share acquisition statute does not apply to (i) shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction or (ii) acquisitions approved or exempted by the charter or bylaws of the corporation at any time prior to the acquisition of the shares.

Our charter contains a provision exempting from the control share acquisition statute any and all acquisitions by any person of our Common Stock and, consequently, the applicability of the control share acquisitions unless we later amend our charter, with stockholder approval, to modify or eliminate this provision.

MGCL Title 3, Subtitle 8

Subtitle 8 of Title 3 of the MGCL permits a Maryland corporation with a class of equity securities registered under the Exchange Act and at least three independent directors to elect to be subject, notwithstanding any contrary provision in the charter or bylaws, to any or all of the following five provisions: a classified board; a two-thirds stockholder vote requirement for removal of a director; a requirement that the number of directors be fixed only by vote of the directors; a requirement that a vacancy on the board of directors be filled only by the remaining directors and for the remainder of the full term of the class of directors in which the vacancy occurred; and a requirement that the holders of at least a majority of all votes entitled to be cast request a special meeting of stockholders. Through provisions in our charter and bylaws unrelated to Subtitle 8, we already

require that the number of directors be fixed only by our board of directors and require, unless called by the Chairman of our board of directors, our president or chief executive officer or a majority of our board of directors, the written request of stockholders entitled to cast not less than a majority of all votes entitled to be cast at such meeting to call a special meeting. Our charter includes a provision prohibiting our Board from making any of the elections provided for under Subtitle 8. Consequently, we are unable to make any of the elections under Title 8 unless we later amend our charter, with stockholder approval, to modify or eliminate this provision.

Amendment to Our Charter

Our charter may be amended only if declared advisable by the board of directors and approved by the affirmative vote of the holders of at least two-thirds of all of the votes entitled to be cast on the matter.

Dissolution of Our Company

The dissolution of our Company must be declared advisable by the board of directors and approved by the affirmative vote of the holders of not less than two-thirds of all of the votes entitled to be cast on the matter.

Advance Notice of Director Nominations and New Business

Our bylaws provide that:

- with respect to an annual meeting of stockholders, the only business to be considered and the only proposals to be acted upon will be those properly brought before the annual meeting:
 - pursuant to our notice of the meeting;
 - by, or at the direction of, a majority of our board of directors; or
 - by a stockholder who is entitled to vote at the meeting and has complied with the advance notice procedures set forth in our bylaws;
 - with respect to special meetings of stockholders, only the business specified in our Company's notice of meeting may be brought before the meeting of stockholders unless otherwise provided by law; and
- nominations of persons for election to our board of directors at any annual or special meeting of stockholders may be made only:
 - by, or at the direction of, our board of directors; or
 - by a stockholder who is entitled to vote at the meeting and has complied with the advance notice provisions set forth in our bylaws.

Anti-Takeover Effect of Certain Provisions of Maryland Law and of Our Charter and Bylaws

The advance notice provisions of our bylaws could delay, defer or prevent a transaction or a change of control of our Company that might involve a premium price for holders of our Common Stock or that stockholders otherwise believe may be in their best interest. Likewise, if our Company's charter were to be amended to avail the corporation of the business combination provisions of the MGCL to remove or modify the provision in the charter opting out of the control share acquisition provisions of the MGCL, or to permit certain elections to be made under Title 3, Subtitle 8 of the MGCL, these provisions of the MGCL could have similar anti-takeover effects.

Indemnification and Limitation of Directors' and Officers' Liability

Our charter and the partnership agreement provide for indemnification of our officers and directors against liabilities to the fullest extent permitted by the MGCL, as amended from time to time.

The MGCL permits a corporation to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he or she is made a party by reason of his or her service in that capacity. The MGCL permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made a party by reason of their service in those or other capacities unless it is established that:

- an act or omission of the director or officer was material to the matter giving rise to the proceeding and:

- was committed in bad faith; or
- was the result of active and deliberate dishonesty;
- the director or officer actually received an improper personal benefit in money, property or services; or
- in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful.

However, under the MGCL, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation (other than for expenses incurred in a successful defense of such an action) or for a judgment of liability on the basis that personal benefit was improperly received. In addition, the MGCL permits a corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of:

- a written affirmation by the director or officer of his good faith belief that he has met the standard of conduct necessary for indemnification by the corporation; and
- a written undertaking by the director or on the director's behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the director did not meet the standard of conduct.

The MGCL permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from actual receipt of an improper benefit or profit in money, property or services or active and deliberate dishonesty established by a final judgment as being material to the cause of action. Our charter contains such a provision which eliminates such liability to the maximum extent permitted by Maryland law.

Our charter and bylaws obligate us, to the fullest extent permitted by Maryland law in effect from time to time, to indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, pay or reimburse reasonable expenses in advance of final disposition of a proceeding to:

- any present or former director or officer who is made a party to the proceeding by reason of his or her service in that capacity; or
- any individual who, while a director or officer of our Company and at our request, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or any other enterprise as a director, officer, partner or trustee and who is made a party to the proceeding by reason of his or her service in that capacity.

Our bylaws also obligate us to indemnify and advance expenses to any person who served a predecessor of ours in any of the capacities described in second and third bullet points above and to any employee or agent of our Company or a predecessor of our Company.

The partnership agreement of our operating partnership provides that we, as general partner, and our officers and directors are indemnified to the fullest extent permitted by law. See the section titled "Partnership Agreement-Exculpation and Indemnification of the General Partner" in the Annual Report on Form 10-K of which this Exhibit 4.8 is a part.

Insofar as the foregoing provisions permit indemnification of directors, officers or persons controlling us for liability arising under the Securities Act of 1933, as amended (the "Securities Act"), we have been informed that in the opinion of the Securities and Exchange Commission, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

THIRD AMENDED AND RESTATED ADVISORY AGREEMENT
ASHFORD HOSPITALITY TRUST, INC.

THIS THIRD AMENDED AND RESTATED ADVISORY AGREEMENT (this "Agreement"), is dated and effective as of March 12, 2024 (the "Effective Date"), by and between ASHFORD HOSPITALITY TRUST, INC., a Maryland corporation ("Ashford Trust" or the "Company"), ASHFORD HOSPITALITY LIMITED PARTNERSHIP, a Delaware limited partnership (the "Operating Partnership"), ASHFORD TRS CORPORATION, a Delaware corporation ("TRS"), ASHFORD INC., a Nevada corporation ("Ashford Inc."), and ASHFORD HOSPITALITY ADVISORS LLC, a Delaware limited liability company ("Ashford LLC" and, together with Ashford Inc., the "Advisor"), which is the operating company of Ashford Inc.

WHEREAS, Ashford Trust, through its interest in the Operating Partnership, is in the business of investing in the hospitality industry including, the acquiring, developing, owning, asset managing and disposing of hotels (for purposes hereof, unless the context otherwise requires, the term "Company" shall collectively include Ashford Trust and the Operating Partnership);

WHEREAS, Ashford Trust, the Operating Partnership and Ashford LLC entered into a Second Amended and Restated Advisory Agreement (the "Existing Advisory Agreement") dated and effective on January 14, 2021 (the "Prior Effective Date"), pursuant to which the Advisor agreed to perform certain advisory services identified in such agreement, on behalf of, and subject to the supervision of, the board of directors of Ashford Trust (the "Board of Directors"), in exchange for the compensation set forth therein;

WHEREAS, the board of directors of each of Ashford Inc. and the Company desires to modify certain provisions of the Existing Advisory Agreement, and, in doing so to amend and restate the Existing Advisory Agreement to include these amendments;

WHEREAS, the Company desires to continue to avail itself of the experience, brand relationships, lender and capital provider sources and relationships, asset management expertise, sources of information, advice, assistance and certain facilities of the Advisor and to have the Advisor continue to provide the services hereinafter set forth, on behalf of, and subject to the supervision of, the Board of Directors, all as provided herein; and

WHEREAS, the Advisor is willing to continue to provide such services to the Company on the terms set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

1 . Appointment of Advisor. The Company acknowledges the appointment of the Advisor as the exclusive advisor of the Company pursuant to the terms of the Existing

Advisory Agreement and acknowledges the continued role of the Advisor as the exclusive advisor of the Company, to provide the management and real estate services specified herein on the terms and conditions set forth in this Agreement, and the Advisor hereby acknowledges and accepts such continued appointment.

2. Duties of Advisor.

2.1 Specific Duties. Subject to the supervision of the Board of Directors, the Advisor will be responsible for the day-to-day operations of the Company (and all subsidiaries and joint ventures of the Company) and shall perform (or cause to be performed) all services relating to the acquisition and disposition of hotels, asset management, financing and operations of the Company as may be reasonably required, which shall include the following related to the Company's hotel assets:

(a) source, investigate and evaluate acquisitions and dispositions consistent with the Company's Investment Guidelines (as defined in Section 9.2(a) below) and make recommendations to the Board of Directors;

(b) engage and supervise, on the Company's behalf and at the Company's expense, third parties to provide development management, property management, project management, design and construction services, investment banking services, financial services, property disposition brokerage services, independent accounting and auditing services and tax reviews and advice, transfer agent and registrar services, feasibility studies, appraisals, engineering studies, environmental property inspections and due diligence services, underwriting review services, consulting services and all other services reasonably necessary for Advisor to perform its duties hereunder;

(c) negotiate, on the Company's behalf, any acquisitions, dispositions, financings, restructurings or other transactions with sellers, purchasers, lenders, brokers, agents and other applicable representatives;

(d) coordinate and manage joint ventures with the Company, including monitoring and enforcing compliance with applicable joint venture or partnership governing documents;

(e) negotiate, on behalf of the Company, terms of hotel management agreements, franchise agreements and other contracts or agreements of the Company, and modifications, extensions, waivers or terminations thereof including, without limitation, the negotiation and approval of annual operating and capital budgets thereunder;

(f) on behalf of the Company, enforce, monitor and manage compliance of hotel management agreements, franchise agreements and other contracts or agreements of the Company, and modifications, extensions, waivers or terminations thereof;

(g) negotiate, on behalf of the Company, terms of loan documents for the Company's financings;

(h) enforce, monitor and manage compliance of loan documents to which the Company is a party, in each case, on behalf of the Company;

(i) administer bookkeeping and accounting functions as are required for the management and operation of the Company, contract for audits and prepare or cause to be prepared such periodic reports and filings as may be required by any governmental authority in connection with the ordinary conduct of the Company's business, and otherwise advise and assist the Company with its compliance with applicable legal and regulatory requirements, including without limitation, periodic reports, returns or statements required under the Securities Exchange Act of 1934, as amended, the Code and any regulations or rulings thereunder, the securities and tax statutes of any jurisdiction in which the Company is obligated to file such reports, or the rules and regulations promulgated under any of the foregoing;

(j) advise and assist in the preparation and filing of all offering documents, registration statements, prospectuses, proxies, and other forms or documents filed with the Securities and Exchange Commission (the "SEC") pursuant to the Securities Act of 1933, as amended, or any state securities regulators (it being understood that the Company shall be responsible for the content of any and all of its offering documents, SEC filings or state regulatory filings, including, without limitation, those filings referred to in subparagraph 2.1(i) above, and Advisor shall not be held liable for any costs or liabilities arising out of any misstatements or omissions in the Company's offering documents, SEC filings, state regulatory filings or other filings referred to in subparagraphs 2.1(i) and (j), whether or not material, and the Company shall promptly indemnify Advisor for such costs and liabilities);

(k) retain counsel, consultants and other third party professionals on behalf of the Company, coordinate, supervise and manage all consultants, third party professionals and counsel, and investigate, evaluate, negotiate and oversee the processing of claims by or against the Company;

(l) advise and assist with the Company's risk management and oversight function;

(m) provide office space, office equipment and personnel necessary for the performance of services;

(n) perform or supervise the performance of such administrative functions reasonably necessary for the establishment of bank accounts, related controls, collection of revenues and the payment of Company debts and obligations;

(o) communicate with the Company's investors and analysts as required to satisfy reporting or other requirements of any governing body or exchange on which the Company's securities are traded and to maintain effective relations with such investors;

(p) advise and assist the Company with respect to the Company's public relations, preparation of marketing materials, website and investor relation services;

- (q) counsel the Company regarding qualifying, and maintaining Ashford Trust's qualification as a REIT;
- (r) assist the Company in complying with all regulatory requirements applicable to the Company (subject to the Company providing appropriate, necessary and timely funding of capital);
- (s) counsel the Company in connection with policy decisions to be made by the Board of Directors;
- (t) furnish reports and statistical and economic research to the Company regarding the Company's activities, investments, financing and capital market activities and services performed for the Company by the Advisor;
- (u) asset manage (subject to Section 2.5) and monitor the operating performance of the Company's real estate investments, including the management and implementation of capital improvement programs, pursue property tax appeals (as appropriate), and provide periodic reports with respect to the Company's investments to the Board of Directors, including comparative information with respect to such operating performance and budgeted or projected operating results;
- (v) maintain cash in U.S. Treasuries or bank accounts (with the understanding that Advisor's duties shall not include providing or assisting in proactive investment management strategies or investment in securities other than U.S. Treasuries), and make payment of fees, costs and expenses, or the payment of distributions to stockholders of the Company;
- (w) advise the Company as to its capital structure and capital raising;
- (x) take all actions reasonably necessary to enable the Company to comply with and abide by all applicable laws and regulations in all material respects subject to the Company providing appropriate, necessary and timely funding of capital;
- (y) provide the Company with an internal audit staff with the ability to satisfy any applicable regulatory requirements, including, requirements of the New York Stock Exchange and the SEC, and any additional duties that are determined reasonably necessary or appropriate by the Company's audit committee; and
- (z) take such other actions and render such other services as may reasonably be requested by the Company consistent with the purpose of this Agreement and the aforementioned services.

2 . 2 Officers and Other Personnel. The Advisor shall make available sufficient experienced and appropriate personnel to perform the services and functions specified including, without limitation, the positions of the chief executive officer, president, chief operating officer, chief financial officer, chief accounting officer and general counsel (collectively, "Executives") or such positions as Advisor deems reasonably necessary. The Advisor shall not be obligated to

dedicate any of its officers or other personnel exclusively to the Company nor is the Advisor, its Affiliates or any of its officers or other employees obligated to dedicate any specific portion of its or their time to the Company or its business, except as necessary to perform the services provided above. The Advisor shall be entitled to rely on qualified experts and professionals (including, without limitation, accountants, legal counsel and other professional service providers) hired by the Advisor at the Company's sole cost and expense. The Advisor may retain, for and on behalf, and at the sole cost and expense, of the Company, such services of any individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity (each, a "Person") as the Advisor deems necessary or advisable in connection with the management and operations of the Company.

2.3 Certain Related Party Matters. Any waiver, consent, approval, modification, enforcement matter or election required to be made by the Company under (a) the Amended and Restated Mutual Exclusivity Agreement between the Company, Operating Partnership, Remington and Monty J. Bennett, dated as of August 8, 2018, as the same has been amended through the date hereof and may be amended from time to time hereafter, (b) the Mutual Exclusivity Agreement between the Company, Operating Partnership and Premier, dated as of August 8, 2018, as the same has been amended through the date hereof and may be amended from time to time hereafter, (c) the Consolidated, Amended and Restated Hotel Master Management Agreement (the "Hotel Master Management Agreement") dated as of August 8, 2018, by and among TRS, RI Manchester Tenant Corporation, CY Manchester Tenant Corporation and Remington, as the same has been amended through the date hereof or may be amended or supplemented from time to time hereafter, or (d) Master Project Management Agreement (the "Master Project Management Agreement") dated as of August 8, 2018, by and among TRS, RI Manchester Tenant Corporation, CY Manchester Tenant Corporation, Operating Partnership and Premier, as the same has been amended through the date hereof or may be amended or supplemented from time to time hereafter, shall be within the exclusive discretion and control of a majority of the Independent Directors (or higher vote thresholds specifically set forth in such agreements) unless specifically delegated to the Advisor by a majority of the Independent Directors. For purposes of this Agreement, "Independent Director" shall mean any director of Ashford Trust who, on the date at issue, is currently serving on the Board of Directors and is "independent" as determined by application of the current rules and regulations of the New York Stock Exchange in effect as of the Effective Date of this Agreement. For purposes of this Agreement, "Affiliate" shall mean a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the Person in question and any officer, director, trustee, key decision-making employee, stockholder or partner of any Person referred to in the preceding clause, except that for purposes of this Agreement, the Company shall not be considered an Affiliate of the Advisor.

2.4 Increase in Scope of Duties Any increase in the scope of duties or services to be provided by the Advisor must be jointly approved by the Company and the Advisor and will be subject to additional compensation determined in accordance with the provisions of Section 6.4 and the process set forth in Section 9.3 below.

2.5 Exclusivity. Ashford Inc. and its subsidiaries shall be the Company's sole and exclusive provider of asset management, project management and other services offered by Ashford Inc. or any of its subsidiaries, with authority to source, evaluate and monitor the Company's investment opportunities consistent with the Company's Investment Guidelines, and to direct the operation and policies of the Company, such as managing the Company's assets and monitoring the operating performance of the Company's hotel real estate investments and other assets, including the management and implementation of capital improvement programs, pursue property tax appeals (as appropriate), and providing periodic reports with respect to the Company's hotel real estate investments and other assets to the Board of Directors, including comparative information with respect to such operating performance and budgeted or projected operating results.

3 . Authority of Advisor. Subject to the express limitations set forth in this Agreement and the continuing authority of the Board of Directors over the management of the Company, the power to direct the management, operation and policies of the Company shall be vested in the Advisor. Notwithstanding the foregoing, all material decisions with respect to annual capital plans, brand conversions, the commencement or settlement of litigation matters, investment decisions, capital market transactions, annual budgets and management and franchise options recommended by the Advisor, including the acquisition, sale, financing and refinancing of assets, shall be subject to the prior authorization of the Board of Directors, except to the extent such authority is expressly delegated by the Board of Directors to the Advisor. Additionally, if the charter or Maryland General Corporation Law requires the prior approval of the Board of Directors, the Advisor may not take any action on behalf of the Company without the prior approval of the Board of Directors or duly authorized committees thereof. In such cases where prior approval is required, the Advisor will deliver to the Board of Directors such documents and supporting information as may be reasonably requested by the Board of Directors to evaluate a proposed investment (and any related financing) or other matter requiring the Board of Directors' authorization.

4 . Bank Accounts. (i) The Advisor shall, and hereby is authorized to, and shall have the exclusive right and authority to, establish and maintain subject to any applicable conditions or limitations of loan documents applicable to the Company, one or more bank, brokerage or similar accounts in the Advisor's own name for the account of the Company or in the name of the Company and collect and deposit into any account or accounts, and disburse from any such account or accounts, any and all money, securities and other cash equivalents on behalf of the Company, provided, that no funds shall be commingled with the funds of the Advisor. The Advisor shall from time to time render appropriate accountings of such collections and payments to the Board of Directors and the independent auditors of the Company.

(ii) The Advisor shall have the right, in its sole discretion, without prior notice to the Company, to set off, take and apply any monies of the Company on deposit in any bank, brokerage or similar account established and maintained for the Company by the Advisor pursuant to Section 4 or, subject to Section 19, any money on deposit in the Termination Fee Escrow Account established and maintained pursuant to Section 12 of this Agreement to the payment of all amounts becoming due and payable by the

Company; provided, that exercise of such set-off right shall not cause the Company's remaining cash and cash equivalents to be less than the Working Capital Reserve. The exercise of any such set-off right shall not impact the Company's obligation to pay any obligations that remain due and payable following set-off by Advisor. For the avoidance of doubt, in determining the amount of Enhanced Return Investments that Ashford LLC has funded or committed as of any time, amounts repaid in respect of previously made Enhanced Return Investments shall not be deducted. Advisor shall notify the Company in writing promptly after any exercise of setoff rights hereunder setting forth in reasonable detail the amounts so setoff.

5. Payment of Expenses. Subject to the last two paragraphs of this Section 5, in addition to the compensation paid to the Advisor pursuant to Section 6 hereof, the Company shall pay directly or reimburse the Advisor, on a monthly basis, for all of the expenses paid or incurred by the Advisor or its Affiliates on behalf of the Company or in connection with the services provided to the Company pursuant to this Agreement, including, but not limited to, tax, legal, accounting, advisory, investment banking and other third party professional fees, Board of Directors' fees, debt service, taxes, insurance (including errors and omissions insurance and any additional insurance required by Section 8.2), underwriting, brokerage, reporting, registration, listing fees and charges, travel and entertainment expenses, conference sponsorships, transaction diligence and closing costs, dead deal costs, dividends, office space, the cost of all equity awards or compensation plans established by the Company, including the value of awards made by the Company to the employees, officers, Affiliates and representatives of the Advisor, and any other costs which are reasonably necessary for the performance by the Advisor of its duties and functions under this Agreement and also including any expenses incurred by Advisor to comply with new or revised laws or governmental rules or regulations that impose additional duties on the Company or the Advisor in its capacity as advisor to the Company, including any personnel costs incurred to satisfy such additional duties. In addition, the Company shall pay its pro rata share of the office overhead and administrative expenses of the Advisor incurred in providing its duties pursuant to this Agreement.

The Advisor shall be responsible for all wages, salaries, cash bonus payments and benefits related to all employees of the Advisor providing services to the Company (including any officers of the Company who are also officers of the Advisor), excluding expenses related to (i) the provision of internal audit services as described below and (ii) equity compensation awarded by the Company to employees, officers, Affiliates and representatives of the Advisor pursuant to Section 6.3 below. The Advisor shall also be responsible for reimbursing the Company for all costs associated with Ashford Trust's chairman emeritus, Archie Bennett, Jr., which reimbursement shall include a seven hundred thousand dollar (\$700,000) annual stipend payable to Mr. Archie Bennett as well as the actual cost of all benefits available to him on November 12, 2014 (the "Original Effective Date") and reimbursement for reasonable expenses incurred by him in connection with his service to Ashford Trust.

Subject to the last two paragraphs of this Section 5, the Company shall reimburse the Advisor, on a monthly basis, the Company's pro-rata portion (as reasonably agreed to between the Advisor and a majority of the Company's Independent Directors or Ashford Trust's

audit committee, chairman of the audit committee or lead director) of all expenses related to (i) employment of the Advisor's internal audit managers and other employees of the Advisor who are actively engaged in providing internal audit services to the Company, (ii) the reasonable travel and other out-of-pocket costs of the Advisor relating to the activities of the Advisor's internal audit employees and the reasonable third party expenses which the Advisor incurs, in each case, in connection with providing internal audit services, and (iii) all reasonable international office expenses, overhead, personnel costs, travel and other costs directly related to Advisor's non-Executive personnel that are located internationally or that oversee the operations of international assets or related to Advisor's personnel that source, investigate or provide diligence services in connection with possible acquisitions or investments internationally. Such expenses shall include, but are not limited to, salary, wages, payroll taxes and the cost of employee benefit plans.

The Company shall pay the costs and expenses that are reimbursable to the Advisor pursuant to this Agreement on a monthly basis in advance on the first business day of each month in an amount equal to the budgeted monthly reimbursements for the applicable month, which shall be equal to the amount estimated to be payable on account of the costs and expenses that are reimbursable to the Advisor for each month included in each annual expense budget prepared by the Advisor and approved by the Board of Directors (the "Annual Expense Budget"); provided, that if the Advisor and the Company do not agree on an Annual Expense Budget for the applicable fiscal year, the budgeted monthly reimbursements for each month of the existing fiscal year shall be equal to one hundred and ten percent (110%) of the Actual Monthly Reimbursements (as defined below) for the same month in the prior fiscal year.

No later than forty-five (45) days following the end of the applicable fiscal quarter, the Advisor shall calculate (and provide the Company with a copy of the calculation) the costs and expenses that were actually reimbursable to the Advisor pursuant to this Agreement for each month (each amount, the "Actual Monthly Reimbursements") in the fiscal quarter just ended. The Company shall have ten (10) business days to review and comment upon the calculation provided by the Advisor. If the aggregate Actual Monthly Reimbursements payable as calculated by the Advisor for the fiscal quarter just ended exceeds the aggregate budgeted monthly reimbursements paid by the Company for the fiscal quarter (the difference being referred to as a "Reimbursement Underpayment"), then the Company shall pay the Advisor the full amount of the Reimbursement Underpayment no later than fifty-five (55) days following the end of the applicable fiscal quarter. If the aggregate budgeted monthly reimbursements paid by the Company for the fiscal quarter just ended is greater than the aggregate Actual Monthly Reimbursements payable as calculated by the Advisor for the fiscal quarter (the difference being referred to as a "Reimbursement Overpayment"), then the Advisor shall repay the Reimbursement Overpayment to the Company no later than fifty-five (55) days following the end of the applicable fiscal quarter.

6. Compensation.

6.1 The Company shall, on a monthly basis, pay a fee (the "Base Fee") in an amount equal to 1/12 of (i) 0.70% of the Total Market Capitalization of the Company for the

prior month, plus (ii) the Net Asset Fee Adjustment, if any, on the last day of the prior month during which this Agreement was in effect; provided, however in no event shall the Base Fee for any month be less than the Minimum Base Fee.

The Company shall pay the Base Fee or the Minimum Base Fee on the fifth business day of each month based on the calculation set forth above.

For purposes of this Agreement, the following terms have the meanings set forth below:

"Average VWAP" shall mean, for any period, (i) the sum of the VWAPs for each trading day in such period divided by (ii) the number of trading days in such period.

"Enhanced Return Hotel Asset" shall have the meaning set forth in the ERFPA Agreement.

"Gross Asset Value" shall mean, with respect to any of the Company's assets as of any date, the undepreciated carrying value of all such assets including all cash and cash equivalents and capitalized leases and any furniture, fixtures and equipment (FF&E) leased to subsidiaries of the Company to facilitate the purchase of any Enhanced Return Hotel Asset as reflected on the most recent balance sheet and accompanying footnotes of the Company filed with the SEC or prepared by the Advisor in accordance with GAAP consistent with its performance of its duties hereunder without giving effect to any impairments plus the publicly disclosed purchase price (excluding any net working capital and transferred FF&E reserves) of any assets acquired after the date of the most recent balance sheet and all capital expenditures made (to the extent not already reflected in the carrying value of the asset) with respect to an asset since the date of its acquisition for any improvements or for additions thereto, that have a useful life of more than one (1) year and that are required to be capitalized under GAAP.

"Minimum Base Fee" for each quarter beginning January 1, 2021 or thereafter will be equal to the greater of:

- (i) ninety percent (90%) of the Base Fee paid for the same month in the prior fiscal year and
- (ii) 1/12th of the G&A Ratio for the most recent completed fiscal quarter multiplied by the Company's Total Market Capitalization on the last balance sheet date included in the most recent Quarterly Report on Form 10-Q or Annual Report on Form 10-K filed by the Company with the SEC.

For purposes of this Agreement, the "G&A Ratio" will be calculated as the simple average of the ratios of total general and administrative expenses, less any non-cash expenses but including any dead deal costs, paid in the applicable quarter by each member of a select peer group set forth in Exhibit A (each, a "Peer Group Member" and collectively, the "Peer Group"), divided by the total market capitalization of such Peer Group Member (calculated in the same manner as the Company's Total Market Capitalization). The G&A Ratio for each Peer Group

Member will be calculated based on the financial information presented in such Peer Group Member's Form 10-Q or 10-K periodic filings with the SEC following the end of each quarter. The Peer Group may be modified from time to time by mutual written agreement of the Advisor and a majority of the Independent Directors, negotiating in good faith.

"Net Asset Fee Adjustment" shall be equal to the result of (i) the product of (A) the Sold Non-ERFP Asset Amount, if any, and (B) 0.70% plus (ii) the product of (A) the Sold ERFP Asset Amount, if any, and (B) 1.07%.

"Sold ERFP Asset Amount" shall mean an amount, calculated immediately after the first sale or other disposition (including by way of a foreclosure or deed-in-lieu of foreclosure by a mortgage or mezzanine lender of the Operating Partnership or its subsidiaries) of an Enhanced Return Hotel Asset occurring after the date of the ERFP Agreement (the "First ERFP Sale") and, thereafter, immediately after each successive purchase or sale or disposition (including any such foreclosure or deed-in-lieu) of an Enhanced Return Hotel Asset (each, a "Successive ERFP Transaction"), equal to (i) immediately after the First ERFP Sale, the publicly disclosed sales or disposition price (excluding any net working capital and transferred FF&E reserves) of such Enhanced Return Hotel Asset and (ii) immediately after each Successive ERFP Transaction, an amount equal to the Sold ERFP Asset Amount in effect immediately prior to the Successive ERFP Transaction plus, in the case that such Successive ERFP Transaction is a sale or disposition of an Enhanced Return Hotel Asset, the publicly disclosed sales or disposition price (excluding any net working capital and transferred FF&E reserves) of such Enhanced Return Hotel Asset or minus, in the case that such Successive ERFP Transaction is a purchase of an Enhanced Return Hotel Asset, the publicly disclosed purchase price (excluding any net working capital and transferred FF&E reserves) of such Enhanced Return Hotel Asset; provided that if the foregoing calculation results, at any time of calculation, in a negative number, the calculated amount at such time of calculation shall be deemed to be zero; and provided further that if (x) the Company purchases any real property without any additional Enhanced Return Investment provided by Ashford LLC (a "Replacement Asset" and the publicly disclosed purchase price of such Replacement Asset (excluding any net working capital and transferred FF&E reserves), the "Replacement Asset Purchase Price"), (y) such acquisition would have reduced the Sold ERFP Asset Amount to zero (if such acquisition were of an Enhanced Return Hotel Asset) and (z) such Replacement Asset is subsequently sold or disposed of (including by way of a foreclosure or deed-in-lieu of foreclosure), then the Sold ERFP Asset Amount shall be increased as a result of such sale or disposition by an amount equal to the product of (A) the publicly disclosed sales or disposition price (excluding any net working capital and transferred FF&E reserves) of such Replacement Asset and (B) a fraction, (1) the numerator of which is the Sold ERFP Asset Amount immediately prior to the purchase of the Replacement Asset and (2) the denominator of which is the Replacement Asset Purchase Price.

"Sold Non-ERFP Asset Amount" shall mean an amount, calculated immediately after the first sale or other disposition (including by way of a foreclosure or deed-in-lieu of foreclosure by a mortgage or mezzanine lender of the Operating Partnership or its subsidiaries) of any real property owned by the Company (other than any Enhanced Return Hotel Asset) (a "Non-ERFP Hotel Asset") occurring after the date of the ERFP Agreement (the "First Non-

ERFP Sale") and, thereafter, immediately after each successive purchase or sale or disposition (including any such foreclosure or deed-in-lieu) of a Non-ERFP Hotel Asset (each, a "Successive Non-ERFP Transaction"), equal to (i) immediately after the First Non-ERFP Sale, the publicly disclosed sales or disposition price (excluding any net working capital and transferred FF&E reserves) of such Non-ERFP Hotel Asset and (ii) immediately after each Successive Non-ERFP Transaction, an amount equal to the Sold Non-ERFP Asset Amount in effect immediately prior to the Successive Non-ERFP Transaction plus, in the case such Successive Non-ERFP Transaction is the sale of a Non-ERFP Hotel Asset, the publicly disclosed sales or disposition price (excluding any net working capital and transferred FF&E reserves) of such Non-ERFP Hotel Asset or minus, in the case such Successive Non-ERFP Transaction is the purchase of a Non-ERFP Hotel Asset, the publicly disclosed purchase price (excluding any net working capital and transferred FF&E reserves) of such Non-ERFP Hotel Asset; provided that if the foregoing calculation results, at any time of calculation, in a negative number, the calculated amount at such time of calculation shall be deemed to be zero; and provided further that if (x) the Company purchases a Replacement Asset, (y) such acquisition would have reduced the Sold ERFP Asset Amount to zero (if such acquisition were of an Enhanced Return Hotel Asset) and (z) such Replacement Asset is subsequently sold or disposed of (including by way of a foreclosure or deed-in-lieu of foreclosure), then the Sold Non-ERFP Asset Amount shall be increased as a result of such sale or disposition by an amount equal to the product of (A) the publicly disclosed sales or disposition price (excluding any net working capital and transferred FF&E reserves) of such Replacement Asset and (B) a fraction, (1) the numerator of which is the Replacement Asset Purchase Price less the Sold ERFP Asset Amount immediately prior to the purchase of the Replacement Asset and (2) the denominator of which is the Replacement Asset Purchase Price.

"Total Market Capitalization" shall mean, for any period:

(a) With respect to the Company to the extent Company Common Stock is listed for trading on a national securities exchange for every day during any period for which the Total Market Capitalization is to be calculated, the amount calculated as:

(i) the Average VWAP multiplied by the weighted average number of shares of Company Common Stock outstanding during such applicable period, on a fully-diluted basis (assuming, for these purposes, that all common units in the Operating Partnership ("Common Units"), and long term incentive partnership units in the Operating Partnership to the extent they have achieved economic parity with Common Units have been converted into shares of Company Common Stock and including any shares of Company Common Stock issuable upon conversion of any convertible preferred stock of the Company where the conversion price is less than the Average VWAP), plus

(ii) the average, as reflected in the Company's books and records, for the applicable period of the aggregate principal amount of the Company's consolidated indebtedness (including, if applicable, the Company's proportionate share of debt of any entity that is not consolidated and excluding, if applicable,

any of the Company's joint venture partners' proportionate share of consolidated debt), plus

(iii) the average, as reflected in the Company's books and records, for the applicable period of the liquidation value of the Company's outstanding preferred equity (excluding any convertible preferred stock of the Company where the conversion price is less than the Average VWAP).

(b) With respect to the Company, if the Company Common Stock is not listed for trading on a national securities exchange (due to any reason, including but not limited to delisting by the New York Stock Exchange or the occurrence of a Company Change of Control) for any day during any period for which the Total Market Capitalization is to be calculated, the greater of: (i) the weighted average Gross Asset Value of all the Company's assets on each day during such period; or (ii) the Total Market Capitalization as calculated pursuant to paragraph (a) of this definition on the last day on which Company Common Stock was listed for trading on a national securities exchange, regardless of whether this day occurred during the applicable period.

"VWAP" shall mean the dollar volume-weighted average price for the securities in question on the national securities exchange on which it trades during the period beginning at 9:30:01 a.m., New York City time (or such other time as the national securities exchange on which it trades publicly announces is the official open of trading), and ending at 4:00:00 p.m., New York City time (or such other time as the national securities exchange on which it trades publicly announces is the official close of trading), as reported by Bloomberg, L.P. through its "Volume at Price" function.

6 . 2 Incentive Fee. In each year that the Company's total shareholder return exceeds the average total shareholder return for the Peer Group (the "Incentive Fee Threshold"), the Company shall pay to the Advisor an incentive fee (the "Incentive Fee"), calculated as set forth in the following paragraph. For purposes of determining the Incentive Fee, the Company's total shareholder return will be calculated using the year-end stock price equal to the closing price of Company Common Stock on the last trading day of the year, as compared to the closing stock price of Company Common Stock on the last trading day of the prior year, in each case assuming all dividends on the common stock during such period are reinvested into additional shares of Company Common Stock on the day such dividends are paid. The average total shareholder return for each Peer Group Member will be calculated in the same manner and for the same time period, and the average for the Peer Group will be the simple average of the total shareholder return for each Peer Group Member.

If the Company's total shareholder return exceeds the Incentive Fee Threshold with respect to any calendar year (or stub period), the annual Incentive Fee for such calendar year (or stub period) shall be calculated, for each year (or stub period), as (i) five percent (5%) of the amount (expressed as a percentage but in no event greater than twenty-five percent (25%)) by which the Company's annual total shareholder return exceeds the Incentive Fee Threshold, multiplied by (ii) the Fully Diluted Equity Value (defined below) of the Company at December 31 of such calendar year (or last day of the stub period, if applicable). The Company's "Fully

Diluted Equity Value" shall be calculated by assuming that all units in the Operating Partnership, including long term incentive partnership units of the Operating Partnership that have achieved economic parity with the common units of the Operating Partnership, if any, are converted into common stock and that the per share value of each share of Company Common Stock is equal to the closing price of the Company Common Stock on the last trading day of the year.

If this Agreement is terminated on a day other than the last trading day of a calendar year, then the Company's total shareholder return, the Incentive Fee Threshold and the total shareholder return for each Peer Group Member will be calculated using the stock price of Company Common Stock and each Peer Group Member's common stock closing price on the last trading day immediately preceding the date of termination of this Agreement, and the Incentive Fee, if any, shall be reduced proportionately based on number of days in which this Agreement is in effect for such calendar year.

The Incentive Fee, if any, subject to the FCCR Condition (defined below), shall be payable in arrears in three (3) equal annual installments with the first installment payable on January 15 following the applicable year for which the Incentive Fee relates and on January 15 of the next two (2) successive years. Notwithstanding the foregoing, upon any termination of this Agreement for any reason, any unpaid Incentive Fee (including any Incentive Fee installment for the stub period ending on the termination date) shall become fully earned and immediately due and payable without regard to the FCCR Condition defined below. Except in the case when the Incentive Fee is payable on the date of termination of this Agreement, up to fifty percent (50%) of the Incentive Fee may be paid by the Company, at the option of the Company, in shares of common stock of Ashford Trust or common units of the Operating Partnership, with the balance payable in cash, unless at the time for payment of the Incentive Fee:

- (i) the Advisor (or its Affiliates) owns common stock or common units in an amount (determined with reference to the closing price of the Company's common stock on the last trading day of the year or stub period) greater than or equal to three times the Base Fee for the preceding four quarters,
- (ii) payment in such securities would cause the Advisor to be subject to the provisions of the Investment Company Act, or
- (iii) payment in such securities would not be legally permissible for any reason; in which case, the entire Incentive Fee will be paid by the Company in cash.

Upon the determination of the Incentive Fee, except in the case of any termination of this Agreement in which case the Incentive Fee for the stub period and all unpaid installments of an Incentive Fee shall be deemed earned and fully due and payable, each one-third installment of the Incentive Fee shall not be deemed earned by Advisor or otherwise payable by the Company unless the Company, as of the December 31 immediately preceding the due date for the payment of the Incentive Fee installment, has a FCCR of .20x or greater (the "FCCR Condition"). For purposes hereof, "FCCR" shall mean the Company's fixed charge coverage ratio being the ratio of Adjusted EBITDA for the previous four consecutive fiscal quarters to

fixed charges, which includes all (i) interest expense of the Company and its subsidiaries, (ii) regularly scheduled principal payments of the Company and its subsidiaries, other than balloon or similar principal payments which repay indebtedness in full and payments under cash flow mortgages applied to principal, and (iii) preferred dividends paid by the Company.

6.3 Equity Compensation. To incentivize employees, officers, consultants, non-employee directors, Affiliates or representatives of the Advisor to achieve goals and business objectives of the Company, as established by the Board of Directors, in addition to the Base Fee and the Incentive Fee set forth above, the Board of Directors will have the authority to and shall make recommendations of annual equity awards to the Advisor or directly to employees, officers, consultants, non-employee directors, Affiliates or representatives of the Advisor, based on the achievement by the Company of certain financial or other objectives established by the Board of Directors.

The Company, at its option, may choose to issue such compensation in the form of equity awards in Ashford Trust or the Operating Partnership, unless and to the extent that receipt of such equity awards would adversely affect the Company's status as a REIT, in which case, the equity awards shall be limited to equity awards in the Operating Partnership. For a period of one year from the date of issuance, any such equity awards in the Operating Partnership shall not be transferable, except by operation of law, without the written consent of the General Partner which consent may be withheld in the sole and absolute discretion of the General Partner; provided, however, the Advisor may assign, without the consent of the General Partner, such equity awards to employees, officers, consultants, non-employees, directors, Affiliates or representatives of Advisor provided the one-year restriction on transfer shall remain applicable to such assignee. In addition, except as expressly provided above, any transfer of such equity awards at any time must comply with the transfer restrictions of the Operating Partnership's partnership agreement or the Company's charter and bylaws, as applicable.

6.4 Additional Services. If, and to the extent that, the Company requests the Advisor to render services on behalf of the Company other than those required to be rendered by the Advisor under this Agreement, such additional services shall be compensated separately at Market Rates as determined in accordance with the process set forth in Section 9.3 below.

6.5 Fee Renegotiation. If the Advisor has given notice of its election to extend this Agreement in accordance with Section 12(b), either Party may then give written notice to the other Party at least one hundred eighty (180) days prior to the expiration of the then current term to renegotiate the amount of Base Fee or Incentive Fee payable by the Company. Following receipt of a renegotiation notice, each Party shall, for a period of up to sixty (60) days, use its commercially reasonable efforts to negotiate in good faith a revised compensation amount or amounts. If the Parties are unable to agree on a revised Base Fee or Incentive Fee, then the revised compensation amount shall be determined by an "Arbitration Panel" comprised of three members all of whom have sufficient knowledge and experience of external asset management entities, the national hospitality lodging industry generally and industry standards and market trends for similar advisory agreements in the United States. The Advisor shall have the right to select one member of the panel (the "Advisor Panel Member"). The Company shall have the

right to select one member of the panel (the 'Company Panel Member'). The third member of the panel shall be selected by the mutual agreement of the Company Panel Member and the Advisor Panel Member; provided that in no event may the Arbitration Panel reduce the multiplier for the Base Fee below 0.65% or increase the multiplier for the Base Fee above 0.75% during the term of this Agreement, including all extensions. Further, in no event shall the Arbitration Panel reduce the Incentive Fee multiplier below 0.04 or increase the Incentive Fee multiplier above 0.06 during the term of this Agreement. Each Party shall submit, in writing, a statement summarizing its fee proposal and the underlying rationale therefor within ten (10) business days after the selection of the Arbitration Panel is complete. If the Arbitration Panel requests an in person meeting or teleconference in addition to written statements, the Parties shall use commercially reasonable efforts to attend, and the Parties shall promptly comply with all other reasonable requests by the Arbitration Panel, including requests for information, books, records and similar items. The Arbitration Panel shall make a final determination, and notify the parties in writing as soon as practicable but in no event later than thirty (30) days after the panel's decision no later than thirty (30) days after the Arbitration Panel is selected. The decision of the Arbitration Panel shall be final, binding and non-appealable on the Parties thereto.

7 . Limitation on Activities. Notwithstanding anything in this Agreement to the contrary, the Advisor shall not take any action (unless directed by the Board of Directors, in which case the Company shall indemnify and hold harmless Advisor and each of its officers, directors, employees, members, managers, agents and representatives, from and against any and all claims, liabilities, costs and expenses threatened or incurred by Advisor or any other indemnified person, which, directly or indirectly, results from the Advisor following the directive of the Board of Directors), which would (a) adversely affect the status of the Company as a REIT, (b) subject the Company to regulation under the Investment Company Act of 1940, as amended, (c) knowingly and intentionally violate any law, rule or regulation of any governmental body or agency having jurisdiction over the Company (provided that without adequate assurance of funding by the Company necessary for compliance, Advisor shall not be responsible for such violations and the Company shall indemnify and hold harmless Advisor and each of its officers, directors, employees, members, managers, agents and representatives, from and against all claims, liabilities, costs and expenses threatened or incurred by Advisor, directly or indirectly, as a result of the Company's failure to timely fund adequate capital to comply with any applicable law, rule or regulation), (d) violate any of the rules or regulations of any exchange on which the Company's securities are listed or (e) violate the Company's charter, bylaws or resolutions of the Board of Directors, all as in effect from time to time.

The Advisor acknowledges receipt of the Company's Code of Business Conduct and Ethics, Code of Conduct for CEO, CFO and CAO, and Policy on Insider Training, and agrees to require its employees who provide services to the Company to comply with such codes and policies.

8. Limitation of Liability and Indemnification.

8.1 Limitation on Liability. The Advisor shall have no responsibility other than to render the services and take the actions described herein in good faith and with the exercise of due care and shall not be responsible for any action of the Board of Directors in following or declining to follow any advice or recommendation of the Advisor. The Advisor (including its officers, directors, managers, employees and members) will not be liable for any act or omission by the Advisor (or its officers, directors, managers, employees and members) performed in accordance with and pursuant to this Agreement, except by reason of acts constituting gross negligence, bad faith, willful misconduct or reckless disregard of its duties under this Agreement.

8.2 Insurance Coverage of the Advisor. The Advisor shall maintain errors and omissions insurance coverage and other insurance coverage in amounts which are customarily carried by asset managers performing functions similar to those of the Advisor under this Agreement. No fidelity bond shall be required.

8.3 Indemnification. (a) The Company shall reimburse, indemnify and hold harmless the Advisor and its partners, directors, officers, stockholders, managers, members, agents, employees and each other Person, if any, controlling the Advisor (each, an "Advisor Indemnified Party"), to the full extent lawful, from and against any and all losses, claims, damages or liabilities of any nature whatsoever ("Losses") with respect to or arising from any acts or omission of the Advisor (including ordinary negligence) in its capacity as such, except with respect to losses, claims, damages or liabilities with respect to or arising out of such Advisor Indemnified Party's gross negligence, bad faith or willful misconduct, or reckless disregard of its duties under this Agreement.

(b) The Advisor shall reimburse, indemnify and hold harmless the Company, and its partners, directors, officers, stockholders, managers, members, agents, employees and each other Person, if any, controlling the Company (each, a "Company Indemnified Party"; Advisor Indemnified Party and Company Indemnified Party are each sometimes hereinafter referred to as an "Indemnified Party") of and from any and all Losses in respect of or arising from (i) any acts or omissions of the Advisor constituting bad faith, willful misconduct, gross negligence or reckless disregard of duties of the Advisor under this Agreement or (ii) any claims by the Advisor's employees relating to the terms and conditions of their employment by the Advisor.

(c) Notwithstanding the indemnification provisions in Section 8.3(a) and Section 8.3(b) above, indemnification will not be allowed for any liability arising from or out of a violation of state or federal securities laws by an Indemnified Party. Indemnification will be allowed for settlements and related expenses of lawsuits alleging securities law violations, and for expenses incurred in successfully defending such lawsuits, provided that a court either (i) approves the settlement and finds that indemnification of the settlement and related costs should be made, or (ii) approves indemnification of litigation costs if a successful defense is made. If indemnification is unavailable as a result of this Section 8.3(c), the indemnifying party shall contribute to the aggregate losses, claims, damages or liabilities to which the Indemnified Party may be subject in such amount as is appropriate to reflect the relative benefits received by each

of the indemnifying party and the party seeking contribution on the one hand and the relative faults of the indemnifying party and the party seeking contribution on the other, as well as any other relevant equitable considerations.

(d) Promptly after receipt by an Indemnified Party of notice of the commencement of any action, such Indemnified Party shall, if a claim in respect thereof is to be made pursuant hereto, notify the indemnifying party in writing of the commencement thereof; but the omission to so notify the indemnifying party shall not relieve it from any liability that it may have to any Indemnified Party pursuant to this Section 8.3. In case any such action shall be brought against an Indemnified Party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, to assume the defense thereof, with counsel satisfactory to such Indemnified Party and, after notice from the indemnifying party to such Indemnified Party of its election to assume the defense thereof, the indemnifying party shall not be liable to such Indemnified Party under Section 8.3(a) or (b) hereof, as applicable, for any legal expenses of other counsel or any of the expenses, in each case subsequently incurred by such Indemnified Party, unless (i) the indemnifying party and the Indemnified Party shall have mutually agreed to the retention of such counsel, or (ii) the named parties to any such Proceeding (including any impleaded parties) include both the indemnifying party and Indemnified Party and representation of both parties by the same counsel would be inappropriate in the reasonable opinion of the Indemnified Party, due to actual or potential differing interests between them. The obligations of the indemnifying party under this Section 8.3 shall be in addition to any liability which the indemnifying party otherwise may have.

(e) The Company shall be required to advance funds to an Indemnified Party for legal expenses and other costs incurred as a result of any Proceeding if a claim in respect thereof is to be made pursuant hereto and if requested by such Indemnified Party if (i) such Proceeding relates to or arises out of, or is alleged to relate to or arise out of or has been caused or alleged to have been caused in whole or in part by, any action or inaction on the part of the Indemnified Party in the performance of its duties or provision of its services on behalf of the Company; and (ii) the Indemnified Party undertakes to repay any funds advanced pursuant to this Section 8.3(e) in cases in which such Indemnified Party would not be entitled to indemnification under Section 8.3(a). If advances are required under this Section 8.3(e), the Indemnified Party shall furnish the Company with an undertaking as set forth in clause (ii) of the preceding sentence and shall thereafter have the right to bill the Company for, or otherwise require the Company to pay, at any time and from time to time after such Indemnified Party shall become obligated to make payment therefor, any and all reasonable amounts for which such Indemnified Party is entitled to indemnification under Section 8.3, and the Company shall pay the same within thirty (30) days after request for payment. In the event that a determination is made by a court of competent jurisdiction or an arbitrator that the Company is not so obligated in respect of any amount paid by it to a particular Indemnified Party, such Indemnified Party will refund such amount within sixty (60) days of such determination, and in the event that a determination by a court of competent jurisdiction or an arbitrator is made that the Company is so obligated in respect to any amount not paid by the Company to a particular Indemnified Party, the Company will pay such amount to such Indemnified Party within thirty (30) days of such final

determination, in either case together with interest at the current prime rate plus two percent (2%) from the date paid until repaid or the date it was obligated to be paid until the date actually paid.

9. Relationship of Advisor and Company: Other Matters¹

9.1 Relationship. (a) The Company and the Advisor are not partners or joint venturers with each other, and nothing in this Agreement shall be construed to make them such partners or joint venturers. Nothing herein contained shall prevent the Advisor from engaging in other activities, including, without limitation, the rendering of advice to other Persons (including other REITs) and to the management of Braemar Hotels & Resorts Inc. ("Braemar"), or other programs advised, sponsored or organized by the Advisor, Braemar or their Affiliates. The Company shall not revise its Investment Guidelines to be directly competitive with all or any portion of the Investment Guidelines of Braemar as of November 19, 2013 or with all or any portion of the initial investment guidelines of any Spin-Off Company (as defined in Section 17). The Company acknowledges that Braemar's investment guidelines as of such date and as of the date hereof include hotel real estate assets primarily consisting of equity or ownership interests, as well as debt investments when such debt is acquired with the intent of obtaining an equity or ownership interest, in:

(i) full service and urban select service hotels with trailing twelve (12) month average RevPAR or anticipated twelve (12) month average RevPAR of at least twice the then-current U.S. national average RevPAR for all hotels as determined with reference to the most current Smith Travel Research reports, generally in the 20 most populous metropolitan statistical areas, as estimated by the United States Census Bureau and delineated by the U.S. Office of Management and Budget;

(ii) upscale, upper-upscale and luxury hotels meeting the RevPAR criteria set forth in clause (i) above and situated in markets that may be generally recognized as resort markets; and

(iii) international hospitality assets predominantly focused in areas that are general destinations or in close proximity to major transportation hubs or business centers, such that the area serves as a significant entry or departure point to a foreign country or region of a foreign country for business or leisure travelers and meet the RevPAR criteria set forth in clause (i) above (after any applicable currency conversion to U.S. dollars).

The Company further acknowledges that any subsequent change to Braemar's Investment Guidelines, including in connection with any future spin-off, carve-out, split-off or other consummation of a transfer of a division or subset of assets for the purpose of forming a joint venture, a newly created private platform or a new publicly traded company will not have any impact on or change the "Investment Guidelines of Braemar as of November 19, 2013" for purposes of enforcing this Section 9. Except as described in this Section 9.1, this Agreement

¹ Stirling to be discussed.

shall not limit or restrict the right of any manager, director, officer, employee or equityholder of the Advisor or its Affiliates to engage in any other business or to render services of any kind to any other Person. The Advisor may, with respect to any investment in which the Company is a participant, also render advice and service to each and every other participant therein. While the information and recommendations provided to the Company shall, in the Advisor's reasonable and good faith judgment, be appropriate under the circumstances, they may be different from those supplied to other persons.

(b) To the extent the Advisor deems an investment opportunity suitable for recommendation, the Advisor must present any such individual investment opportunity that satisfies the Company's Initial Investment Guidelines (as set forth and subject to the limitations in Section 9.2 below) to the Company, and the Board of Directors will have ten (10) business days to accept such opportunity prior to it being available to Braemar or any other Person advised by the Advisor. Except as set forth in the preceding sentence, the Company recognizes that it is not entitled to preferential treatment and is only entitled to equitable treatment in receiving information, recommendations and other services. The Company shall have the benefit of the Advisor's best judgment and effort, and the Advisor shall not undertake any activities that, in its good faith judgment, will materially and adversely affect the performance of its obligations under this Agreement.

(c) The parties hereto agree and acknowledge that each of the Company, the Advisor and Braemar, as well as other companies that the Advisor may advise in the future, may benefit from the strategic relationships between such companies and accordingly intend to cooperate to achieve results, pursue transactions jointly or establish other strategic relationships that are in the best interests of each such entities' respective shareholders. From time to time, as may be determined by the independent directors of the Advisor, the Company, Braemar and any other company subsequently advised by the Advisor, each such entity may provide financial accommodations, guaranties, back-stop guaranties, and other forms of financial assistance to the other entities on terms that the respective Independent Directors determine to be fair and reasonable.

9.2 Conflicts of Interest (a) To minimize conflicts with Braemar and the Company, both of which are advised by the Advisor, Braemar and the Company have identified the asset type that such party intends to select as its principal investment focus and to set parameters for its real estate investments, including parameters primarily relating to RevPAR, segments, markets and other factors or financial metrics. The asset type, together with the relevant parameters for investments are referred to as such Person's "Investment Guidelines," and the "Initial Investment Guidelines" of the Company are the Investment Guidelines of the Company as set forth below. The Board of Directors may modify or supplement, after consultation with Advisor, the Company's Investment Guidelines upon written notice to the Advisor from time to time (subject, however, to the prohibition in Section 9.1(a) restricting the Company from changing its Initial Investment Guidelines to be directly competitive with all or any portion of Braemar's Investment Guidelines as of November 19, 2013 or the initial investment guidelines of any Spin-Off Company). As of the Effective Date, the Advisor advises Braemar, Stirling Hotels & Resorts, Inc. and also advises the Company. The Advisor may enter

into an advising relationship with additional companies in the future. The Company hereby declares its Initial Investment Guidelines to be all segments of the hospitality industry (including, without limitation, direct, joint venture and debt investments in hotels, condo-hotels, time-shares and other hospitality related assets), with RevPAR criteria less than two times the then-current U.S. average RevPAR.

When determining whether an asset satisfies the Company's Investment Guidelines, the Advisor shall make a good faith determination of projected RevPAR, taking into account historical RevPAR as well as such additional considerations as conversions or reposition of assets, capital plans, brand changes and other factors that may reasonably be forecasted to raise RevPAR after stabilization of such initiative.

(b) If the Company materially modifies its Initial Investment Guidelines set forth in Section 9.2(a) above without the written consent of the Advisor (except in connection with the establishment of a Spin-Off Company), the Advisor will not have an obligation to present investment opportunities to the Company as set forth in Section 9.1(b) above at any time thereafter, regardless of any subsequent modifications by the Company to its Investment Guidelines. Instead, the Advisor shall use its best judgment in determining how to allocate investment opportunities to Persons (including, without limitation, Braemar, the Company or other Spin-Off Companies) which Advisor advises, taking into account such factors as the Advisor deems relevant, in its discretion, subject to any then existing or future obligations that the Advisor may have to other Persons. The Company acknowledges that if it materially modifies its Initial Investment Guidelines, it will not be entitled to preferential treatment from the Advisor and only will be entitled to the Advisor's best judgment in allocating investment opportunities.

(c) In the event that the Advisor obtains a portfolio acquisition opportunity composed of asset types that satisfies the Initial Investment Guidelines of the Company and Braemar or, as applicable, one or more other Persons managed by the Advisor, the Advisor will endeavor in its good faith judgment to present such opportunity to the Board of Directors, Braemar and, if applicable, such other Person(s) to the extent the portfolio can be reasonably divided by asset type and acquired on the basis of such asset types in satisfaction of each Person's Investment Guidelines. If the board of directors of Braemar, the Board of Directors and, if applicable, such other Person(s) approve its portion of such acquisition, Braemar, the Company and, if applicable, such other Person(s) will cooperate in good faith in completing the acquisition of the portfolio. If the portfolio cannot be reasonably separated by asset type, the Advisor shall allocate portfolio investment opportunities between the Company, Braemar and, if applicable, other Persons advised by the Advisor, in a fair and equitable manner consistent with the investment objectives of the Company, Braemar and, if applicable, other Persons advised by the Advisor. In making this determination, the Advisor will consider, in its sole discretion, the Investment Guidelines and investment strategy of each entity with respect to the acquisition of properties, portfolio concentrations, tax consequences, regulatory restrictions, liquidity requirements, leverage and other factors deemed appropriate by the Advisor. Notwithstanding the foregoing, if the Company materially modifies its Initial Investment Guidelines set forth in Section 9.2(a) above without the written consent of the Advisor, the Advisor will not have an

obligation to present portfolio acquisition opportunities to the Company as set forth in this ~~Section 9.2(c)~~ at any time thereafter, regardless of any subsequent modifications by the Company to its Investment Guidelines. Instead, the Advisor shall use its best judgment in determining how to allocate such portfolio investment opportunities to Persons (including Braemar and the Company) which Advisor advises, taking into account such factors as the Advisor deems relevant, in its discretion, subject to any then existing or future obligations that the Advisor may have to other Persons. In making the allocation determination with respect to any portfolio opportunity, the Advisor will have no obligation to make any such portfolio investment opportunity available to the Company.

9.3 Exclusive Provider of Products or Services. At any time the Company desires to engage a third party for the performance of services or delivery of products (other than the services contemplated by this Agreement) and provided that the Company has the right to control the decision on the award of the applicable contract, the Advisor shall have the exclusive right to provide such service or product (assuming that Advisor has obtained any required licensing needed, if any, to provide the service or product) at market rates for the provision of such services ("Market Rates"). For purposes of this Agreement, Market Rates shall be determined by reference to fees charged by third party providers who are not discounting such fees as a result of fees generated from other sources.

If the Company, after consultation with the Advisor, intends to solicit bids or enter the market for a particular service or product, the Company shall afford the Advisor the opportunity to provide such service or product. In any event, the Advisor shall be provided at least twenty (20) days to elect to provide such service or product at Market Rates. If a majority of the Independent Directors of the Company affirmatively vote that the proposed pricing of the Advisor is not at Market Rates, then the Company and Advisor shall engage a consultant acceptable to the parties to determine the Market Rate for such services. If the consultant's opinion reflects fees lower than the pricing proposed by the Advisor, the Advisor will pay the expenses of the consultant and shall have the option to provide the services or product at the Market Rate as determined by the consultant. If the consultant determines that the proposed pricing by the Advisor is at or below Market Rates, then the Company shall pay the expenses of the consultant and shall engage Advisor at the Market Rate as determined by the consultant.

9.4 The Ashford Name. The Advisor and its Affiliates have a proprietary interest in the trademarked "Ashford" name and logo. The Advisor hereby grants to the Company a non-transferable, non-assignable, non-exclusive royalty-free right and license to use the "Ashford" name and logo during the term of this Agreement. Accordingly, and in recognition of this right, if at any time the Company ceases to retain the Advisor or one of its Affiliates to perform advisory services for the Company, the Company will, within sixty (60) days after receipt of written request from the Advisor, cease to conduct business under or use the name "Ashford" or any derivative thereof and the Company shall change its name and the names of any of its subsidiaries to a name that does not contain the name "Ashford" or any other word or words that might, in the reasonable discretion of the Advisor, be susceptible of indication of some form of relationship between the Company and the Advisor or any its Affiliates. At such time, the Company will also make any changes to any trademarks, servicemarks, logos, or other

marks necessary to remove any references to the word "Ashford." Consistent with the foregoing, it is specifically recognized that the Advisor or one or more of its Affiliates has in the past and may in the future organize, sponsor or otherwise permit to exist other investment vehicles (including vehicles for investment in real estate) and financial and service organizations having "Ashford" as a part of their name and using the "Ashford" logo, all without the need for any consent (and without the right to object thereto) by the Company.

9.5 Certain Defaults. From and after (i) a Maturity Default with respect to Highland, KEYS C, KEYS D or KEYS E, respectively, or (ii) the occurrence of any JPM8 Event of Default (the loan subject to any such Maturity Default or JPM8 Event of Default, a "Defaulted Loan"), the Company shall pay the Advisor a monthly fee equal to the quotient obtained by dividing (A) TTM Portfolio Company Net Earnings of the Hotel Portfolio Assets of such Defaulted Loan by (B) twelve (12) (the "Portfolio Company Fee"), except to the extent Portfolio Company Net Earnings continue to be paid under a Portfolio Company Agreement with respect to any such month from and after the occurrence of the Defaulted Loan.

9.6 Incremental Financial Impact of Amendments to Agreements with Remington and Premier. Notwithstanding the Amended Hotel Master Management Agreement and the Amended Master Project Management Agreement, from the Effective Date through the date that the Credit Agreement is paid in full (the "Credit Agreement Repayment Date"), no Incremental Services Fees shall be paid. Thereafter, (i) the Incremental Services Fee shall not exceed two million dollars (\$2,000,000) for the twelve month period ending on the first anniversary of the Credit Agreement Repayment Date; (ii) the Incremental Services Fee shall not exceed two million dollars (\$2,000,000) for the twelve month period ending on the second anniversary of the Credit Agreement Repayment Date ("Second Anniversary Date") and (iii) from and after the Second Anniversary Date, the limitation (if any) on the amount of the Incremental Services Fee shall be established by the mutual agreement of the Advisor and the Company in connection with their respective customary budget approval processes.

10. Books and Records. All books and records compiled by the Advisor in the course of discharging its responsibilities under this Agreement shall be the property of the Company and shall be delivered by the Advisor to the Company immediately upon any termination of this Agreement regardless of the grounds for such termination (including, but not limited to, a breach by the Company of this Agreement); provided, however, that the Advisor shall have reasonable access to such books and records to the extent reasonably necessary in connection with the conduct of its services hereunder. The Advisor shall not maintain or assert any lien against or upon any of the books and records. During the term of this Agreement, the books and records of the Company maintained by the Advisor shall be accessible for inspection by any designated representative of the Company upon reasonable advance notice and during normal business hours.

11. Confidentiality. The Advisor shall keep confidential any and all non-public information ("Confidential Information"), written or oral, obtained by it in connection with the performance of services to the Company except that the Advisor may share such Confidential Information (i) with Affiliates, officers, directors, employees, agents and other

parties who need such Confidential Information for the Advisor to be able to perform its duties hereunder, (ii) with appraisers, lenders, bankers and other parties as necessary in the ordinary course of the Company's business, (iii) in connection with any governmental or regulatory filings of the Company, filings with the New York Stock Exchange or other applicable securities exchanges or markets, or disclosure or presentations to Company investors (subject to compliance with Regulation FD), (iv) with governmental officials having jurisdiction over the Company and (v) as required by law.

Nothing will prevent the Advisor from disclosing Confidential Information (i) upon the order of any court or administrative agency, (ii) upon the request or demand of, or pursuant to any law or regulation to, any regulatory agency or authority, (iii) to the extent reasonably required in connection with the exercise of any remedy under this Agreement, or (iv) to the Advisor's legal counsel or independent auditors; provided, however that with respect to (i) and (ii), so long as legally permissible, the Advisor will give notice to the Company so that the Company may seek, at its sole expense, an appropriate protective order or waiver.

For purposes of this Agreement, Confidential Information shall not include (i) information that is available to the public from a source other than the Advisor, (ii) information that is released in writing by the Company to the public or to persons who are not under similar obligations of confidentiality to the Company, or (iii) information that is obtained by the Advisor from a third-party which, to the best of the Advisor's knowledge, does not constitute a breach by such third-party of an obligation of confidence.

12. Term and Termination.

(a) Term. This Agreement became effective on the Prior Effective Date and shall expire on the ten (10) year anniversary of the Prior Effective Date, subject to Section 12(b).

(b) Extensions. This Agreement may be extended by the Advisor for up to seven (7) successive additional ten (10)-year terms upon written notice to the Company, given at least two hundred and ten (210) days prior to the expiration of the then current term, of the Advisor's election to extend this Agreement on the same terms and conditions of this Agreement, subject to the rights of the Parties under Section 6.5.

(c) Termination by the Company. This Agreement may be terminated by the Company, and no Termination Fee shall be due and payable by the Company to the Advisor under the following circumstances:

(i) immediately upon providing written notice to the Advisor, following the Advisor's conviction (including a plea or nolo contendere) of a felony;

(ii) immediately upon providing written notice to the Advisor, if the Advisor commits an act of fraud against the Company, converts the funds of the Company or acts in a manner constituting gross negligence in the performance of its material duties under this Agreement (including a failure to act); provided, however, that if any such actions or omissions described in this Section 12(c)(ii) are caused by an employee and/or an officer

of the Advisor or an Affiliate of the Advisor and the Advisor takes all reasonable necessary and appropriate action against such person and cures the damage caused by such actions or omissions within forty-five (45) days of the Advisor's actual knowledge of the commission or omission, the Company will not have the right to terminate this Agreement pursuant to this Section 12(c)(ii);

(iii) immediately upon providing written notice to the Advisor, if a Bankruptcy Event occurs with respect to the Advisor; provided, the Advisor shall notify the Company no later than thirty (30) days following the Advisor's knowledge of a Bankruptcy Event; or

(iv) upon the entry by a court of competent jurisdiction of a final non-appealable order awarding monetary damages to the Company based on a finding that the Advisor committed a material breach or default of a material term, condition, obligation or covenant of this Agreement, which breach or default had a Material Adverse Effect, but only where the Advisor fails to pay the monetary damages in full within sixty (60) days of the date when the monetary judgment becomes final and non-appealable. For the avoidance of doubt, if the Advisor pays the monetary judgment in full within sixty (60) days of the judgment becoming final and non-appealable, the Company shall not have the right to terminate this Agreement. Notwithstanding the above, if the Advisor notifies the Company that the Advisor is unable to pay any judgment for monetary damages in full within sixty (60) days of when the judgment becomes final and non-appealable, the Company may not terminate this Agreement if, within the 60-day period, the Advisor delivers a promissory note to the Company having a principal amount equal to the unpaid balance of the judgment and bearing interest at eight percent (8.00%) per annum, which note shall mature on the 12 month anniversary of the date that the court's judgment becomes final and non-appealable. The Company may terminate this Agreement if the Advisor fails to pay all principal and interest due under the note by the maturity date of the note.

(v) Prior to initiating any Proceeding claiming a material breach or default by the Advisor, the Company shall give written notice of the default or breach to the Advisor specifying the nature of the default or breach and providing the Advisor with an opportunity to cure the default or breach within no less than sixty (60) days of notice, or if the default or breach is not reasonably susceptible to cure within sixty (60) days, such additional cure period as is reasonably necessary to cure the default or breach so long as the Advisor is diligently and in good faith pursuing the cure.

(d) Company Change of Control. (i) This Agreement may be terminated, subject to the requirements of Section 12(e) below, by either party effective upon the occurrence of closing of a transaction contemplated by a Change of Control Agreement, completion of a Change of Control Tender, or occurrence of a Voting Control Event; provided that the party desiring to terminate shall give written notice of intent to terminate to the other party on a date (1) no earlier than the date on which: (1) the Company enters into a Change of Control Agreement; (2) the Company's Board of Directors recommends that the Company's stockholders

accept the offer made in a Change of Control Tender; or (3) a Voting Control Event occurs; and (II) no later than two (2) days after closing of a transaction contemplated by a Change of Control Agreement, completion of a Change of Control Tender, or occurrence of a Voting Control Event. This Agreement shall terminate at the time set forth in Section 12(e) hereof.

(ii) (I) The Termination Fee shall, subject to Section 19, be due and payable by the Company to the Advisor upon the later of closing of a transaction contemplated by a Change of Control Agreement, completion of a Change of Control Tender, or occurrence of a Voting Control Event or the notice of termination provided under Section 12(d)(i) above; (II) at the time (A) the Company enters into a Change of Control Agreement; (B) a Change of Control Tender is initiated and the Company's Board of Directors recommends acceptance by the Company's stockholders; or (C) a Voting Control Event occurs; the Advisor may, and hereby is authorized to, in the name of and on behalf of the Company, transfer cash of the Company maintained in bank, brokerage or similar accounts established by the Advisor for the Company pursuant to Section 4 to the Termination Fee Escrow Account in an amount equal to the (i) Termination Fee; plus (ii) the Repayment (as defined in the ERF Agreement); plus (iii) all accrued fees and any other amounts that would be due and payable by the Company to the Advisor pursuant to the Agreement if the Termination Payment Time had occurred concurrently with the events described in (A)-(C) above. The amount required to be deposited into the Termination Fee Escrow Account shall be referred to herein as the "Required Amount." Notwithstanding the above, if the amount to be deposited into the Termination Fee Escrow Account would cause the Company's remaining cash and cash equivalents to be less than the Working Capital Reserve, then the Company may reduce the Required Amount by an amount of cash equal to the difference between the Working Capital Reserve and cash and cash equivalents that would be remaining on the Company's balance sheet prepared in accordance with GAAP outside of the Termination Fee Escrow Account. All amounts so deposited shall be retained in escrow pursuant to the terms of the Termination Fee Escrow Agreement. The Company and the Advisor shall equally share all costs of the Termination Fee Escrow Account including the reasonable fees and expenses of each Escrow Agent.

(iii) Notwithstanding Section 12(d)(ii)(II) above, if, in the case of an event described in Section 12(d)(i)(2)-(3), the Company does not deposit cash equal to the Required Amount into the Termination Fee Escrow Account, then the Company shall deliver to the Escrow Agent for the Termination Fee Escrow Account, the Letter of Credit; provided that the Company has deposited an amount of cash equal to at least fifty percent (50%) of the Required Amount. The Advisor shall have the right and power, without any further approval of the Company to cause the Escrow Agent to draw on the Letter of Credit, provided that any draws on the Letter of Credit shall remain in the Termination Fee Escrow Account.

(iv) If the face amount of the Letter of Credit is not equal to at least the aggregate of the Required Amount less the cash deposited into the Termination Fee Escrow Account, then, subject to Section 19, to secure prompt and complete payment of

any deficit, the Company shall pledge and grant to Advisor a continuing first priority security interest in and lien upon the Company's right, title and interest, to and in real property, personal property and other assets acceptable to the Advisor owned by the Company, and having a book value of no less than one hundred twenty percent (120%) of the deficit (collectively, the "Collateral"). In addition, the Company shall execute and deliver all further instruments and documents, and take all further action that may be reasonably necessary or reasonably desirable, or that Advisor may reasonably request (including without limitation the filing of any fee and leasehold mortgages), in order to perfect and protect the security interest in the Collateral described above to enable Advisor to exercise and enforce its rights and remedies hereunder with respect to any of the Collateral. The Company hereby irrevocably authorizes Advisor to file in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that provide any information required by part 5 of Section 9 of the Uniform Commercial Code or such other jurisdiction for the sufficiency or filing office acceptance of any, financing statement or amendment relating to the Collateral. The Company agrees to furnish any such information to Advisor promptly upon Advisor's request.

(e) Termination Obligations: Termination Fee Escrow Account. (i) Any amounts due and payable in connection with any termination of this Agreement pursuant to this Section 12 shall become due and payable at the time of termination (each such time, a "Termination Payment Time"). No termination of this Agreement shall become effective unless and until any and all amounts due and payable in connection with a termination pursuant to this Section 12 have been fully paid.

(ii) At the Termination Payment Time, the Company shall pay to the Advisor (I) all Base Fees, Incentive Fees and expenses reimbursable pursuant to Section 5 due and owing through the date of termination, including, without limitation, any unpaid Incentive Fee installments which shall, upon any termination become immediately earned by Advisor and due from the Company (collectively, "Accrued Fees"), and (II) the Repayment pursuant to Section 2.02(a) of the ERFPA Agreement (the "ERFP Repayment"). In addition to the Accrued Fees and the ERFPA Repayment, upon the occurrence of the closing of a Company Change of Control, giving effect to the transfer of amounts deposited in the Termination Fee Escrow Account, the Company shall, subject to Section 19, pay to the Advisor at the Termination Payment Time the Termination Fee (and, for the avoidance of doubt, any working capital previously set aside pursuant to Section 12(d)(iv) to the extent needed to pay any balance on the Termination Fee).

(iii) At the Termination Payment Time, the Advisor shall have the right and authority to notify the Escrow Agent for the Termination Fee Escrow Account that the Termination Payment Time has occurred and, subject to Section 19, to cause the Escrow Agent to disburse to the Advisor, by cashier's check or wire transfer, the cash funds, including any cash generated by drawing on the Letter of Credit either prior to or at the Termination Payment Time, in the Termination Fee Escrow Account at the applicable

Termination Payment Time without any action required on the part of the Company. The Advisor shall also have the right and power, without any further approval of the Company to exercise, by foreclosure or otherwise, any rights in the Collateral, pursuant to the security interest granted to the Advisor therein. Any cash in the Termination Fee Escrow Account that exceeds the amounts due and payable under Section 12(e)(ii) shall be disbursed by the Escrow Agent to the Company, by cashier's check or wire transfer. The Advisor shall retain all rights to pursue collection and payment of any amounts that are not otherwise paid through the exercise of rights under the Termination Fee Escrow Account, the Letter of Credit and against the Collateral. If the applicable Change of Control Agreement is terminated, the Change of Control Tender is withdrawn or fails to be consummated or the Voting Control Event does not occur, then, upon notice from the Company to the Advisor, the Advisor shall, as soon as reasonably practicable, notify in writing the Escrow Agent for the Termination Fee Escrow Account and the Escrow Agent for the Termination Fee Escrow Account shall disburse to the Company, for deposit into one of the bank, brokerage or similar accounts established by the Advisor for the Company pursuant to Section 4, the cash (net of any applicable fees and expenses associated with the Termination Fee Escrow Account) in the Termination Fee Escrow Account. Further, the Advisor shall release all liens on the Collateral, cause the Letter of Credit to terminate by its terms and the Company's obligations hereunder shall remain in full force and effect.

(iv) Immediately at the Termination Payment Time, and subject to the Advisor's rights under Section 4 and the full payment of all other amounts due and payable pursuant to this Section 12(e), the Advisor shall: (i) pay over all money collected and held for the account of the Company, provided that the Advisor shall be permitted to deduct any amount required to pay amounts due and payable pursuant to this Section 12(e); (ii) deliver a full accounting of all accounts held by the Advisor in the name of or on behalf of the Company; and (iii) deliver all documents, files, contracts and assets of the Company in the possession or control of the Advisor or its Affiliates to the Company; and (iv) cooperate with and assist the Company in executing an orderly transition of the management of the Company's assets to a new advisor.

(v) In connection with any termination pursuant to Section 12(d)(i), if requested by the Company, the Advisor may agree, in its sole discretion, to provide, transition services agreed to by the parties for a period of up to thirty (30) days in consideration for the payment of Base Fees and Incentive Fees equal to the monthly average Base Fee and Incentive Fee due and payable or paid for the three (3) months prior to the month in which the Termination Payment Time occurs. During any period of continued service pursuant to this Section 12(e)(v), the Advisor shall also be entitled to reimbursements of costs and expenses required by Section 5.

(f) No Solicitation. In the event of any termination of this Agreement, the Company (and any of its Affiliates) shall not, without the consent of the Advisor, solicit for employment, employ or otherwise retain (directly or indirectly) any employee of the Advisor (or any of its Affiliates) for a period of two (2) years.

(g) Survival of Specific Provisions. The following Sections, including the rights and obligations contained therein, shall survive the termination of this Agreement:

- (i) Section 5;
- (ii) Section 6;
- (iii) Section 8;
- (iv) Section 9.4;
- (v) Section 11; and
- (vi) Section 12.

13. Certain definitions. The following terms, as used in this Agreement, are defined as follows:

“Adjusted EBITDA,” with respect to the Advisor, means Advisor’s GAAP net income, including all income and earnings of Advisor and any of its affiliates and subsidiaries from providing any service or product to the Company, the Operating Partnership or any of their affiliates or subsidiaries, plus income taxes, depreciation, amortization and all one-time expenses and other adjustments that are made and reported by the Advisor to calculate adjusted EBITDA.

“Amended Hotel Master Management Agreement” means the Second Consolidated, Amended and Restated Hotel Master Management Agreement entered into on the Effective Date by and among TRS and Remington.

“Amended Master Project Management Agreement” means the Amended and Restated Master Project Management Agreement entered into on the Effective Date by and among the Operating Partnership, TRS and Premier.

“Bankruptcy Event” means, with respect to any Person, (A) the filing by the Person of a voluntary petition seeking liquidation, reorganization, arrangement, or readjustment, in any form, of its debts under Title 11 of the United States Code or any other U.S. federal or state or foreign insolvency law, or the Person’s filing an answer consenting to or acquiescing in any petition, (B) the making by the Person of any assignment for the benefit of its creditors, (C) the expiration of sixty (60) days after the filing of an involuntary petition under Title 11 of the United State Code, an application for the appointment of a receiver for a material portion of the assets of the Person, or an involuntary petition seeking liquidation, reorganization, arrangement or readjustment of its debts under any other U.S. federal or state or foreign insolvency law, provided that the petition shall not have been vacated, set aside or stayed within such 60-day period, or (D) the entry against the Person of a final and non-appealable order for relief under any bankruptcy, insolvency or similar law now or hereinafter in effect.

"Change of Control Agreement" means a letter of intent or a definitive agreement contemplating transactions which, if consummated, would constitute a Company Change of Control.

"Change of Control Tender" means a tender offer by any "person" or "group" (within the meaning of Section 13(d) of the Exchange Act) pursuant to which such person or group would, if such tender offer were completed, become the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act) directly or indirectly, of securities of the Company representing thirty-five percent (35%) or more of the shares of voting stock of the Company then outstanding.

"Company Change of Control" means any of the following events:

- (i) the occurrence of a (i) Voting Control Event or (ii) Change of Control Tender;
- (ii) the consummation of any merger, reorganization, business combination or consolidation of the Company, or one of its respective Subsidiaries, as applicable, with or into any other company, other than a merger, reorganization, business combination or consolidation which would result in the holders of the voting securities of the Company outstanding immediately prior thereto holding securities which represent immediately after such merger, reorganization, business combination or consolidation more than fifty percent (50%) of the combined voting power of the voting securities of the Company or the surviving company or the parent of such surviving company; or
- (iii) commencing after the first anniversary of the Prior Effective Date, the consummation of a sale or disposition by the Company of twenty percent (20%) of the gross book value of the Company's assets over any one-year period or the consummation of a sale or disposition by the Company of thirty percent (30%) of the gross book value of the Company's assets over any three-year period, exclusive in each case of assets sold or contributed to a platform also advised by the Advisor; provided further that (A) with respect to the calculation at any time after the Effective Date of the percentage of gross book value of the Company's assets sold or disposed, each of (a) any sale or disposition consummated prior to January 1, 2024 shall be excluded from the numerator of such calculation (but, for the avoidance of doubt, included in the denominator of such calculation) and (b) any sale or disposition of any Hotel Portfolio Asset with respect to KEYS A or KEYS B shall be excluded from the numerator of such calculation (but, for the avoidance of doubt, included in the denominator of such calculation), (B) with respect to the calculation at any time on or prior to the earlier of August 31, 2025 (the "Highland Outside Date"), or the refinancing of Highland, of the percentage of gross book value of the Company's assets sold or disposed, any sale or disposition of any Hotel Portfolio Asset with respect to Highland following a Maturity Default of Highland shall be excluded from the numerator of such calculation (but, for the avoidance of doubt, included in the

denominator of such calculation), (C) with respect to the calculation at any time on or prior to the earlier of November 30, 2025 (the "KEYS Outside Date), or the refinancing of KEYS C, KEYS D and KEYS E, respectively, of the percentage of gross book value of the Company's assets sold or disposed, any sale or disposition of any Hotel Portfolio Asset with respect to KEYS C, KEYS D and KEYS E, respectively, following a Maturity Default of KEYS C, KEYS D or KEYS E, respectively, shall be excluded from the numerator of such calculation (but, for the avoidance of doubt, included in the denominator of such calculation), and (D) with respect to the calculation at any time on or prior to the earlier of May 31, 2025 (the "JPM8 Outside Date", and together with the Highland Outside Date and the KEYS Outside Date, the "Outside Date") or the date of extension of the JPM8 maturity date to a date beyond May 31, 2025, of the percentage of gross book value of the Company's assets sold or disposed, any sale or disposition of any Hotel Portfolio Asset with respect to JPM8 following a JPM8 Event of Default shall be excluded from the numerator of such calculation (but, for the avoidance of doubt, included in the denominator of such calculation); provided, if prior to an Outside Date, a Company Change of Control has not occurred under this clause (iii) due to the provisions of subclause (B), (C) or (D) (but a Company Change of Control would have occurred prior to such Outside Date in the absence of the provisions of subclause (B), (C) and/or (D)), on such Outside Date, a Company Change of Control shall be deemed to have occurred pursuant to a Change of Control Agreement.

"Company Common Stock" means common stock of the Company, \$0.01 par value per share.

"Credit Agreement" means the Credit Agreement entered into on January 15, 2021, and amended, by and among the Company, the Operating Partnership and the lenders thereto.

"Escrow Agent" means the agent under the Termination Fee Escrow Account.

"Highland" means that certain (a) mortgage loan made on April 9, 2018, in the original principal amount of \$788,800,000 made by Bank of America, N.A., Barclays Bank PLC, and Morgan Stanley Bank, N.A., as predecessors in interest to the current holder thereof, (b) senior mezzanine loan made on April 9, 2018, in the original principal amount of \$98,100,000 made by Bank of America, N.A., Barclays Bank PLC, and Morgan Stanley Bank, N.A., as predecessors in interest to the current holder thereof, and (c) junior mezzanine loan made on April 9, 2018 in the original principal amount of \$98,100,000 made by Bank of America, N.A., Barclays Bank PLC, and Morgan Stanley Bank, N.A., as predecessors in interest to the current holder thereof, and secured directly or indirectly by 19 hotel properties, which include the Ritz-Carlton Atlanta, GA; Courtyard Boston Tremont, MA; Melrose Hotel, Washington DC; Hyatt Savannah, GA; Marriott DFW Airport, Dallas, TX ; Hilton Garden Inn Austin, TX; Marriott Sugar Land, TX; Renaissance Palm Springs, CA; Hilton Parsippany, NJ; Hyatt Windwatch Long Island, NY; Churchill Hotel, Washington DC; Courtyard Denver, CO; Hilton Garden Inn

Virginia Beach, VA; Silversmith Hotel, Chicago, IL; Hilton Tampa, FL; Courtyard Gaithersburg, MD; Marriott Omaha, NE; Hampton Parsippany, NJ; and Hilton Garden Inn BWI, Linthicum, MD.

"Hotel Portfolio Asset" means any hotel property securing any of Highland, KEYS C, KEYS D, KEYS E and JPM8 loans.

"Incremental Services Fees" means, for any period of calculation, (i) the total fees paid by the Company to the Advisor during such period calculated pursuant to the terms of the Amended Hotel Master Management Agreement and the Amended Master Project Management Agreement less (ii) the total fees that would have been paid by the Company to the Advisor during such period had such total fees been calculated pursuant to the terms of the Hotel Master Management Agreement and the Master Project Management Agreement.

"JPM8" means that certain mortgage loan made on January 17, 2018, in the original principal amount of \$395,000,000 made by JPMorgan Chase Bank, National Association, as predecessor in interest to the current holder thereof, and secured by eight hotel properties, which include the Embassy Suites Portland, OR; Hilton Costa Mesa, CA; Sheraton Minneapolis, MN; Autograph La Concha Key West, FL; Historic Inns Annapolis, MD; Embassy Suites Santa Clara, CA; Embassy Suites Crystal City, Arlington, VA; and Embassy Suites Orlando Airport, FL.

"JPM8 Event of Default" means the occurrence of any Event of Default (as defined in the loan agreement for JPM8).

"KEYS A" means that certain (a) mortgage loan made on June 13, 2018, in the original principal amount of \$144,400,000 made by Bank of America, N.A., Barclays Bank PLC, and Morgan Stanley Bank, N.A., as predecessors in interest to the current holder thereof, (b) senior mezzanine loan made on June 13, 2018, in the original principal amount of \$36,320,000 made by Bank of America, N.A., Barclays Bank PLC, and Morgan Stanley Bank, N.A., as predecessors in interest to the current holder thereof, and secured directly or indirectly by 7 hotel properties, which include the Courtyard Columbus Tipton Lakes, Columbus, IN; Courtyard Scottsdale Old Town, Scottsdale, AZ; Residence Inn Phoenix Airport, Phoenix, AZ; SpringHill Suites Manhattan Beach, Manhattan Beach, CA; SpringHill Suites Plymouth Meeting, Plymouth Meeting, PA; Residence Inn Las Vegas Hughes Center, Las Vegas, NV; and Residence Inn Newark, Newark, CA.

"KEYS B" means that certain (a) mortgage loan made on June 13, 2018, in the original principal amount of \$149,400,000 made by Bank of America, N.A., Barclays Bank PLC, and Morgan Stanley Bank, N.A., as predecessors in interest to the current holder thereof, (b) senior mezzanine loan made on June 13, 2018, in the original principal amount of \$25,000,000 made by Bank of America, N.A., Barclays Bank PLC, and Morgan Stanley Bank, N.A., as predecessors in interest to the current holder thereof, and secured directly or indirectly by 7 hotel properties, which include the Courtyard Newark, Newark, CA; SpringHill Suites BWI, Baltimore, MD; Courtyard Oakland Airport, Oakland, CA; Courtyard Plano Legacy, Plano, TX;

Residence Inn Plano, Plano, TX; TownePlace Suites Manhattan Beach, Manhattan Beach, CA; and Courtyard Basking Ridge, Basking Ridge, NJ.

"KEYS C" means that certain (a) mortgage loan made on June 13, 2018, in the original principal amount of \$176,000,000 made by Bank of America, N.A., Barclays Bank PLC, and Morgan Stanley Bank, N.A., as predecessors in interest to the current holder thereof, (b) senior mezzanine loan made on June 13, 2018, in the original principal amount of \$25,040,000 made by Bank of America, N.A., Barclays Bank PLC, and Morgan Stanley Bank, N.A., as predecessors in interest to the current holder thereof, and (c) junior mezzanine loan made on June 13, 2018, in the original principal amount of \$20,000,000 made by Bank of America, N.A., Barclays Bank PLC, and Morgan Stanley Bank, N.A., as predecessors in interest to the current holder thereof, and secured directly or indirectly by 5 hotel properties, which include the Hyatt Coral Gables, Coral Gables, FL; Hilton Ft. Worth, Fort Worth, TX; Hilton Minneapolis Airport, Bloomington, MN; Sheraton San Diego, San Diego, CA; and Sheraton Bucks County, PA, Langhorne, PA.

"KEYS D" means that certain (a) mortgage loan made on June 13, 2018, in the original principal amount of \$185,600,000 made by Bank of America, N.A., Barclays Bank PLC, and Morgan Stanley Bank, N.A., as predecessors in interest to the current holder thereof, (b) senior mezzanine loan made on June 13, 2018, in the original principal amount of \$37,644,000 made by Bank of America, N.A., Barclays Bank PLC, and Morgan Stanley Bank, N.A., as predecessors in interest to the current holder thereof, and (c) junior mezzanine loan made on June 13, 2018, in the original principal amount of \$39,396,000 made by Bank of America, N.A., Barclays Bank PLC, and Morgan Stanley Bank, N.A., as predecessors in interest to the current holder thereof, and secured directly or indirectly by 5 hotel properties, which include the Marriott Beverly Hills, Los Angeles, CA; One Ocean Resort, Atlantic Beach, FL; Marriott Suites Dallas, Dallas, TX; Hilton Santa Fe, Santa Fe, NM; and Embassy Suites Dulles, Herndon, VA.

"KEYS E" means that certain (a) mortgage loan made on June 13, 2018, in the original principal amount of \$160,000,000 made by Bank of America, N.A., Barclays Bank PLC, and Morgan Stanley Bank, N.A., as predecessors in interest to the current holder thereof, (b) senior mezzanine loan made on June 13, 2018, in the original principal amount of \$28,160,000 made by Bank of America, N.A., Barclays Bank PLC, and Morgan Stanley Bank, N.A., as predecessors in interest to the current holder thereof, and (c) junior mezzanine loan made on June 13, 2018, in the original principal amount of \$28,160,000 made by Bank of America, N.A., Barclays Bank PLC, and Morgan Stanley Bank, N.A., as predecessors in interest to the current holder thereof, and secured directly or indirectly by 5 hotel properties, which include Marriott Bridgewater, Bridgewater, NJ; Embassy Suites Philadelphia, Philadelphia, PA; Marriott Memphis, Memphis, TN; Sheraton Anchorage, Anchorage, AK; and Lakeway Resort, Lakeway, TX.

"Letter of Credit" means an irrevocable standby letter of credit issued by a recognized commercial bank having net assets of not less than five hundred million (\$500,000,000) to the Escrow Agent, that the Escrow Agent at the request of the Advisor may draw upon, conditioned only upon the presentation of the original letter of credit and a signed

statement that the Advisor is entitled to cause the Escrow Agent to draw, in the maximum aggregate amount equal to the difference between (1) the Required Amount; and (2) the amount of cash deposited into the Termination Fee Escrow Account by the Company.

"Liquidated Damages Amount" means the amount that is the greater of:

(i) 1.1 times the greater of:

(A) 12 multiplied by the Net Earnings of the Advisor for the 12-month period preceding the LTM Period; or

(B) the earnings multiple (calculated as the total enterprise value on the trading day immediately preceding the day on which a Liquidation Damages Event occurs, divided by the Advisor's most recently reported Adjusted EBITDA) for the Advisor's common stock for the LTM Period, multiplied by the Net Earnings of the Advisor for the LTM Period; or

(C) the simple average of the earnings multiples for each of the three (3) fiscal years preceding the fiscal year in which the Liquidated Damages Event occurs (calculated as the total enterprise value on the last trading day of each of the three (3) preceding fiscal years divided by, in each case, the Advisor's Adjusted EBITDA for the same periods), multiplied by the Net Earnings of the Advisor for the LTM Period, plus

(ii) an additional amount such that the total net amount received by Advisor after the reduction by state and federal income taxes at an assumed combined rate of forty percent (40%) on the sum of the amounts described in (i) and (ii) shall equal the amount described in (i).

"Liquidated Damages Event" means any action or omission by the Company that individually or when considered with other actions or omissions previously taken or omitted by the Company constitute a repudiation by the Company of this Agreement depriving the Advisor of the benefit that the Advisor could reasonably anticipate from full performance by the Company of its obligations hereunder.

"LTM Period" means the 12-month period ending on the last day of the fiscal quarter prior to which the Liquidated Damages Event occurs.

"Material Adverse Effect" means a material adverse effect on the Company's business, results of operations or financial condition.

"Maturity Default" means, with respect to any loan, the failure of the Company to pay, upon the maturity of such loan, all amounts due and payable thereunder.

"Net Earnings" is equal to the (A) Advisor's reported Adjusted EBITDA for the 12-month period preceding the termination of this Agreement (adjusting assuming the

Agreement was in place for the full 12-month period if it otherwise was not), as reported in the Advisor's earnings releases less (B) the Advisor's pro forma Adjusted EBITDA assuming this Agreement was not in place during such period plus (C) all EBITDA (Net Income (per GAAP) plus interest expenses, income taxes, depreciation and amortization) of Advisor and any of its affiliates and subsidiaries from providing any service or product to the Company, the Operating Partnership or any of their affiliates or subsidiaries, exclusive of EBITDA directly resulting from this Agreement.

"Ownership Limit" has the meaning ascribed to such term in the Company's charter in effect as of the date of this Agreement.

"Portfolio Company Agreement" means any agreement between the Company and its Affiliates and subsidiaries, and Advisor and its affiliates and subsidiaries, for the provision of services or products to a Hotel Portfolio Asset, exclusive of this Agreement.

"Portfolio Company Net Earnings" means, for any period and with respect to any Hotel Portfolio Asset, all EBITDA (Net Income (per GAAP) plus interest expenses, income taxes, depreciation and amortization) of Advisor and any of its affiliates and subsidiaries for any such period attributable to any Portfolio Company Agreements, exclusive of EBITDA directly resulting from this Agreement.

"Premier" means Premier Project Management LLC and its subsidiaries and Affiliates.

"Proceedings" means all disputes or controversies of any kind including without limitation all charges, complaints, grievances, actions, causes of action, suits, rights, demands, claims, lawsuits, other legal actions or litigation, arbitration, investigations (internal or external), inquiries or other proceedings.

"Remington" means Remington Lodging & Hospitality, LLC, and its Affiliates.

"Termination Fee" means:

(i) 1.1 times the greater of:

(A) 12 multiplied by the Net Earnings of the Advisor for the 12-month period preceding the termination date of this Agreement; or

(B) the earnings multiple (calculated as the total enterprise value on the trading day immediately preceding the day the Termination Notice is given to the Advisor divided by the Advisor's most recently reported Adjusted EBITDA) for the Advisor's common stock for the 12-month period preceding the termination date of this Agreement multiplied by the Net Earnings of the Advisor for the 12-month period preceding the termination date of this Agreement; or

(C) the simple average of the earnings multiples for each of the three (3) fiscal years preceding the termination of this Agreement (calculated as the total enterprise value on the last trading day of each of the three (3) preceding fiscal years divided by, in each case, the Advisor's Adjusted EBITDA for the same periods), multiplied by the Net Earnings of the Advisor for the 12-month period preceding the termination date of this Agreement, plus

(ii) an additional amount such that the total net amount received by Advisor after the reduction by state and federal income taxes at an assumed combined rate of forty percent (40%) on the sum of the amounts described in (i) and (ii) shall equal the amount described in (i);

provided, that, notwithstanding the foregoing, the minimum amount of any Termination Fee calculated as of any date of determination shall be the greater of (i) the fee that would have been payable hereunder had such Termination Fee been calculated as of December 31, 2023 and (ii) the fee calculated hereunder as of such date of determination.

"Termination Fee Escrow Account" means the account established by the parties with an Escrow Agent as contemplated by Section 12(d)(ii).

"Termination Fee Escrow Agreement" means that certain Escrow Agreement among the Advisor, the Company, and the Escrow Agent, which Termination Fee Escrow Agreement sets forth certain terms and conditions governing the Termination Fee Escrow Account.

"Termination Notice" means a written notice sent by a party to the other party and pursuant to which the delivering party thereof provides notice to the receiving party of its election to terminate this Agreement in accordance with the terms hereof.

"TTM Portfolio Company Net Earnings" means, as of any date of determination and with respect to any Hotel Portfolio Assets, the aggregate Portfolio Company Net Earnings with respect to such Hotel Portfolio Assets in the twelve (12) months immediately prior to such date of determination.

"Voting Control Event" means:

(i) (A) any "person" or "group" (within the meaning of Section 13(d) of the Exchange Act) other than (1) the Company or any of its Subsidiaries, (2) any employee benefit plan of the Company or any of its Subsidiaries, (3) a company owned, directly or indirectly, by stockholders of the Company in substantially the same proportions as the ownership of the Company, or (4) an underwriter temporarily holding securities pursuant to an offering of such securities, becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing thirty-five percent (35%) or more of the shares of voting stock of the

Company then outstanding and the Company fails to enforce the Ownership Limit within five (5) business days of the person or group becoming the beneficial owner or a court of competent jurisdiction enjoins enforcement of the Ownership Limit; or (B) any person or group enters into an agreement which if consummated would result in the person or group becoming the beneficial owner of securities representing thirty-five percent (35%) or more of the shares of the Company's voting stock and either: (1) the Board of Directors waives the Ownership Limit; or (2) a court of competent jurisdiction enjoins enforcement of the Ownership Limit; or

(ii) during any five-year period, the members of the Board of Directors of the Company change such that the members who constitute the Board of Directors on the Effective Date (the "*Company Incumbent Board*") no longer constitute at least a majority of the Board of Directors of the Company; provided, however, that any individual becoming a director after the Effective Date whose election to the Board of Directors is approved or recommended to stockholders of the Company by a vote of at least a majority of the Company Incumbent Board shall be considered as though such individual were a member of the Company Incumbent Board.

"Working Capital Reserve" means, as of any date of determination, (i) twenty million dollars (\$20,000,000) plus (ii) an amount equal to (A) 0.04 multiplied by (B) (1) the Company's Gross Asset Value as of such date of determination less (2) the Company's Gross Asset Value as of the effective date of the ERFP Agreement.

1 4 . Liquidated and Other Damages. (a) Upon the entry of a final non-appealable order from a court of competent jurisdiction that a Liquidated Damages Event has occurred, the Company shall pay to the Advisor the Liquidated Damages Amount. The parties intend that the payment of the Liquidated Damages Amount constitutes compensation, and not a penalty. The parties acknowledge and agree that the occurrence of a Liquidated Damages Event would deprive the Advisor of the benefits that the Advisor could reasonably anticipate from full performance by the Company of its obligations hereunder and that the damages incurred by the Advisor if a Liquidated Damages Event occurs are uncertain and incapable or very difficult to accurately estimate, and that the Liquidated Damages Amount is a reasonable estimate of the anticipated or actual harm caused by a Liquidated Damages Event and not a penalty. The parties agree and acknowledge that without the agreements embodied by this Section 14, the parties would not enter into this Agreement. Upon payment by the Company of the (i) Liquidated Damages Amount less any outstanding amounts owed by the Advisor to the Company as a result of a judgment contemplated by Section 12(c) and, to the extent not otherwise included in the Liquidated Damages Amount, (ii) (A) all costs and expenses reimbursable pursuant to Section 5 through termination due to the Liquidated Damages Event; plus (B) any other amounts then due and payable hereunder including but not limited to any interest that has accrued but not been paid pursuant to Section 14(b) to the Advisor, the parties shall have no further obligations hereunder, and this Agreement shall be terminated; provided that during the pendency of any action (including any appeals related thereto) brought by the Advisor claiming that a Liquidated Damages Event has occurred, the Company shall continue to pay or reimburse the Advisor all

amounts due or reimbursable hereunder including any obligations imposed on the Company under Section 12 hereof.

(b) If the Company fails to timely pay any amount due pursuant to Section 5, Section 6, Section 12 or Section 14(a) hereof, the Company shall pay interest at a rate equal to eight percent (8%) per annum, increasing 200 basis points at the end of each 90 day period that amounts remain outstanding (or such lesser rate as is the maximum permitted by applicable law) and compounded annually on the amounts due and payable for the period from the date the amount became due and payable through the date the Advisor receives payment for all outstanding amounts including interest thereon.

(c) The party that prevails in any Proceeding to enforce rights and obligations under this Agreement shall be entitled to be reimbursed by the other party for the reasonable fees and expenses of counsel in connection with the Proceeding.

(d) All rights and remedies provided in this Agreement are cumulative and not exclusive, and the exercise by the Advisor or the Company, as applicable, of any right or remedy does not preclude the exercise of any other right or remedy, at law or in equity, that may now or subsequently be available to the Advisor or the Company.

15. Notices. Any notices, instructions or other communications required or contemplated by this Agreement shall be deemed to have been properly given and to be effective upon delivery if delivered in person, sent electronically or upon receipt if sent by courier service. All such communications to the Company shall be addressed as follows:

Ashford Hospitality Trust, Inc.
14185 Dallas Parkway, Suite 1100
Dallas, TX 75254
Attn: Chief Executive Officer

With a copy to:

Ashford Hospitality Trust, Inc.
14185 Dallas Parkway, Suite 110
Dallas, TX 75254
Attn: General Counsel

All such communications to the Advisor shall be addressed as follows:

Ashford Hospitality Advisors LLC
14185 Dallas Parkway, Suite 1100
Dallas, TX 75254
Attn: Chief Executive Officer

With a copy to:

Ashford Hospitality Advisors LLC
14185 Dallas Parkway, Suite 1100
Dallas, TX 75254
Attn: General Counsel

Either party hereto may designate a different address by written notice to the other party delivered in accordance with this Section 15.

16. Delegation of Responsibility and Assignment. Notwithstanding anything in this Agreement, the Advisor shall have the power to delegate all or any part of its rights and powers to manage and control the business and affairs of the Company to such officers, employees, Affiliates (other than to Ashford Hospitality Services LLC ("Ashford Services") or its subsidiaries), agents and representatives of the Advisor or the Company as it may deem appropriate. Any authority delegated by the Advisor to any other person shall be subject to the limitations on the rights and powers of the Advisor specifically set forth in this Agreement or the charter of the Company.

The Advisor may assign this Agreement to any Affiliate that remains under the control of the Advisor, other than Ashford Services or its subsidiaries, without the consent of the Company.

The Advisor may also assign this Agreement or pledge and grant a security interest in such Agreement to any lender of the Advisor without the consent of the Company; provided, however, that in advance of such assignment the Advisor and such lender must enter into definitive documentation, pursuant to which the Company shall be an express third-party beneficiary, providing that (i) in the event the lender is required pursuant to the terms of such loan agreement to provide to the Advisor notice of any default or potential default by the Advisor under such loan agreement, the lender shall simultaneously provide such notice to the Company, (ii) the Advisor shall promptly notify the Company upon the Advisor's reasonable belief that it is in default under any such loan agreement, (iii) the Company shall have an explicit right to cure, for the account of the Advisor, all actual or potential defaults of the Advisor within the longer of (A) seven (7) business days of such default and (B) the number of days Advisor has to cure such default pursuant to the underlying loan agreement and (iv) the lender shall not take an action, or fail to take any action, that would result in the Company failing to maintain its status as a REIT under the Internal Revenue Code.

Any assignment contrary to this Section 16 shall be null and void *ab initio*.

17. Future Spin-Off by the Company. If the Company elects to spin-off, carve-out, split-off or otherwise consummate a transfer of a division or subset of assets for the purpose of forming a joint venture, a newly created private platform or a new publicly traded company to hold such division or subset of assets constituting a distinct asset type and/or Investment Guidelines (collectively, a "Spin-Off Company"), the Company and Advisor agree

that such Spin-Off Company shall be externally advised by the Advisor pursuant to an advisory agreement containing substantially the same material terms set forth in this Agreement.

18. Company Covenants

(a) Consolidated Tangible Net Worth. Commencing with the first fiscal quarter beginning after June 30, 2023, the Company shall not permit its Consolidated Tangible Net Worth, as of the end of any fiscal quarter, to be less than the sum of (A) seven hundred fifty million dollars (\$750,000,000) and (B) an amount equal to seventy-five percent (75%) of the net equity proceeds received by the Company by reason of the issuance and sale of equity interests in the Company after June 30, 2023.

(b) Dividend Payments. Without the Advisor's consent, delivered in writing to the Board of Directors, the Company shall not declare or pay (A) any dividend or distribution (whether in cash, securities or other property) with respect to any common shares or common units of the Company, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any common shares or common units of the Company, or on account of any return of capital to the Company's common stockholders or common unitholders (or the equivalent person thereof) (a "Distribution"), that (x) would exceed the Company's current quarterly dividend of \$0.12 per common share and common unit and (y) on an annualized basis would exceed a dividend rate of nine point nine percent (9.9%) (or such higher annualized dividend rate, if applicable, equal to the average annualized dividend rate of the Peer Group over the ninety (90) days immediately preceding such Distribution) or (B) any Distribution for the purpose of avoiding, hindering or delaying the payment by the Company of the Termination Fee hereunder; provided, however, that nothing herein shall prohibit the Company from declaring or paying any dividend or distribution which, based on the advice of counsel, is necessary for the Company to maintain its REIT status. For the purposes of this Section 18(b), a Distribution in securities or other property shall be valued at the fair market value thereof (i.e., the price at which a willing buyer and a willing seller would purchase and sell the securities or other property, neither under any compulsion to buy or sell).

(c) Investment Guidelines. (A) The Company's Investment Guidelines pursuant to Section 9.2 of this Agreement will be deemed modified, without further action required by the parties hereto, to exclude select service assets, meaning, generally, not full service assets and (B) the Company shall be deemed to have granted to the Advisor, without further action required by the parties hereto, the right to advise and sponsor a select service platform including sourcing select service assets for such platform to the exclusion of the Company (provided that the Company shall not be required to convey to or otherwise include in the Advisor's select service platform any select service assets owned by the Company).

(d) For purposes of this Section 18, "Consolidated Tangible Net Worth" shall mean, as of any date of determination, the consolidated shareholders' equity of the Company on that date, as determined in accordance with GAAP, minus the amount of the Company's consolidated intangible assets under GAAP, plus the amount of the Company's consolidated accumulated depreciation; provided, however, that there shall be excluded from the calculation

of "Consolidated Tangible Net Worth" any effects resulting from the application of FASB ASC No. 715: Compensation—Retirement Benefits. Consolidated Tangible Net Worth shall be adjusted to remove any impact from straight line rent leveling adjustments required under GAAP and amortization of intangibles pursuant to State of Financial Accounting Standards number 141.

19. Representations, Warranties and Covenants of the Advisor. The Advisor represents and warrants to, and covenants and agrees with, the Company as follows:

(a) The Advisor, taking into account its own personnel and the personnel available to it through its Affiliates, has access to personnel trained and experienced in the business of acquisitions, leasing of hotels, asset management, financing, the ownership and dispositions of hotels and such other areas as may be necessary and sufficient to enable the Advisor to perform its obligations under this Agreement.

(b) The Advisor shall comply with all laws, rules, regulations and ordinances applicable to the performance of its obligations under this Agreement.

Neither the Advisor nor any of its Affiliates is party to or otherwise bound by or, during the term of this Agreement (including any extension thereof), will become party to or otherwise bound by, any agreement that would restrict or prevent (i) the Advisor from performing any obligation contemplated by this Agreement or (ii) the Company from operating its business as proposed to be conducted, including, without limitation, acquiring any hotel in any geographic market in the United States or any foreign country.

Notwithstanding anything in this Agreement to the contrary, in the event that, on or prior to the first anniversary of the Prior Effective Date, the Company enters into the Credit Facility, then the Advisor hereby agrees to execute and deliver to the lenders thereunder such documents as are reasonably necessary to subordinate to such loan this Agreement, including without limitation, the Advisor's interest in the Termination Fee or Liquidated Damages Amount to which the Advisor may become entitled hereunder, subject to such lenders granting to the Advisor non-disturbance rights that are acceptable to the Advisor in its reasonable discretion.

20. Intentionally Omitted.

21. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the conflict of laws principals thereof.

22. Entire Agreement. This Agreement reflects the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes and replaces all agreements between the Company and the Advisor with respect to the subject matter hereof.

23. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the parties to this Agreement and their respective successors and permitted assigns, and no other Person shall acquire or have any right under, or by virtue of, this Agreement. The Company shall be entitled to assign this Agreement to any successor to all or

substantially all of its assets, rights and/or obligations; the Advisor shall have the right to assign this Agreement to any Affiliate (as such term is defined in Section 2).

24. Amendment, Modifications and Waiver. This Agreement hereto shall not be altered or otherwise amended in any respect, except pursuant to an instrument in writing signed by the parties hereto; provided, that any additions to or deletions from the Peer Group Members identified in Exhibit A shall only be made with the approval of a majority of the Independent Directors of the Company. The waiver by a party of a breach of any provisions of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

25. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which shall constitute one and the same agreement.

(SIGNATURES BEGIN ON NEXT PAGE)

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

ASHFORD TRUST:

Ashford Hospitality Trust, Inc.

By: /s/ J. Robison Hays, III
Name: J. Robison Hays, III
Title: President and Chief Executive Officer

OPERATING PARTNERSHIP:

Ashford Hospitality Limited Partnership

By: Ashford OP General Partner LLC, its general partner

By: /s/ J. Robison Hays, III
Name: J. Robison Hays, III
Title: President and Chief Executive Officer

TAXABLE REIT SUBSIDIARY:

Ashford TRS Corporation

By: /s/ Deric S. Eubanks
Name: Deric S. Eubanks
Title: President

ADVISOR:

Ashford Hospitality Advisors LLC

By: /s/ Eric Batis
Name: Eric Batis
Title: Chief Executive Officer

Ashford Inc.

By: /s/ Alex Rose

Name: Alex Rose

Title: Executive Vice President, General Counsel and Secretary

[Signature page to the Third Amended and Restated Advisory Agreement]

Exhibit A

Peer Group Members

Chatham Lodging Trust (CLDT)

Diamondrock Hospitality Co. (DRH)

Hersha Hospitality Trust (HT)

Host Hotels & Resorts, Inc. (HST)

RLJ Lodging Trust (RLJ)

Summit Hotel Properties, Inc. (INN)

Sunstone Hotel Investors Inc. (SHO)

Exh. A

SECOND CONSOLIDATED, AMENDED AND RESTATED
HOTEL MASTER MANAGEMENT AGREEMENT

by and among

ASHFORD TRS CORPORATION
a Delaware corporation

and

REMINGTON LODGING & HOSPITALITY, LLC
a Delaware limited liability company

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SECOND CONSOLIDATED, AMENDED AND RESTATED
HOTEL MASTER MANAGEMENT AGREEMENT

THIS SECOND CONSOLIDATED, AMENDED AND RESTATED HOTEL MASTER MANAGEMENT AGREEMENT is made and entered into on this 12th day of March, 2024 (the “**Effective Date**”), by and among ASHFORD TRS CORPORATION, a Delaware corporation (together with any taxable REIT subsidiaries of the Partnership hereafter existing, hereinafter referred to as “**Lessee**”), REMINGTON LODGING & HOSPITALITY, LLC, a Delaware limited liability company (hereinafter referred to as “**Manager**”), and for the limited purposes of **Article VIII** herein, the Landlords (defined below).

RECITALS:

WHEREAS, the parties (together with Ashford TRS VII Corporation, a Delaware corporation, RI Manchester Tenant Corporation, a Delaware corporation, CY Manchester Tenant Corporation, a Delaware corporation, PIM Highland TRS Corporation, a Delaware corporation, and EC Tenant Corp, a Delaware corporation (the “**Former Parties**”)) entered into that certain Consolidated, Amended and Restated Hotel Management Agreement dated August 8, 2018 (the “**Prior Master Hotel Management Agreement**”);

WHEREAS, the parties wish to amend and restate the Prior Master Hotel Management Agreement as set forth herein;

WHEREAS, the Former Parties are either no longer affiliated with Lessee or have otherwise determined that it is unnecessary or undesirable to remain a party to the Prior Master Hotel Management Agreement, as amended by this Agreement;

WHEREAS, (a) as the controlling equity holder of the Landlords (as defined herein), the Partnership enters this Agreement on behalf of itself and the Landlords, and (b) as the controlling equity holder of each New Lessee currently a party to the Prior Master Hotel Management Agreement pursuant to an existing Addendum, Lessee enters this Agreement on behalf of itself and each New Lessee.

AGREEMENTS:

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I
DEFINITION OF TERMS

1.01 Definition of Terms

. The following terms when used in this Agreement shall have the meanings indicated below.

"Accounting Period" shall mean a calendar month.

"Addendum" shall have the meaning as set forth in **Article XXVI**.

"Agreement" shall mean this Second Consolidated, Amended and Restated Hotel Master Management Agreement, and all amendments, modifications, supplements, consolidations, extensions and revisions to this Second Consolidated, Amended and Restated Hotel Master Management Agreement approved by Lessee and Manager in accordance with the provisions hereof.

"AHT" means Ashford Hospitality Trust, Inc., a Maryland corporation.

"Annual Operating Budget" shall have the meaning as set forth in **Section 10.01**.

"AOB Objection Notice" shall have the meaning as set forth in **Section 10.02**.

"Applicable Standards" shall mean standards of operation for the Premises which are (a) in accordance with the requirements of the applicable Franchise Agreement, this Agreement and all CCRs affecting the Premises and of which true and complete copies have been made available by Lessee to Manager, (b) in accordance with applicable Legal Requirements, (c) in accordance with the terms and conditions of any Hotel Mortgage or Ground Lease to the extent not otherwise inconsistent with the terms of this Agreement (to the extent Lessee has made available to Manager true and complete copies of the applicable loan documents relating to any such Hotel Mortgage and/or the Ground Lease), (d) in accordance with the Lease (to the extent Lessee has made available to Manager a true and complete copy thereof), (e) in accordance with the requirements of any carrier having insurance on the Hotel or any part thereof (to the extent Manager has been given written notice of such requirements or policies and/or has coordinated same on behalf of Lessee), and (f) in accordance with the requirements of Section 856(d)(9)(D) of the Code for qualifying each Hotel as a Qualified Lodging Facility.

"Base Management Fee" shall have the meaning as set forth in **Section 11.01A**.

"Benefit Plans" shall have the meaning as set forth in **Section 9.02**.

"Black-Scholes Amount" shall have the meaning as set forth in **Section 16.03B**.

"Black-Scholes Model" shall have the meaning as set forth in **Section 16.03B**.

"Business Day" shall mean any day excluding (i) Saturday, (ii) Sunday, (iii) any day which is a legal holiday under the laws of the States of New York, Maryland or Texas, and (iv) any day on which banking institutions located in such states are generally not open for the conduct of regular business.

"Budgeted HP" shall mean the House Profit as set forth in the Annual Operating Budget for the applicable Fiscal Year, as approved by Lessee and Manager pursuant to **Article X** hereof.

"CCRs" shall mean those certain restrictive covenants encumbering the Premises recorded in the real property records of the county where such premises are located, as described in the owner policies of title insurance relating to such premises, a copy of which are acknowledged received by the Manager.

"Capital Improvement Budget" shall have the meaning as set forth in **Section 8.02E**.

"Cash Management Agreement" shall mean agreements, if any, entered into by Lessee, Landlord and a Holder for the collection and disbursement of any Gross Revenues, Deductions, Management Fees or excess Working Capital with respect to the applicable Premises, which constitute a part of the loan documents executed and delivered in connection with any Hotel Mortgage by Landlord.

"Capital Improvement Reserve" shall have the meaning as set forth in **Section 8.02A**.

"CIB Objection Notice" shall have the meaning as set forth in **Section 8.02E**.

"CPI" means the Consumer Price Index, published for all Urban Consumers for the U.S. City Average for All Items, 1982-84=100 issued by the Bureau of Labor Statistics of the United States Department of Labor, as published in the Wall Street Journal.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Commencement Date" shall have the meaning as set forth in **Section 2.01**.

"Competitive Set" shall mean, for each Hotel, the hotels situated in the same market segment as such Hotel as noted on **Schedule 1** to the applicable Addendum for such Hotel, which competitive set shall include such Hotel. The Competitive Set may be changed from time to time by mutual agreement of Lessee and Manager to reasonably and accurately reflect a set within the market of such Hotel that is comparable in rate quality and in operation to such Hotel and directly competitive with such Hotel. The requirements for the Competitive Set are not applicable to any of the Hotels until after the expiration of the base 10 year term of this Agreement.

"Contract(s)" shall have the meaning as set forth in **Section 4.03**.

"Debt Service" shall mean actual scheduled payments of principal and interest, including accrued and cumulative interest, payable by a Landlord with respect to any Hotel Mortgage.

"Deductions" shall mean the following matters:

1. Employee Costs and Expenses (including, Employee Claims but excluding Excluded Employee Claims);
2. Administrative and general expenses and the cost of advertising and business promotion, heat, light, power, communications (i.e., telephone, fax, cable service and internet) and other utilities and routine repairs, maintenance and minor alterations pertaining to the Premises;
3. The cost of replacing, maintaining or replenishing Inventories and Fixed Asset Supplies consumed in the operation of the Premises;
4. A reasonable reserve for uncollectible accounts receivable as reasonably determined by Manager and approved by Lessee (such approval not to be unreasonably withheld);
5. All costs and fees of independent accountants, attorneys or other third parties who perform services related to the Hotel or the operation thereof, including, without limitation, an allocation of costs of Manager's in-house corporate counsel who performs legal services directly for the benefit of the Hotels to be allocated on a fair and equitable cost basis as reasonably determined by Manager and approved by Lessee (such approval not to be unreasonably withheld);
6. The cost and expense of non-routine technical consultants and operational experts for specialized services in connection with the Premises, including, without limitation, an allocation of costs of Manager's corporate staff who may perform special services directly related to the Hotels such as sales and marketing, revenue management, training, property tax services, federal, state and/or local tax services, recruiting, and similar functions or services as set forth in **Section 9.04**, to be allocated on a fair and equitable cost basis as reasonably determined by Manager and approved by Lessee (such approval not to be unreasonably withheld);
7. Insurance costs and expenses as provided in **Article XII**;
8. Real estate and personal property taxes levied or assessed against the Premises by duly authorized taxing authorities and such other taxes, if any, payable by or assessed against Manager or the Premises related to the operation and/or ownership of the Premises;
9. Franchise fees, royalties, license fees, or compensation or consideration paid or payable to the Franchisor (as hereinafter defined), or any successor Franchisor, pursuant to a Franchise Agreement (as hereinafter defined);

10. The Premises' allocable share of the actual costs and expenses incurred by Manager in providing Group Services as provided in **Section 6.03** hereof;
11. The Management Fee;
12. Rental payments made under equipment leases; and
13. Other expenses incurred in connection with the maintenance or operation of the Premises not expressly set forth above and authorized pursuant to this Agreement.

Deductions shall not include: (a) depreciation and amortization, (b) Debt Service, (c) Ground Lease Payments, or (d) payments allocated or made to the Capital Improvement Reserve.

"Designated Fees" shall have the meaning as set forth in **Section 16.03**.

"Effective Date" shall have the meanings as set forth in the introductory paragraph of this Agreement.

"Eligible Independent Contractor" shall have the meaning as set forth in **Section 28.08**.

"Emergency Expenses" shall mean any expenses, regardless of amount, which, in Manager's reasonable judgment, are immediately necessary to protect the physical integrity or lawful operation of the Hotel or the health or safety of its occupants.

"Employee Claims" shall mean any claims (including all fines, judgments, penalties, costs, litigation and/or arbitration expenses, attorneys' fees and expenses, and costs of settlement with respect to any such claim) made by or in respect of an employee or potential hire of Manager against Manager and/or Lessee which are based on a violation or alleged violation of the Employment Laws or alleged contractual obligations.

"Employee Costs and Expenses" shall have the meaning as set forth in **Section 9.03**.

"Employee Related Termination Costs" shall have the meaning as set forth in **Section 9.05**.

"Employment Laws" shall mean all applicable federal, state and local laws (including, without limitation, any statutes, regulations, ordinances or common laws) regarding the employment, hiring or discharge of persons.

"Event(s) of Default" shall have the meaning set forth in **Article XIX**.

"Excluded Employee Claims" shall mean any Employee Claims (a) to the extent attributable to a substantial violation by Manager of Employment Laws, or (b) which do not arise

from an isolated act of an individual employee but rather is the direct result of corporate policies of Manager which either encourage or fail to discourage the conduct from which such Employee Claim arises.

“Executive Employees” shall mean each member of the senior executive or Premises level staff and each department head of the Hotel.

“Expiration Date” shall have the meaning as set forth in **Section 2.01**.

“FF&E” shall mean all fixtures, furniture, furnishings and equipment located at a Hotel.

“Fiscal Year” shall mean the twelve (12) month calendar year ending December 31, except that the first Fiscal Year and last Fiscal Year of the term of this Agreement may not be full calendar years.

“Fixed Asset Supplies” shall mean supply items included within “Property and Equipment” under the Uniform System of Accounts, including linen, china, glassware, silver, uniforms, and similar items.

“Force Majeure” shall mean any act of God (including adverse weather conditions); act of the state or federal government in its sovereign or contractual capacity; war; civil disturbance, riot or mob violence; terrorism; earthquake, flood, fire or other casualty; epidemic; quarantine restriction; labor strikes or lock out; freight embargo; civil disturbance; or similar causes beyond the reasonable control of Manager.

“Franchisor” shall mean the franchisor and any successor franchisor selected by Lessee and/or Landlord, as applicable, identified on **Exhibit “C”** to the applicable Addendum for the Hotel.

“Franchise Agreement” shall mean any license agreements between a Franchisor and Lessee and/or Landlord, as applicable, as such license agreements are amended from time to time, and any other contract hereafter entered into between Lessee and/or Landlord, as applicable, and such Franchisor pertaining to the name and operating procedures, systems and standards, as described on **Exhibit “C”** to the applicable Addendum for the Hotel.

“full replacement cost” shall have the meaning as set forth in **Section 12.02**.

“GAAP” shall mean generally accepted accounting principles consistently applied as recognized by the accounting industry and standards within the United States.

“General Manager” or **“General Managers”** shall have the meanings as set forth in **Section 9.07**.

"Gross Operating Profit" shall mean the actual gross operating profit of the Premises determined generally in accordance with the Uniform System of Accounts, consistently applied and consistent with the determination thereof in the Annual Operating Budget.

"Gross Operating Profit Margin" shall mean for any applicable Fiscal Year, the quotient expressed as a percentage, (i) the numerator of which is the Gross Operating Profit, and (ii) the denominator of which is Gross Revenues.

"Gross Revenues" shall mean all revenues and receipts of every kind received from operating the Premises and all departments and parts thereof, including but not limited to, income from both cash and credit transactions, income from the rental of rooms, stores, offices, banquet rooms, conference rooms, exhibits or sale space of every kind, license, lease and concession fees and rentals (not including gross receipts of licensees, lessees and concessionaires), vending machines, health club membership fees, food and beverage sales, wholesale and retail sales of merchandise, service charges, and proceeds, if any, from business interruption or other loss of income insurance; provided, however, Gross Revenues shall not include (a) gratuities to the Premises' employees, (b) federal, state or municipal excise, sales or use taxes or similar impositions collected directly from customers, patrons or guests or included as part of the sales prices of any goods or services paid over to federal, state or municipal governments, (c) property insurance or condemnation proceeds (excluding proceeds from business interruption or other loss of income coverage), (d) proceeds from the sale or refinance of assets other than sales in the ordinary course of business, (e) funds furnished by the Lessee, (f) judgments and awards other than for lost business, (g) the amount of all credits, rebates or refunds (which shall be deductions from Gross Revenues) to customers, patrons or guests, (h) receipts of licensees, concessionaires, and tenants, (i) payments received at any of the Hotels for hotel accommodations, goods or services to be provided at other hotels, although arranged by, for or on behalf of Manager; (j) the value of complimentary rooms, food and beverages, (k) interest income, (l) lease security deposits, and (m) items constituting "allowances" under the Uniform System of Accounts.

"Ground Lease Payments" shall mean payments due under any Ground Lease and payable by Landlord thereunder.

"Ground Lease" shall mean any ground lease agreements relating to the Hotel, executed by Landlord with any third party landlords.

"Group Services" shall have the meaning as set forth in **Section 6.03**.

"Holder" shall mean the holder of any Hotel Mortgage and the indebtedness secured thereby, and such holder's successors and assigns.

"Hotel" shall mean the hotel or motel property owned or leased by Lessee and managed by Manager pursuant to this Agreement or an Addendum.

"Hotel Mortgage" shall mean, collectively, any mortgage or deed of trust hereafter from time to time, encumbering all or any portion of the Premises (or the leasehold interest therein), together with all other instruments evidencing or securing payment of the indebtedness secured by such mortgage or deed of trust and all amendments, modifications, supplements, extensions and revisions of such mortgage, deed of trust, and other instruments.

"Hotel's REVPAR Yield Penetration" shall mean, for a Hotel for any applicable Fiscal Year, (i) such Hotel's actual occupancy rate multiplied by the actual average daily rate, divided by (ii) the Competitive Set's occupancy rate multiplied by the Competitive Set's average daily rate for the same Fiscal Period. The determination of the Competitive Set's occupancy and rate shall be made by reference to the Smith Travel Research reports or its successor or comparable market research reports prepared by another nationally recognized hospitality firm reasonably acceptable to Lessee and Manager.

"House Profit" shall mean the actual house profit of the Premises determined generally in accordance with the Uniform System of Accounts, consistently applied and consistent with the determination thereof in the Annual Operating Budget.

"HP Test" shall have the meaning as set forth in **Section 11.01B**.

"Incentive Fee" shall have the meaning as set forth in **Section 11.01B**.

"Indemnifying Party" shall have the meaning as set forth in **Section 25.03**.

"Independent Directors" shall mean those directors of AHT who are "independent" within the meaning of the rules of the New York Stock Exchange or such other national securities exchange or interdealer quotation system on which AHT's common stock is then principally traded.

"Intellectual Property" shall have the meaning as set forth in **Section 24.03**.

"Inventories" shall mean **"Inventories"** as defined in the Uniform System of Accounts, such as provisions in storerooms, refrigerators, pantries and kitchens, beverages in wine cellars and bars, other merchandise intended for sale, fuel, mechanical supplies, stationery, and other supplies and similar items.

"issuing party" shall have the meaning as set forth in **Section 28.10**.

"Key Employees" shall have the meaning as set forth in **Section 9.07**.

"Landlord" shall mean the landlord under the Lease.

"Lease" shall mean any lease agreements as amended, modified, supplemented, and extended from time to time, executed by Lessee as tenant and Landlord for a Hotel, as described on **Exhibit "B"** attached to an Addendum.

"Legal Requirements" shall mean all laws, statutes, ordinances, orders, rules, regulations, permits, licenses, authorizations, directions and requirements of all governments and governmental authorities, which now or hereafter may be applicable to the Premises and the operation of the Hotels.

"Lessee" shall have the meaning as set forth in the introductory paragraph of this Agreement, and shall include each New Lessee, as that term is defined in the Addendum for each Hotel.

"Management Fee" shall collectively mean the Base Management Fee, the Incentive Fee, and any other fees payable to Manager pursuant to the terms of this Agreement.

"Manager" shall have the meaning as set forth in the introductory paragraph of this Agreement.

"Manager Affiliate Entity" shall have the meaning as set forth in **Article XXI**.

"Mutual Exclusivity Agreement" shall mean that certain Amended and Restated Mutual Exclusivity Agreement dated the date hereof among the Partnership, AHT, Manager and Monty J. Bennett.

"Necessary Expenses" shall mean any expenses, regardless of amount, which are necessary for the continued operation of the Hotel in accordance with Legal Requirements and the Applicable Standards and which are not within the reasonable control of Manager (including, but not limited to those for taxes, utility charges, approved leases and contracts, licensing and permits).

"Net Operating Income" shall be equal to Gross Operating Profit~~less~~ (i) all amounts to be paid or credited to the Capital Improvement Reserve, and (ii) Rental Payments to the extent that such rental payments are not properly chargeable as an operating expense.

"Non-Disturbance Agreement" means an agreement, in recordable form in the jurisdiction in which a Hotel is located, executed and delivered by the Holder of a Hotel Mortgage or a Landlord, as applicable, (which agreement shall by its terms be binding upon all assignees of such lender or landlord and upon any individual or entity that acquires title to or possession of a Hotel (referred to as a **"Subsequent Owner"**), for the benefit of Manager, pursuant to which, in the event such holder (or its assignee) or landlord (or its assignee) or any Subsequent Owner comes into possession of or acquires title to a Hotel, such holder (and its assignee) or landlord (or its assignee) and all Subsequent Owners shall (x) recognize Manager's rights under this Agreement, and (y) shall not name Manager as a party in any foreclosure action or proceeding, and (z) shall not disturb Manager in its right to continue to manage the Hotels pursuant to this Agreement; provided, however, that at such time, (i) this Agreement has not expired or otherwise been earlier terminated in accordance with its terms, and (ii) there are no outstanding Events of Default by Manager, and (iii) no material event has occurred and no

material condition exists which, after notice or the passage of time or both, would entitle Lessee to terminate this Agreement.

“non-issuing party” shall have the meaning as set forth in **Section 28.10**.

“Notice” shall have the meaning as set forth in **Article XXII**.

“Operating Account” shall have the meaning as set forth in **Article XIV**.

“Partnership” means Ashford Hospitality Limited Partnership, a Delaware limited partnership.

“Payment Option Request” shall have the meaning as set forth in **Section 16.03**.

“Performance Cure Period” shall have the meaning as set forth in **Section 2.03(b)(i)(2)**.

“Performance Failure” shall have the meaning as set forth in **Section 2.03(b)(i)(1)**.

“Performance Test” shall have the meaning as defined in **Section 2.03(b)(i)**.

“Predecessor Manager” shall have the meaning as set forth in **Section 25.05**.

“Premises” shall mean, as to each Hotel, the Lessee’s fee interest in such Hotel and Site (if there is no Lease), or leasehold interest in such Hotel and Site pursuant to the terms and conditions of the applicable Lease.

“Prime Rate” shall have the meaning as set forth in **Section 28.03**.

“Project Management Agreement” shall have the meaning as set forth in **Section 4.01**.

“Property Service Account” shall have the meaning as set forth in **Section 13.02**.

“Proprietary Marks” shall have the meaning as set forth in **Section 24.01**.

“Prospectus” shall have the meaning as set forth in **Section 28.10**.

“Qualified Lodging Facility” shall mean a “qualified lodging facility” as defined in Section 856(d)(9)(D) of the Code and means a “Lodging Facility” (defined below), unless wagering activities are conducted at or in connection with such facility by any person who is engaged in the business of accepting wagers and who is legally authorized to engage in such business at or in connection with such facility. A **“Lodging Facility”** is a hotel, motel or other establishment more than one-half of the dwelling units in which are used on a transient basis, and

includes customary amenities and facilities operated as part of, or associated with, the lodging facility so long as such amenities and facilities are customary for other properties of a comparable size and class owned by other owners unrelated to AHT.

“Reasonable Working Capital” shall have the meaning as set forth in **Section 16.02**.

“Related Person” shall have the meaning as set forth in **Section 28.08(e)**.

“Rental Payments” shall mean rental payments made under equipment leases permitted pursuant to the terms of this Agreement.

“REVPAR” shall mean the revenue per available room, determined by taking the actual occupancy rate of the applicable hotel and multiplying such rate by the actual average daily rate of such hotel.

“Sale” shall mean any sale, assignment, transfer or other disposition, for value or otherwise, voluntary or involuntary of Landlord's title (whether fee or leasehold) in the Hotel, or of a controlling interest therein, other than a collateral assignment intended to provide security for a loan, and shall include any such disposition through the disposition of the ownership interests in the entity that holds such title and any lease or sublease of the Hotel.

“Site” shall mean, as to a Hotel, those certain tracts or parcels of land described in **Exhibit B-1** attached to the applicable Addendum.

“Software” shall have the meaning as set forth in **Section 24.02**.

“Strike Price” shall have the meaning as set forth in **Section 16.03**.

“Targeted REVPAR Yield Penetration” shall mean, as to a Hotel, 80%.

“Term” shall mean, as to the Hotel, the contractual duration of this Agreement for the Hotel, as defined in **Section 2.01**.

“Termination” shall mean the expiration or sooner cessation of this Agreement as to a Hotel.

“Termination Date” shall have the meaning as set forth in **Section 2.01**.

“Uniform System of Accounts” shall mean the Uniform System of Accounts for the Lodging Industry, 9th Revised Edition, as may be modified from time to time by the International Association of Hospitality Accountants.

“Unrelated Person” shall have the meaning as set forth in **Section 28.08(e)**.

"Working Capital" shall mean the amounts by which current assets exceed current liabilities as defined by the Uniform System of Accounts which are reasonably necessary for the day-to-day operation of the Premises' business, including, without limitation, the excess of change and petty cash funds, operating bank accounts, receivables, prepaid expenses and funds required to maintain Inventories, over the amount of accounts payable and accrued current liabilities.

ARTICLE II TERM OF AGREEMENT

2.01 Term

. The term ("**Term**") of this Agreement shall commence for each Hotel on the later of the Effective Date and the Commencement Date as noted on **Exhibit "A"** of the Addendum for such Hotel (the "**Commencement Date**"), and, unless sooner terminated as herein provided, shall continue until the "Termination Date." For purposes of this Agreement, the "**Termination Date**" for each Hotel shall be the earlier to occur of (i) the Expiration Date applicable to such Hotel, (ii) termination at the option of Lessee in connection with the bona fide Sale of the Hotel by Landlord or Lessee to an unaffiliated third party as provided in and subject to the terms of **Section 2.03(a)** hereof, (iii) termination at the option of Lessee after the Performance Test has not been satisfied pursuant to and subject to the terms and conditions of **Section 2.03(b)** below, (iv) termination at the option of Lessee for convenience pursuant to and subject to the terms and conditions of **Section 2.03(c)** below, or (v) termination by either Lessee or Manager pursuant to **Article XVIII** hereof in connection with a condemnation, casualty or Force Majeure, subject to the terms thereof. The "**Expiration Date**" with respect to a Hotel shall mean the 10th anniversary of the Commencement Date applicable to such Hotel, provided that such initial 10-year term may thereafter be renewed by Manager, at its option, on the same terms and conditions contained herein, for three (3) successive periods of seven (7) Fiscal Years each, and thereafter, for a final period of four (4) Fiscal Years; and provided further, that at the time of exercise of any such option to renew, an Event of Default by Manager does not then exist beyond any applicable grace or cure period. If at any time of the exercise of any renewal period, Manager is then in default under this Agreement, then the exercise of the renewal option will be conditional on timely cure of such default, and if such default is not timely cured, then Lessee may terminate this Agreement regardless of the exercise of such renewal period and without the payment of any fee or liquidated damages. If Manager desires to exercise any such option to renew, it shall give Lessee Notice to that effect not less than ninety (90) days prior to the expiration of the then current Term. Notwithstanding the expiration or earlier termination of the Term, Lessee and Manager agree that the obligations of Lessee to pay, remit, reimburse and to otherwise indemnify Manager for any and all expenses and fees incurred or accrued by Manager pursuant to the provisions of this Agreement prior to Termination (or actually incurred by Manager after Termination) shall survive Termination, provided such expenses and fees have been incurred consistent with the then current terms of this Agreement and the applicable Annual Operating Budget, including, without limitation but only to the extent so consistent, all costs, expenses and liabilities arising from the termination of the Premises' employees such as accrued vacation and

sick leave, severance pay and other accrued benefits, employer liabilities pursuant to the Consolidated Omnibus Budget Reconciliation Act and employer liabilities pursuant to the Worker Adjustment and Retraining Notification Act. In addition, subject to **Section 19.02** below and the foregoing sentence, upon Termination as to a Hotel, Lessee and Manager shall have no further obligations to one another pursuant to this Agreement with respect to such Hotel, except that **Section 2.02**, obligations to make payments under **Section 2.03** or **Section 9.05**, **Section 9.07**, the last sentence of **Section 15.01**, obligations to make payments of termination fees pursuant to **Article XVIII**, **Article XXIV**, **Article XXV**, **Article XXVII** and **Section 28.12** shall survive Termination.

2.02 Actions to be Taken upon Termination

. Upon a Termination of this Agreement as to a Hotel, the following shall be applicable:

- A. Manager shall, within forty-five (45) days after Termination as to a Hotel, prepare and deliver to Lessee a final accounting statement with respect to the Hotel, in form and substance consistent with the statements provided pursuant to **Section 15.02**, along with a statement of any sums due from Lessee to Manager pursuant hereto, dated as of the date of Termination. Within thirty (30) days after the receipt by Lessee of such final accounting statement, the parties will make whatever cash adjustments are necessary pursuant to such final statement. The cost of preparing such final accounting statement shall be a Deduction. Manager and Lessee acknowledge that there may be certain adjustments for which the necessary information will not be available at the time of such final accounting, and the parties agree to readjust such amounts and make the necessary cash adjustments when such information becomes available.
- B. As of the date of the final accounting referred to in subsection A above, Manager shall release and transfer to Lessee any of Lessee's funds which are held or controlled by Manager with respect to the Hotel, with the exception of funds to be held in escrow pursuant to **Section 9.05 and Section 12.07**. During the period between the date of Termination and the date of such final accounting, Manager shall pay (or reserve against) all Deductions which accrued (but were not paid) prior to the date of Termination, using for such purpose any Gross Revenues which accrued prior to the date of Termination.
- C. Manager shall make available to Lessee such books and records respecting the Hotel (including those from prior years, subject to Manager's reasonable records retention policies) as will be needed by Lessee to prepare the accounting statements, in accordance with the Uniform System of Accounts, for the Hotel for the year in which the Termination occurs and for any subsequent year. Such books and records shall not include: (i) employee records which must remain confidential pursuant to either Legal Requirements or confidentiality agreements, or (ii) any Intellectual Property.

- D. Manager shall (to the extent permitted by Legal Requirements) assign to Lessee, or to any other manager employed by Lessee to operate and manage the Hotel, all operating licenses for the Hotel which have been issued in Manager's name; provided that if Manager has expended any of its own funds in the acquisition of any of such licenses, Lessee shall reimburse Manager therefor if it has not done so already.
- E. Lessee agrees that hotel reservations and any and all contracts made in connection with hotel convention, banquet or other group services made by Manager in the ordinary and normal course of business consistent with this Agreement, for dates subsequent to the date of Termination and at rates prevailing for such reservations at the time they were made, shall be honored and remain in effect after Termination of this Agreement.
- F. Manager shall cooperate with the new operator of the Hotel as to effect a smooth transition and shall peacefully vacate and surrender the Hotel to Lessee.
- G. Manager and Lessee agree to use best efforts to resolve any disputes amicably and promptly under this **Section 2.02** to effect a smooth transition of the Hotel to Lessee and/or Lessee's new manager.

2.03 Termination Rights; Liquidated Damages

(a) **Termination Upon Sale.** Upon Notice to Manager, Lessee shall have the option to terminate this Agreement with respect to a Hotel effective as of the closing of the Sale of such Hotel to a third party. Such Notice shall be given at least forty-five (45) days' in advance (unless otherwise required by Legal Requirements, in which case Lessee shall provide such additional notice in order to comply with such Legal Requirements) and shall inform Manager of the identity of the contract purchaser. Manager, at its election, may offer to provide management services to such contract purchaser after the closing of the sale. Lessee shall, in connection with such Sale, by a separate document reasonably acceptable to Lessee and Manager, indemnify and save Manager harmless against any and all losses, costs, damages, liabilities and court costs, claims and expenses, including, without limitation, reasonable attorneys' fees arising or resulting from the failure of Lessee or such prospective purchaser to provide any of the services contracted for in connection with the business booked for such Hotel to, and including, the date of such Termination, in accordance with the terms of this Agreement, including without limitation, any and all business so booked as to which facilities and/or services are to be furnished subsequent to the date of Termination, provided that any settlement by Manager of any such claims shall be subject to the prior written approval of Lessee which shall not be unreasonably withheld, conditioned or delayed. In addition, the following terms shall apply in connection with the sale of any Hotel(s):

- (i) If this Agreement is terminated pursuant to **Section 2.03(a)** with respect to a Hotel prior to the first anniversary of the Commencement Date

applicable to such Hotel, then Lessee shall pay to Manager on such termination, a termination fee as liquidated damages and not as a penalty (provided that an Event of Default by Manager is not then existing beyond any cure or grace periods set forth in this Agreement) in an amount equal to the estimated Base Management Fee and Incentive Fee that was estimated to be paid to Manager with respect to such Hotel pursuant to the Annual Operating Budget for the remaining Accounting Periods until the first anniversary of the Commencement Date for such Hotel (irrespective of the Management Fees paid to Manager prior to the date of the Termination with respect to such Hotel). If this Agreement is terminated pursuant to **Section 2.03(a)** with respect to a Hotel after the first anniversary of the Commencement Date applicable to such Hotel, then no termination fees shall be payable by Lessee for such Hotel.

(b) **Termination Due to Failure to Satisfy Performance Test**

(i) **Performance Test**. Lessee shall have the right to terminate this Agreement with respect to any Hotel after the base 10 year term of this Agreement applicable to such Hotel, subject to the payment of a termination fee as set forth in subsection (ii) below, in the event of the occurrence of the following with respect to the Hotel (collectively herein called, the "**Performance Test**"):

(1) If for any Fiscal Year (a) the Hotel's Gross Operating Profit Margin for such Fiscal Year is less than seventy-five percent (75%) of the average Gross Operating Profit Margin of comparable hotels in similar markets and geographic locations to the Hotel as reasonably determined by Lessee and Manager, and (b) such Hotel's REVPAR Yield Penetration is less than the Targeted REVPAR Yield Penetration for such Fiscal Year (herein (a) and (b) collectively called "**Performance Failure**"); then

(2) Manager shall have a period of two (2) years, commencing with the next ensuing Fiscal Year (the "**Performance Cure Period**"), to cure the Performance Failure after Manager's receipt of Notice from Lessee of such Performance Failure and Lessee's intent to terminate this Agreement with respect to the Hotel if the Performance Failure is not cured within such Performance Cure Period; and

(3) If after the first full Fiscal Year during the Performance Cure Period, the Performance Failure remains uncured, then upon written Notice to Manager by Lessee, Manager shall engage a consultant reasonably acceptable to Manager and Lessee (with significant experience in the hotel lodging industry) to make a written determination (within forty-five (45) days of such Notice) as to whether another management company (with comparable breadth of knowledge and experience as

Manager, including with respect to number and type of hotels managed in similar markets and geographical areas) could manage the Hotel in a materially more efficient manner. If such consultant determination is in the negative, then Manager will be deemed not to be in default under the Performance Test. If such consultant determination is in the affirmative, then Manager agrees to engage such consultant (such cost and expense to be shared by Lessee and Manager equally) to assist Manager during the second Fiscal Year of the Performance Cure Period with the cure of the Performance Failure; and

(4) If after the end of the Performance Cure Period, the Performance Failure remains uncured and the consultant again makes a written determination that another management company (with comparable breadth of knowledge and experience as Manager, including with respect to number and type of hotels managed in similar markets and geographical areas) could manage the Subject Hotel in a materially more efficient manner, then Lessee may, at its election, terminate this Agreement upon forty-five (45) days' prior Notice to Manager.

(ii) **Termination Fees.** If Lessee elects to terminate this Agreement with respect to a Hotel for failure to satisfy the Performance Test, Lessee shall pay to Manager as liquidated damages but not as a penalty, a termination fee (provided that there does not then exist an Event of Default by Manager under this Agreement beyond any applicable cure periods) in the amount equal to 60% of the product obtained by multiplying (A) 65% of the aggregate Base Management Fees and Incentive Fees budgeted in the Annual Operating Budget applicable to the Hotel for the full current Fiscal Year in which such termination is to occur (but in no event less than the Base Management Fees and Incentive Fees for the preceding full Fiscal Year) by (B) nine (9).

(iii) **Finance Reports.** Determinations of the performance of the Hotel shall be in accordance with the audited annual financial statements delivered by Lessee's accountant pursuant to **Section 15.03** hereof.

(iv) **Extension of Performance Cure Period** Notwithstanding the foregoing, if at any time during the Performance Cure Period (a) Lessee is in material default under any of its obligations under this Agreement, or (b) Lessee has terminated, terminates or causes a termination of the Franchise Agreement (other than defaults due to Manager) and does not obtain a new franchise agreement with a comparable franchisor, or (c) the operation of the Hotel or the use of the Hotel's facilities are materially disrupted by casualty, condemnation, or events of Force Majeure that are beyond the reasonable control of Manager, or by major repairs to or major refurbishment of the Hotel, then, for such period, the Performance Cure Period shall be extended.

(v) **Renewal Period.** If at the time of Manager's exercise of a renewal period with respect to a Hotel, such Hotel is within a Performance Cure Period, the exercise of such renewal period shall be conditional upon timely cure of the Performance Failure, and if such Performance Failure is not timely cured, then, notwithstanding the foregoing provisions, Lessee may elect to terminate this Agreement with respect to such Hotel pursuant to the terms of this **Section 2.03(b)** without payment of any termination fee.

(c) **Termination For Convenience.** Lessee may terminate this Agreement with respect to a particular Hotel for convenience (except if due to a Sale of a Hotel whereupon **Section 2.03(a)** shall govern) upon ninety (90) days Notice to Manager, and shall pay to Manager as liquidated damages but not as a penalty, a termination fee (provided that there does not then exist an Event of Default by Manager under this Agreement beyond any applicable cure or grace periods) in an amount equal to the product of (A) 65% of the aggregate Base Management Fees and Incentive Fees budgeted in the Annual Operating Budget applicable to the Hotel for the full current Fiscal Year in which such termination is to occur (but in no event less than the Base Management Fees and Incentive Fees for the preceding full Fiscal Year) by (B) nine (9).

(d) **Payment of Liquidated Damages.** WITH RESPECT TO ANY TERMINATION FEES PAYABLE IN CONNECTION WITH ANY EARLY TERMINATION RIGHT SET FORTH IN THIS **SECTION 2.03**, OR IN **SECTION 18.04** BELOW, LESSEE RECOGNIZES AND AGREES THAT, IF THIS AGREEMENT IS TERMINATED WITH RESPECT TO A HOTEL FOR THE REASONS SPECIFIED IN THIS **SECTION 2.03** OR IN **SECTION 18.04** BELOW, THEREBY ENTITLING MANAGER TO RECEIVE THE TERMINATION FEES AS SET FORTH IN THIS **SECTION 2.03** OR IN **SECTION 18.04** BELOW, MANAGER WOULD SUFFER AN ECONOMIC LOSS BY VIRTUE OF THE RESULTING LOSS OF MANAGEMENT FEES WHICH WOULD OTHERWISE HAVE BEEN EARNED UNDER THIS AGREEMENT. BECAUSE SUCH FEES VARY IN AMOUNT DEPENDING ON THE TOTAL GROSS REVENUES EARNED AT THE HOTEL AND ACCORDINGLY WOULD BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN WITH CERTAINTY, THE PARTIES AGREE THAT THE TERMINATION FEES PROVIDED IN THIS **SECTION 2.03** AND IN **SECTION 18.04** BELOW CONSTITUTE A REASONABLE ESTIMATE OF LIQUIDATED DAMAGES TO MANAGER FOR PURPOSES OF ANY AND ALL LEGAL REQUIREMENTS, AND IT IS AGREED THAT MANAGER SHALL NOT BE ENTITLED TO MAINTAIN A CAUSE OF ACTION AGAINST LESSEE, EXCEPT AS SPECIFICALLY PROVIDED HEREIN, FOR ACTUAL DAMAGES IN EXCESS OF THE TERMINATION FEES IN ANY CONTEXT WHERE THE TERMINATION FEES ARE PROVIDED BY THIS AGREEMENT, AND RECEIPT OF SUCH FEES (TOGETHER WITH ALL OTHER AMOUNTS DUE AND PAYABLE BY LESSEE TO MANAGER WITH RESPECT TO EVENTS OCCURRING PRIOR TO TERMINATION OF THIS AGREEMENT WITH RESPECT

TO THE HOTEL OR AS OTHERWISE PROVIDED HEREIN) SHALL BE MANAGER'S SOLE REMEDY FOR DAMAGES AGAINST LESSEE IN ANY SUCH CASE. The foregoing shall in no way affect any other sums due Manager under this **Article II** or otherwise hereunder, including, without limitation, the Management Fees earned during the Term, or any other rights or remedies, at law or in equity of Manager under this Agreement or under Legal Requirements, including any indemnity obligations of Lessee to Manager under this Agreement.

ARTICLE III PREMISES

Manager shall be responsible, at the sole cost and expense of Lessee, for keeping and maintaining the Premises fully equipped in accordance with plans, specifications, construction safety and fire safety standards, and designs pursuant to applicable Legal Requirements, the standards and requirements of a Franchisor pursuant to any applicable Franchise Agreement, any applicable Hotel Mortgage, the Lease and the Capital Improvement Budgets approved pursuant to the terms hereof, subject in all respects to performance by Lessee of its obligations pursuant to this Agreement.

ARTICLE IV APPOINTMENT OF MANAGER

4.01 Appointment

. Except as otherwise provided in the certain Amended and Restated Master Project Management Agreement of even date herewith, among Lessee and Premier Project Management LLC (the "**Project Management Agreement**"), Lessee hereby appoints Manager as its sole, exclusive and continuing operator and manager to supervise and direct, for and at the expense of Lessee, the management and operation of the Premises under the terms and conditions hereinafter set forth. In exercising its duties hereunder, Manager shall act as agent and for the account of Lessee. Manager hereby accepts said appointment and agrees to manage the Premises during the Term of this Agreement under the terms and conditions hereinafter set forth.

4.02 Delegation of Authority

. The operation of the Premises shall be under the exclusive supervision and control of Manager who, except as otherwise specifically provided in this Agreement, shall be responsible for the proper and efficient management and operation of the Premises in accordance with this Agreement, the Lease, the Franchise Agreement, the Capital Improvement Budget and the Annual Operating Budget. Subject to the terms of such agreements and budgets, the Manager shall have discretion and control in all matters relating to the management and operation of the Premises, including, without limitation, charges for rooms and commercial space, the determination of credit policies (including entering into agreements with credit card organizations), food and beverage service and policies, employment policies, procurement of inventories, supplies and services, promotion, advertising, publicity and marketing, and,

generally, all activities necessary for the operation of the Premises. Manager shall also be responsible for the receipt, holding and disbursement of funds and maintenance of bank accounts in compliance with the Cash Management Agreement, if applicable.

4.03 Contracts, Equipment Leases and Other Agreements

. Manager is hereby authorized to grant concessions, lease commercial space and enter into any other contract, equipment lease, agreement or arrangement pertaining to or otherwise reasonably necessary for the normal operation of the Premises (such concession, lease, equipment lease, contract, agreement or arrangement hereinafter being referred to individually as a "**Contract**" and collectively as "**Contracts**") on behalf of Lessee, as may be necessary or advisable and reasonably prudent business judgment in connection with the operation of the Premises and consistent with the Annual Operating Budget, and subject to any restrictions imposed by the Franchise Agreement, Lease or any Hotel Mortgage, and subject to the Lessee's prior written approval of: (i) any Contract which provides for a term exceeding one (1) year (unless such Contract is thirty day cancellable with cost, premium or penalty equal to or less than \$25,000.00) or (ii) any tenant space lease, license or concession concerning any portion of the public space in or on the Premises for stores, office space, restaurant space, or lobby space. Lessee's approval of any Contract shall not be unreasonably withheld, delayed or conditioned. Unless otherwise agreed, all Contracts for the Premises shall be entered into in Lessee's name. Manager shall make available to Lessee, its agents, and employees, at the Premises during business hours, executed counterparts or certified true copies of all Contracts it enters into pursuant to this **Section 4.03**.

4.04 Alcoholic Beverage/Liquor Licensing Requirements

. With respect to any licenses and permits held by Lessee or any of its subsidiaries for the sale of any liquor and alcoholic beverages at any of the Premises, Manager agrees, as part of its management duties and services under this Agreement, to fully cooperate with any applicable liquor and/or alcoholic beverage authority and to assist Lessee with any documentation and other requests of such authority to the extent necessary to comply with any licensing and/or permitting requirements applicable to the Premises.

ARTICLE V REPRESENTATIONS AND WARRANTIES

5.01 Lessee Representations

. Upon execution of an Addendum, the Lessee identified in the Addendum, in order to induce Manager to enter into this Agreement, will be deemed to hereby represent and warrant to Manager as of the date of such Addendum as follows:

5.01.1. The execution of this Agreement is permitted by the organizational documents of Lessee and this Agreement has been duly authorized, executed and

delivered on behalf of Lessee and constitutes the legal, valid and binding obligation of Lessee enforceable in accordance with the terms hereof;

5.01.2. There is no claim, litigation, proceeding or governmental investigation pending, or, to the best knowledge and belief of Lessee, threatened, against or relating to Lessee, the properties or businesses of Lessee or the transactions contemplated by this Agreement which does, or may reasonably be expected to, materially or adversely affect the ability of Lessee to enter into this Agreement or to carry out its obligations hereunder, and, to the best knowledge and belief of Lessee, there is no basis for any such claim, litigation, proceeding or governmental investigation except as has been fully disclosed in writing by Lessee to Manager;

5.01.3. Neither the consummation of the transactions contemplated by this Agreement on the part of Lessee to be performed, nor the fulfillment of the terms, conditions and provisions of this Agreement, conflicts with or will result in the breach of any of the terms, conditions or provisions of, or constitute a default under, any agreement, indenture, instrument or undertaking to which Lessee is a party or by which it is bound;

5.01.4. No approval of any third party (including any Landlord or the Holder of any Hotel Mortgage in effect as of the date of this Agreement) is required for Lessee's execution, delivery and performance of this Agreement that has not been obtained prior to the execution hereof;

5.01.5. Lessee holds all required governmental approvals required (if applicable) to be held by it to own or lease the Hotel; and

5.01.6. As of the date of this Agreement there are no defaults under the Lease (if any).

5.02 Manager Representations

. Upon execution of an Addendum, Manager, in order to induce Lessee to enter into this Agreement, will be deemed to hereby represent and warrant to Lessee as of the date of such Addendum as follows:

5.02.1. The execution of this Agreement is permitted by the organizational documents of Manager and this Agreement has been duly authorized, executed and delivered on behalf of Manager and constitutes a legal, valid and binding obligation of Manager enforceable in accordance with the terms hereof;

5.02.2. There is no claim, litigation, proceeding or governmental investigation pending, or, to the best knowledge and belief of Manager, threatened, against or relating to Manager, the properties or business of Manager or the transactions contemplated by this Agreement which does, or may reasonably be expected to, materially or adversely

affect the ability of Manager to enter into this Agreement or to carry out its obligations hereunder, and, to the best knowledge and belief of Manager, there is no basis for any such claim, litigation, proceeding or governmental investigation, except as has been fully disclosed in writing by Manager to Lessee;

5.02.3. Neither the consummation of the transactions contemplated by this Agreement on the part of Manager to be performed, nor the fulfillment of the terms, conditions and provisions of this Agreement, conflicts with or will result in the breach of any of the terms, conditions or provisions of, or constitute a default under, any agreement, indenture, instrument or undertaking to which Manager is a party or by which it is bound;

5.02.4. No approval of any third party is required for Manager's execution, delivery and performance of this Agreement that has not been obtained prior to the execution and delivery hereof;

5.02.5. Manager holds all required governmental approvals required to be held by it to perform its obligations under this Agreement; and

5.02.6. Manager qualifies as an Eligible Independent Contractor, and during the Term of this Agreement, agrees to continue to qualify as an Eligible Independent Contractor.

ARTICLE VI OPERATION

6.01 Name of Premises; Standard of Operation

. During the Term of this Agreement, the Premises shall be known and operated by Manager as a hotel licensed with the applicable Franchisor as noted on **Exhibit C** to each Addendum, with additional identification as may be necessary to provide local identification, provided Manager and/or Lessee have obtained and are successful in continuously maintaining the right to so operate the Premises, which Manager agrees to use its reasonable best efforts to do. Manager agrees to manage the Premises, for the account of Lessee, and so far as is legally possible, in accordance with the Annual Operating Budget and Applicable Standards subject to Force Majeure. In the event of termination of a Franchise Agreement for one or more of the Premises, Manager shall operate such Premises under such other franchise agreement, if any, as Lessee enters into or obtains as franchisee. If the name of a Franchisor's hotel system is changed, Lessee shall have the right to change the name of the applicable Hotel to conform thereto.

Notwithstanding the foregoing or any other provision in this Agreement to the contrary, Manager's obligation with respect to operating and managing the Hotel in accordance with any Hotel Mortgage, Ground Lease, the Lease and the CCRs shall be limited to the extent (i) true and complete copies thereof have been made available to Manager by Lessee reasonably

sufficient in advance to allow Manager to manage the Hotel in compliance with such documents, and (ii) the provisions thereof and/or compliance with such provisions by Manager (a) are applicable to the day-to-day management, maintenance and routine repair and replacement of the Hotel, the FF&E or any portion thereof, (b) do not require contribution of funds from Manager, (c) do not materially increase Manager's obligations hereunder or materially decrease Manager's rights or benefits hereunder, (d) do not limit or restrict, or attempt to limit or restrict any corporate activity or transaction with respect to Manager or any Manager Affiliate Entity or any other activity, transfer, transaction, property or other matter involving Manager or the Manager Affiliate Entities other than at the Site of the Hotel and (e) are otherwise within the scope of Manager's duties under this Agreement. Lessee acknowledges and agrees, without limiting the foregoing, that any failure of (i) Lessee to comply with the provisions of any Hotel Mortgage, Ground Lease, the Lease and the CCRs or Legal Requirements or (ii) Manager to comply with the provisions of any such agreements or Legal Requirements arising out of, in the case of both (i) and (ii), (A) the condition of the Hotel, and/or the failure of the Hotel to comply with the provisions of such agreements, prior to the Commencement Date, (B) construction activities at the Hotel prior to the Commencement Date, (C) inherent limitations in the design and/or construction of, location of the Hotel and/or parking at the Hotel prior to the Commencement Date, (D) failure of Lessee to provide funds, from operations or otherwise, sufficient to allow timely compliance with the provisions of the Applicable Standards or the Lease, the Ground Lease, any Hotel Mortgage and/or the CCRs through reasonable and customary business practices, and/or (E) Lessee's failure to approve any matter reasonably requested by Manager in Manager's good faith business judgment as necessary or appropriate to achieve compliance with such items, shall not be deemed a breach by Manager of its obligations under this Agreement. Manager and Lessee agree, that Manager may from time to time, so long as Manager is in compliance with the Franchise Agreement and Legal Requirements, provide collateral marketing materials in the rooms of the Hotel which advertise other hotels or programs of Manager or its Affiliates (including, through a dedicated television channel in the rooms of the Hotel), at the sole cost and expense of Manager, provided such other hotels or programs being marketed by Manager are not competing directly in the same market with the Hotel where the marketing materials and information are being placed by Manager.

6.02 Use of Premises

. Manager shall use the Premises solely for the operation of the Hotel in accordance with the Applicable Standards and for all activities in connection therewith which are customary and usual to such an operation. Subject to the terms of this Agreement, Manager shall comply with and abide by all applicable Legal Requirements, and the requirements of any insurance companies covering any of the risks against which the Premises are insured, any Hotel Mortgage, the Ground Lease, the Lease, and the Franchise Agreement. If there are insufficient funds in the Operating Account to make any expenditure required to remedy non-compliance with such Legal Requirements or with the requirements of any Hotel Mortgage, the Ground Lease, the Lease, or the Franchise Agreement or applicable insurance, Manager shall promptly notify Lessee of such non-compliance and estimated cost of curing such non-compliance. If Lessee fails to make funds available for the expenditure so requested by Manager within thirty (30) days, Lessee agrees to

indemnify and hold Manager harmless from and against any and all costs, expenses and other liabilities incurred by Manager resulting from such non-compliance (which such indemnity shall survive any termination of this Agreement). In no event shall Manager be required to make available or distribute, as applicable, sexually explicit materials or items of any kind, whether through retail stores or gift shops located at the Hotel or through "pay for view" programming in the guest rooms of the Hotel.

6.03 Group Services

. Manager may cause to be furnished to the Premises certain services ("**Group Services**") which are furnished generally on a central or regional basis to other hotels managed by Manager or any Manager Affiliate Entity and which benefit each hotel managed by Manager including, by way of example and not by way of limitation, (i) sales, marketing, advertising, promotion, public relations, distribution strategy & revenue management; (ii) centralized accounting payroll processing, ADP management, management and administration of accounts payable, accounts receivable and cash management accounting and MIS support services; (iii) the preparation and maintenance of the general ledger and journal entries, internal audit, budgeting and financial statement preparation, (iv) recruiting, training, career development, performance management and relocation in accordance with Manager's or any Manager Affiliate Entities' relocation plan; (v) employee benefits administration; (vi) engineering, capital management and risk management; (vii) information technology; (viii) legal support (such as license and permit coordination, filing and completion, standardized contracts, negotiation and preparation, and similar legal services benefiting the Hotel); (ix) purchasing arising out of ordinary hotel operations; (x) internal audit services; (xi) reservation systems; and (xii) such other additional services as are or may be, from time to time, furnished for the benefit of Manager's or any Manager Affiliate Entities' hotels or in substitution for services now performed at Manager's individual hotels which may be more efficiently performed on a group basis. Group Services shall include Manager's costs relating to the establishment of an office(s) and the placement of Manager's personnel at international locations as may be reasonably required to oversee the performance of its services and duties hereunder for international assets. International office expenses, overhead, international personnel costs and benefits, travel and other costs directly related to Manager's personnel (other than property level personnel who are employed at a Hotel and whose Employee Costs and Expenses constitute Deductions) who oversee the operations of international assets shall be allocated pro-rata to international Hotels based on room count and/or revenues in a fair and equitable manner reasonably determined by Manager. Manager shall assure that the costs and expenses incurred in providing Group Services to the Premises shall be incurred at a cost consistent with the Annual Operating Budget and shall constitute Deductions. All Group Services provided by Manager shall be of a quality comparable to which Manager could obtain from other providers for similar services.

6.04 Right to Inspect

. Lessee, the beneficial owners of Lessee, the Landlord (to the extent permitted under the Lease), any Holder under any Hotel Mortgage (to the extent permitted under such Hotel

Mortgage), and their respective agents, shall have access to the Premises at any and all reasonable times for any purpose. Manager will be available to consult with and advise such parties, at their reasonable request, concerning all policies and procedures affecting all phases of the conduct of business at the Hotel.

ARTICLE VII WORKING CAPITAL AND INVENTORIES

7.01 Working Capital and Inventories

. The Lessee shall cause funds to be deposited in one or more operating accounts established by Manager, in amounts sufficient to operate the Premises in accordance with the Annual Operating Budget, including the establishment and maintenance of positive Working Capital and Inventories as reasonably determined by Manager. All Working Capital and Inventories are and shall remain the property of Lessee. In the event Lessee fails to advance funds which are necessary in order to maintain positive Working Capital and Inventories at reasonable levels for a Hotel, Manager shall have the right to elect to terminate this Agreement upon sixty (60) days' prior written notice to Lessee with respect to the affected applicable Hotel. During such sixty (60) day period, Lessee and Manager shall use reasonable efforts to resolve the dispute over such Working Capital and Inventory requirements. If such dispute is not resolved, then this Agreement shall terminate with respect to the affected applicable Hotel on the sixtieth (60th) day following Manager's delivery of written notice of termination as provided above. If such dispute is resolved, then the notice will be deemed rescinded and this Agreement shall not be terminated pursuant to the notice with respect to the affected applicable Hotel. Further, if Manager should so terminate this Agreement with respect to the affected applicable Hotel and if Manager in good faith incurs expenditures, or otherwise accrues liabilities in accordance with the Annual Operating Budget and variances allowed herein, in each case, prior to the date of termination, Lessee agrees to promptly indemnify and hold Manager harmless from and against (i) any and all liabilities, costs and expenses properly incurred by Manager in connection with the operations of the applicable Hotel through the date of Termination with respect to such Hotel, and (ii) any and all liabilities, costs and expenses properly incurred by Manager as a result of Lessee's failure to perform any obligation or pay any liability arising under any service, maintenance, franchise or other agreements, employment relationships (other than Excluded Employee Claims), leases or contracts pertaining to the applicable Hotel after Termination with respect to such Hotel. Lessee acknowledges that liabilities arising in connection with the operation and management of the applicable Hotel including, without limitation, all Deductions, incurred in accordance with the terms of this Agreement, are and shall remain the obligations of Lessee, and Manager shall have no liability therefor unless otherwise expressly provided herein. In the event of a Termination by Manager pursuant to this **Section 7.01**, Manager shall be entitled to a termination fee as liquidated damages but not as a penalty, as set forth in connection with a termination for convenience as described in **Section 2.03(c)** and subject to **Section 2.03(d)** above.

7.02 Fixed Asset Supplies

. Lessee shall provide the funds necessary to supply the Premises initially with Fixed Asset Supplies as reasonably determined by Manager consistent with the cost budgeted therefor in the Annual Operating Budget and otherwise consistent with the intent of the parties that the level of such supplies will be adequate for the proper and efficient operation of the Premises at the Applicable Standards. Fixed Asset Supplies shall remain the property of Lessee.

ARTICLE VIII MAINTENANCE, REPLACEMENT AND CHANGES

8.01 Routine Repairs and Maintenance

. Manager, at the expense of Lessee, shall maintain the Premises in good repair and condition as is required by the Applicable Standards. Manager, on behalf of Lessee, shall make or cause to be made such routine maintenance, repairs and minor alterations as Manager from time to time deems reasonably necessary for such purposes, the cost of which: (i) can be expensed under GAAP, (ii) shall be paid from Gross Revenues, and treated as a Deduction, and (iii) are consistent with the Annual Operating Budget. Manager acknowledges that all non routine repairs and maintenance, either to the Premises' building or its FF&E pursuant to the Capital Improvement Budget approved by Lessee and Landlord will be managed pursuant to the Project Management Agreement. Manager and Lessee shall use their respective best efforts to prevent any liens from being filed against the Premises which arise from any maintenance, changes, repairs, alterations, improvements, renewals or replacements in or to the Premises. Lessee and Manager shall cooperate fully in obtaining the release of any such liens. If the lien arises as a result of the fault of either party, then the party at fault shall bear the cost of obtaining the lien release.

8.02 Capital Improvement Reserve

- A. Manager shall establish (on behalf of Landlord), in respect of each Fiscal Year during the term of this Agreement, a reserve account on each Hotel's books of account ("**Capital Improvement Reserve**") to cover the cost of:
 - 1. Replacements and renewals to the Premises' FF&E; and
 - 2. Certain non-routine repairs and maintenance to the Hotel's building(s) which are normally capitalized under GAAP such as, but not limited to, exterior and interior repainting, resurfacing, building walls, floors, roofs and parking areas, and replacing folding walls and the like, and major repairs, alterations, improvements, renewals or replacement to the Hotel's building structure or to its mechanical, electrical, heating, ventilating, air conditioning, plumbing or vertical transportation systems.
- B. For each Fiscal Year, the Capital Improvement Reserve shall be an amount equal to four percent (4%) of the Hotel's Gross Revenues for the applicable year (or

greater if required by any Landlord, Holder or Franchisor), or in such other amount as agreed to by Landlord, Lessee and Manager.

Payments of the percentage amounts specified above shall be made on an interim accounting basis as specified in **Section 11.02** hereof. Calculations and payments from the Capital Improvement Reserve made with respect to each Accounting Period shall be accounted for cumulatively for each Fiscal Year. After the close of each Fiscal Year, any adjustments required by the Fiscal Year accounting shall be made by Manager. Any proceeds from the sale of the Premises' FF&E no longer necessary to the operations of the Premises shall also be credited to the Capital Improvement Reserve. All payments from the Capital Improvement Reserve shall be reserved and paid from Gross Revenues. Such payments and sale proceeds shall be placed in an escrow account or accounts consistent with the requirements of the Cash Management Agreement, if any. Any interest earned in said account attributable to funds deposited pursuant to this Agreement shall be added to such Capital Improvement Reserve, thereby reducing the amount required to be placed in the account from Gross Revenues.

- C. Lessee shall retain the right to direct the management, coordination, planning and execution of the Capital Improvement Budget and all major repositionings of the Hotel, including any project related services, including, without limitation, construction management, interior design, architectural, FF&E purchasing, FF&E expediting and freight management, FF&E warehousing, and FF&E installation and supervision. Except as hereinafter provided, no expenditures will be made except as otherwise provided in the Capital Improvement Budget without the approval of Lessee and Landlord, and provided further, however, that if any such expenditures which are required by reason of any (i) emergency, or (ii) applicable Legal Requirements, or (iii) the terms of the Franchise Agreement, or (iv) are otherwise required for the continued safe and orderly operation of the Hotel, Manager shall immediately give Lessee and Landlord notice thereof and shall be authorized to take appropriate remedial action without such approval whenever there is a clear and present danger to life, limb or property of the Hotel or its guests or employees. At the end of each Fiscal Year any amount remaining in the Capital Improvement Reserve in excess of the amounts unspent but contemplated to be spent pursuant to the Capital Improvement Budget for such Fiscal Year or as otherwise approved by Lessee and Landlord may be withdrawn by the Lessee on behalf of Landlord.
- D. All changes, repairs, alterations, improvements, renewals or replacements made pursuant to this **Article VIII** shall be the property of Lessee or Landlord.
- E. Manager shall prepare a budget ("**Capital Improvement Budget**") of the expenditures necessary for replacement of the Premises' FF&E and building repairs of the nature contemplated by **Section 8.01** during the ensuing Fiscal

Year and shall provide such Capital Improvement Budget to Lessee and Landlord for approval at the same time Manager submits the Annual Operating Budget. The Capital Improvement Budget shall not be deemed accepted by Lessee and Landlord in the absence of their respective express written approval. Not later than thirty (30) days after receipt by Lessee and Landlord of a proposed Capital Improvement Budget (or such longer period as Lessee and Landlord may reasonably request on Notice to the Manager), Lessee and/or Landlord may deliver a Notice (a "**CIB Objection Notice**") to the Manager stating that Lessee and/or Landlord objects to any information contained in or omitted from such proposed Capital Improvement Budget and setting forth the nature of such objections with reasonable specificity. Failure of Lessee and/or Landlord to deliver a CIB Objection Notice shall be deemed rejection of the Manager's proposed Capital Improvement Budget in its entirety. Upon receipt of any CIB Objection Notice, the Manager shall, after consultation with Lessee and Landlord, modify the proposed Capital Improvement Budget, taking into account Lessee's and/or Landlord's objections, and shall resubmit the same to Lessee and Landlord for Lessee's approval within fifteen (15) days thereafter, and Lessee and/or Landlord may deliver further CIB Objection Notices (if any) within fifteen (15) days thereafter (in which event, the re-submission and review process described above in this sentence shall continue until the proposed Capital Improvement Budget in question is accepted and consented to by Lessee and Landlord). Notwithstanding anything to the contrary set forth herein, Lessee and Landlord shall have the right at any time subsequent to the acceptance and consent with respect to any Capital Improvement Budget, on Notice to the Manager, to revise, with the reasonable approval of Manager, such Capital Improvement Budget or to request that the Manager prepare for Lessee's and/or Landlord's approval a revised Capital Improvement Budget, taking into account such circumstances as Lessee and Landlord deem appropriate.

- F. It is the intent of Manager and Lessee to maintain the Premises in conformance with the Applicable Standards. Accordingly, as the Hotel ages, if the Capital Improvement Reserve established pursuant to the terms hereof is insufficient to meet such standards, and if the Capital Improvement Budget prepared in good faith by Manager and approved by Lessee and Landlord exceeds the available and anticipated funds in the Capital Improvement Reserve, Lessee, Landlord and Manager will consider the matter and Lessee and Landlord may elect to:
1. increase the annual reserve provision to provide the additional funds required; or
 2. obtain financing for the additional funds required.

ARTICLE IX
EMPLOYEES

9.01 Employee Hiring

. Manager will hire, train, promote, supervise, direct the work of and discharge all personnel working on the Premises pursuant to this Agreement. Manager shall be the sole judge of the fitness and qualification of such personnel and is vested with absolute discretion in the hiring, discharging, supervision, and direction of such personnel during the course of their employment and in the operation of the Premises.

9.02 Costs; Benefit Plans

- A. Manager shall fix the employees' terms of compensation and establish and maintain all policies relating to employment, so long as they are reasonable and in accordance with the Applicable Standards and the Annual Operating Budget. Without limiting the foregoing, Manager may, consistent with the applicable budgets, enroll the employees of the Hotel in pension, medical and health, life insurance, and similar employee benefit plans ("**Benefit Plans**") substantially similar to plans reasonably necessary to attract and retain employees and generally remain competitive. The Benefit Plans may be joint plans for the benefit of employees at more than one hotel owned, leased or managed by Manager or Manager Affiliate Entities. Employer contributions to such plans (including any withdrawal liability incurred upon Termination of this Agreement) and reasonable administrative fees (but without further markup by Manager except as otherwise expressly set forth in the Annual Operating Budget), which Manager may expend in connection therewith, shall be the responsibility of Lessee and shall be a Deduction. The administrative expenses of any joint plans will be equitably apportioned by Manager among properties covered by such plan.
- B. Manager may elect to enroll employees in a medical and health Benefit Plan that is a self insured health plan (the "**Plan**") without collection of any fee or profit to Manager or any Manager Affiliate Entity except as included in the Health Care Premiums set forth in the Annual Approved Budget. The costs incurred by Manager in operating and managing the Plan for a Plan year, including, without limitation, the administration and payment of claims, costs and fees of third party administration and gateway or reference pricing services, and premiums for stop-loss insurance and reinsurance policies are referred to herein as "**Health Plan Costs**". Prior to the commencement of each Plan year, and as part of Manager's submission to Lessee of a proposed Annual Operating Budget pursuant to **Section 10.01**, Manager shall include with each such proposed Annual Operating Budget Manager's good faith determination of the premium levels for employee individual and family coverages, which determination shall be based, in part, on the Mercer National Survey of Employer Sponsored Health Plans and the Segal

Health Plan Cost Trend Survey (the "**Health Care Premiums**"), together with other reasonably available market data (if any) on the prevailing market rates for health care insurance premiums paid by businesses (and/or their employees) similarly situated to Lessee for health plans substantially similar to the Plan ("**Market Premiums**"). The amount of employer contribution to Health Care Premiums for each employee at a Hotel shall be a Deduction for such Hotel, and Manager may periodically draw down from Gross Revenues for the Hotel the amount of such employer contribution to Health Care Premiums as same become payable under the terms of the Plan. Manager shall establish an account into which all Health Care Premiums for the Plan shall be deposited and out of which Health Plan Costs shall be paid (collectively, the "**Plan Account**"). Manager may utilize a single Plan Account to pool the Health Care Premiums for all or any number of Hotels or properties covered by the Plan, including properties not leased by Lessee or its designees. Upon implementation of a Plan, Lessee shall initially fund into a separate reserve (the "**Reserve Account**") an aggregate cash amount equal to fifteen percent (15%) of the estimated Health Plan Costs for the first Plan year allocable to all of the Hotels leased by Lessee which are covered by the Plan (the "**Plan Reserve**"). The Plan Reserve may pool the reserve funds collected pursuant to any similar requirement contained in any other management agreement covering properties covered by the Plan. Thereafter, Lessee shall be responsible to maintain the level of the Plan Reserve in an amount not less than ten percent (10%) of the estimated Health Plan Costs allocable to the Hotels for the then current Plan year, plus an additional amount for incurred but not reported claims ("INBR") as same may be adjusted from time to time during such Plan year (the "**Minimum Plan Reserve Balance**"). Manager may transfer funds (a) from the Plan Reserve to the Plan Account as reasonably necessary to maintain at all times sufficient amounts in the Plan Account to pay Health Plan Costs allocable to the Hotels when due and payable, and (b) from the Plan Account to the Plan Reserve if Manager reasonably determines that the balance in the Plan Account (whether by deposit of Health Care Premiums or transfers from the Plan Reserve) exceeds that which is reasonably necessary to pay Health Plan Costs allocable to the Hotels when due and payable. If at any time during any Plan year the balance in the Plan Reserve allocable to the Hotels falls below the Minimum Plan Reserve Balance, including by reason of transfers of funds to the Plan Account or an increase in the estimated Health Plan Costs allocable to the Hotels for the then current Plan year (the "**Reserve Shortfall**"), Lessee shall deposit into the Reserve Account the amount of the Reserve Shortfall within ten (10) days after receipt of Manager's written or emailed request therefore. If Lessee fails to timely deposit the Reserve Shortfall, Manager shall have the right (in addition to Manager's other remedies under this Agreement) to draw down from Gross Revenues for the Hotels the amount of the Reserve Shortfall. If Gross Revenues are not sufficient to fund the Reserve Shortfall, Manager shall have the right to withdraw the amount of the Reserve Shortfall from the Operating Accounts, the Capital Improvements Reserves, Working Capital or any other funds of Lessee.

held by or under the control of Manager for the Hotels. Manager may elect in connection with the Plan to make contributions to health reimbursement accounts (HRA) or health savings accounts (HSA) maintained for the benefit of employees ("**HRA/HSA Fundings**"). In the event Manager makes HRA/HSA Fundings for employees at a Hotel, such HRA/HSA Fundings shall not be considered Health Care Costs, but shall be a Deduction for such Hotel and shall be treated hereunder in the same manner as other Employee Costs and Expenses.

9.03 Manager's Employees

. It is expressly understood and agreed that all such personnel employed at the Hotel pursuant to this Agreement, including the Manager's acting General Manager for the Hotel, will be the employees of Manager for all purposes including, without limitation, federal, state and local tax and reporting purposes, but the expense incurred in connection therewith will be a Deduction and for Lessee's account. A General Manager's compensation may be allocated to other Hotels on a fair and equitable basis if the General Manager oversees and supervises other Hotel operations. Manager shall use such care when hiring any employees as may be common to the hospitality business and consistent with the Manager's standards of operation. Lessee acknowledges and agrees that Manager, as the employer of the Hotel's employees, shall be entitled to all federal, state and/or local tax credits or benefits allowed to employers relating to the Hotel's employees including, without limitation, the Work Opportunity Tax Credit, the Targeted Jobs Tax Credit, and similar tax credits (provided that Manager shall pay all incremental fees, if applicable, to qualify for such tax credits). Manager, in accordance with the Annual Operating Budget, may draw down from Gross Revenues all costs and expenses, of whatever nature, incurred in connection with such employees, including, but not limited to, wages, salaries, on-site staff, bonuses, commissions, fringe benefits, employee benefits, recruitment costs, workmen's compensation and unemployment insurance premiums, payroll taxes, vacation and sick leave (collectively, "**Employee Costs and Expenses**").

9.04 Special Projects - Corporate Employees

. The costs, fees, compensation and other expenses of any persons engaged by Manager to perform duties of a special nature, directly related to the operation of the Premises, including, but not limited to, in-house or outside counsel, accountants, bookkeepers, auditors, employment search firms, marketing and sales firms, and similar firms of personnel, shall be operating expenses, payable from and consistent with the Annual Operating Budget and not the responsibility of the Manager. The costs, fees, compensation and other expenses of those personnel of Manager assigned to special projects for the Hotel shall also be operating expenses payable by the Lessee and not the responsibility of Manager. The daily per diem rate for those personnel shall be based upon the actual costs of Manager in providing its personnel for such special services or projects, without mark-up for fee or profit but including salary and employee benefit costs and costs of equipment used in performing such services, overhead costs, travel costs and long distance telephone. Such special services shall include, but not be limited to, those matters which are not included within the scope of the duties to be performed by Manager

hereunder and, if not provided by Lessee, would involve the Lessee's engagement of a third party to perform such services; for example, special sales or marketing programs, market reviews, assistance in opening new food and beverage facilities, legal services, accounting services, tax services, insurance services, data processing, engineering personnel, and similar services.

9.05 Termination

. At Termination, subject to **Section 2.01** above, Lessee shall reimburse Manager for costs and expenses incurred by Manager which arise out of either the transfer or termination of Manager's employees at the Hotel, such as reasonable transfer costs, compensation in lieu of vacation and sick leave, severance pay (including a reasonable allowance for severance pay for Executive Employees of the Hotel, the amount of such allowance not to exceed an amount equal to Manager's then current severance benefits for such terminated Executive Employees, unless Lessee otherwise approves), unemployment compensation, employer liability pursuant to the Consolidated Omnibus Budget Reconciliation Act (COBRA liability) and the Worker Adjustment and Retraining Notification Act (WARN Act) and other employment liability costs arising out of the termination of the employment of the Manager's employees at the Premises (herein collectively called "**Employee Related Termination Costs**"). This reimbursement obligation shall not apply to any corporate personnel of Manager assigned to the Hotel for special projects or who perform functions for Manager at the corporate level. In order to be reimbursable hereunder, any Employee Related Termination Costs must be pursuant to policies of Manager which shall be consistent with those of other managers managing similar hotels in similar markets and geographical locations and which shall be subject to review and reasonable approval of Lessee from time to time upon Notice from Lessee and which review and approval shall occur no more than one time during each Fiscal Year during the term of this Agreement.

At Termination, an escrow fund shall be established from Gross Revenues (or, if Gross Revenues are not sufficient, with funds provided by Lessee) to reimburse Manager for all reimbursable Employee Related Termination Costs.

Employee Related Termination Costs shall include Health Plan Costs allocable to the Hotels that become payable under a Plan following a Termination. Manager shall be entitled to hold the balance of funds in the Plan Reserve to pay such Health Plan Costs as they become due for the following periods of time (the "**Contingency Period**"): (a) six (6) months following Termination with respect to Health Plan Costs relating to claims incurred prior to Termination, and eighteen (18) months following Termination with respect to COBRA liability (or such earlier date upon which there are no employees electing COBRA coverage relating to such Termination) (the "**Contingent Costs**"). In addition, in the event Manager reasonably determines that the balance of funds in the Plan Reserve is not sufficient to cover Manager's estimate of Contingent Costs, Lessee shall deposit into the Plan Account on or before the date of Termination or following a Termination, within ten (10) days after receipt of Manager's written request therefore, the amount that Manager reasonably determines is sufficient to cover Manager's estimate of Contingent Costs (the "**Contingent Shortfall**"). If Lessee fails to timely deposit the

Contingent Shortfall, Manager shall have the right (in addition to Manager's other remedies under this Agreement) to draw down from Gross Revenues for the Hotels the amount of the Contingent Shortfall. If Gross Revenues are not sufficient to fund the Contingent Shortfall, Manager shall have the right to withdraw the amount of the Contingent Shortfall from the Operating Accounts, the Capital Improvement Reserves, Working Capital or any other funds of Lessee held by or under the control of Manager for the Hotel(s). Following the expiration of the Contingency Period for a Termination of this Agreement in its entirety, any balance remaining in the Plan Reserve shall be returned to Lessee.

9.06 Employee Use of Hotel

. Manager, in its discretion, may (i) provide lodging for Manager's Executive Employees and corporate staff visiting the Hotel in connection with the performance of Manager's services hereunder and allow them the use of the facilities of the Hotel, and (ii) provide the management of the Hotel with temporary living quarters within the Hotel and the use of all facilities of the Hotel, in either case at a discounted price or without charge, as the case may be. Manager shall, on a space available basis, provide lodging at the Hotel for Lessee's employees, officers and directors visiting the Hotel and allow them the use of all facilities of the Hotel in either case without charge, except for recreational facilities for which a charge will apply.

9.07 Non-Solicitation

. During the term of this Agreement and for a period of two (2) years thereafter, unless an Event of Default by Manager exists under this Agreement beyond applicable grace or cure periods, or the Agreement has been terminated as a result of an uncured Event of Default by Manager, Lessee agrees that it (and its Affiliates) will not, without the prior written consent of Manager, either directly or indirectly, alone or in conjunction with any other person or entity, (i) solicit or attempt to solicit any general manager (each a "**General Manager**" and, collectively, "**General Managers**") of the Hotel or any other hotels managed by Manager or any of Manager's Executive Employees (collectively, the General Manager and Executive Employees are herein called the "**Key Employees**") to terminate, alter or lessen Key Employees' employment or affiliation with Manager or to violate the terms of any agreement or understanding between any such Key Employee and Manager, as the case may be, or (ii) employ, retain, or contract with any Key Employee.

ARTICLE X BUDGET, STANDARDS AND CONTRACTS

10.01 Annual Operating Budget

. Not less than forty-five (45) days prior to the beginning of each Fiscal Year, Manager shall submit to Lessee for each Hotel, a budget (the "**Annual Operating Budget**") setting forth in detail an estimated profit and loss statement for the next twelve (12) Accounting Periods, or for the balance of the Fiscal Year in the event of a partial first Fiscal Year, including (a) the information required under **Section 9.02B** with respect to Manager's operation and management

of the Plan, and (b) a schedule of hotel room rentals and other rentals and a marketing and business plan for each Hotel, such budget to be substantially in the format of **Exhibit "D"** attached to the Addendum for such Hotel.

10.02 Budget Approval

. The Annual Operating Budget submitted to Lessee by Manager shall be subject to the approval of Lessee (such approval not to be unreasonably withheld). The Annual Operating Budget shall not be deemed accepted by Lessee in the absence of its express written approval. Not later than thirty (30) days after receipt by Lessee of a proposed Annual Operating Budget (or such longer period as Lessee may reasonably request on Notice to Manager), Lessee may deliver an **AOB Objection Notice** with reasonable detail to the Manager stating that Lessee objects to any information contained in or omitted from such proposed Annual Operating Budget and setting forth the nature of such objections with reasonable specificity. Failure of Lessee to deliver an AOB Objection Notice shall be deemed rejection of the Manager's proposed Annual Operating Budget in its entirety. Upon receipt of any AOB Objection Notice, the Manager shall, after consultation with Lessee, modify the proposed Annual Operating Budget, taking into account Lessee's objections, and shall resubmit the same to Lessee for Lessee's approval within fifteen (15) days thereafter, and Lessee may deliver further AOB Objection Notices (if any) within fifteen (15) days thereafter (in which event, the re-submission and review process described above in this sentence shall continue until the proposed Annual Operating Budget in question is accepted and consented to by Lessee). Notwithstanding anything to the contrary set forth herein, Lessee shall have the right at any time subsequent to the acceptance and consent with respect to any Annual Operating Budget, on Notice to the Manager, to revise such Annual Operating Budget or to request that the Manager prepare for Lessee's approval a revised Annual Operating Budget (with the approval of Manager, such approval not to be unreasonably withheld), taking into account such circumstances as Lessee deems appropriate; provided, however, that the revision of an Annual Operating Budget shall not be deemed a revocation of the Manager's authority with respect to such actions as the Manager may have already taken prior to receipt of such revision notice in implementing a previously approved budget or plan. Lessee and Manager acknowledge and agree that the Annual Operating Budgets are merely forecasts of operating revenues and expenses for an ensuing year and shall be revised, by agreement of Lessee and Manager, from time to time as business and operating conditions shall demand. However, Manager shall use its reasonable best efforts to operate the Premises in accordance with the Annual Operating Budget. The failure of the Hotel to perform in accordance with such Annual Operating Budget shall not constitute a default by Manager of this Agreement, however, the Lessee has a right to terminate this Agreement with respect to a Hotel if such Hotel fails to satisfy the Performance Test as set forth in **Section 2.03(c)** above.

10.03 Operation Pending Approval

. If the Annual Operating Budget (or any component thereof) has not yet been approved by Lessee prior to any applicable Fiscal Year, then, until approval of such Annual Operating Budget (or such component) by Lessee, Manager shall operate the Hotel substantially in

accordance with the prior year's Annual Operating Budget except for (a) those components of the Annual Operating Budget for the applicable Fiscal Year approved by Lessee, (b) the Necessary Expenses which shall be paid as required, (c) the Emergency Expenses which shall be paid as required, and (d) those expenses that vary in correlation with Gross Revenues and/or occupancy in the aggregate.

10.04 Budget Meetings

. At each budget meeting and at any additional meetings during a Fiscal Year reasonably called by Lessee or Manager, Manager shall consult with Lessee on matters of policy concerning management, sales, room rates, wage scales, personnel, general overall operating procedures, economics and operation and other matters affecting the operation of the Hotel.

10.05 Market Premiums. Notwithstanding the provisions of **Section 10.02**, if, (a) with its delivery of an AOB Objection Notice pursuant to **Section 10.02**, Lessee objects to Manager's determination of Health Care Premiums for the ensuing Plan year, in either case on the basis that such Health Care Premiums are in excess of Market Premiums, and (b) after Manager's resubmission of such Annual Operating Budget to Lessee pursuant to **Section 10.02**, Lessee delivers a further AOB Objection Notice to Manager on such basis, then Manager and Lessee shall engage a consultant acceptable to the parties to determine the Market Premiums. If the consultant's opinion reflects Market Premiums lower than the Health Care Premiums proposed by Manager in its proposed Annual Operating Budget (or any resubmission thereof), Manager will pay the expenses of the consultant and shall have the option to charge the Market Premiums determined by the consultant; ~~provided, that~~, if Manager does not exercise such option to charge Market Premiums as determined by the consultant within thirty (30) days after the consultant's determination thereof, then, notwithstanding anything herein or in the Mutual Exclusivity Agreement to the contrary, Manager may engage a third party to administer or otherwise provide a medical and health Benefit Plan in lieu of the Plan. If, however, the consultant determines that the Health Care Premiums proposed by Manager in the proposed Annual Operating Budget (or any resubmission thereof) is at or below Market Premiums, then Lessee shall pay the expenses of the consultant and shall pay the Health Care Premiums initially proposed by Manager in such Annual Operating Budget (or any resubmission thereof).

ARTICLE XI OPERATING DISTRIBUTIONS

11.01 Management Fee

. As consideration for the services to be rendered by Manager pursuant to this Agreement as manager and operator of the Premises, Manager shall be paid the following Base Management Fee and Incentive Management Fee (as such terms are hereinafter defined), collectively called the "**Management Fee**", for each Hotel on a property by property basis as follows:

- A . **Base Management Fee**. The base management fee ("**Base Management Fee**") shall be equal to the greater of
 - (i) \$16,897.11 (to be increased annually based on

any increases in CPI over the preceding annual period), or (ii) three percent (3%) of the Gross Revenues for each Accounting Period, to be paid monthly in arrears. If this Agreement shall commence or expire on other than the first and last day of a calendar month, respectively, the Base Management Fee shall be apportioned based on the actual number of days of service in the month.

- B . **Incentive Fee.** The incentive fee (the "**Incentive Fee**") shall be equal to the lesser of (i) one percent (1%) of Gross Revenues for each Fiscal Year and (ii) the amount by which the actual House Profit exceeds the Budgeted HP determined on a property by property basis ("**HP Test**"). The Incentive Fee shall be payable annually in arrears within ninety (90) days after the end of each Fiscal Year; provided, however, if based on actual operations and revised forecasts from time to time, it is reasonably anticipated that the Incentive Fee is reasonably expected to be earned for such Fiscal Year, Lessee shall pay the Incentive Fee, pro-rata on a monthly basis, within twenty (20) days following the end of each calendar month, subject to final adjustment within ninety (90) days following the end of the Fiscal Year.

11.02 Accounting and Interim Payment

- A. Manager shall submit monthly, pursuant to **Section 15.02**, an interim accounting to Lessee showing Gross Revenues, Deductions, House Profit, Gross Operating Profit and Net Operating Income before Debt Service.
- B. Calculations and payments of the Base Management Fee made with respect to each Accounting Period shall be made on an interim accounting basis and shall be accounted for cumulatively for each Fiscal Year. After the end of each Fiscal Year, Manager shall submit to Lessee an accounting for such Fiscal Year, consistent with **Section 15.03**, which accounting shall be controlling over the interim accountings. Any adjustments required by the Fiscal Year accounting shall be made promptly by the parties.
- C. The Incentive Fee shall only be calculated and earned based upon the House Profit achieving the required HP Test for any given Fiscal Year or a portion thereof if the period of calculation cannot include the full period from January 1 to December 31.
- D. If Lessee raises no objection for any reason (excluding fraud) within one (1) year from the receipt of annual accounting statements as provided herein (or for fraud within any applicable statute of limitations period, and if no statute of limitations period exists, then in no event to exceed four (4) years from receipt of annual accounting statements as provided herein), such accounting shall be deemed to have been accepted by Lessee as true and correct, and Lessee shall have no further right to question its accuracy. Manager will provide Lessee profit and

loss statements for the current period and year-to-date, including actual, budget and last year comparisons, as required by **Section 15.03**.

ARTICLE XII INSURANCE

12.01 Insurance

. Manager shall coordinate with Lessee, at all times during any period of development, construction, renovation, furnishing and equipping of the Premises, the procurement and maintenance in amount and scope as available and market for the hotel lodging industry for hotels of similar type and in similar markets and geographical locations as the Hotel, public liability and indemnity and property insurance with minimum limits of liability as required by Lessee, the Landlord, any Holder, or Franchisor, if applicable, to protect Lessee, Landlord, Manager, any Holder, and Franchisor, if applicable, against loss or damage arising in connection with the development, construction, renovation, furnishing and equipping of the Premises (and pre-opening activities, if applicable), including, without limitation, the following:

12.01.1. **Extended Coverage, Boiler, Business Interruption and Liability Insurance**

(a) Building insurance on the "Special Form" (formerly "All Risk" form) (including earthquake and flood in reasonable amounts as determined by Lessee) in an amount not less than 100% of the then "**full replacement cost**" thereof (as defined below) or such other amount which is acceptable to Lessee, and personal property insurance on the "Special Form" in the full amount of the replacement cost thereof;

(b) Insurance for loss or damage (direct and indirect) from steam boilers, pressure vessels or similar apparatus, now or hereafter installed in the Hotel, in the minimum amount of \$5,000,000 or in such greater amounts as are then customary or as may be reasonably requested by Lessee from time to time;

(c) Loss of income insurance on the "Special Form", in the amount of one year of the sum of Base Rent plus Percentage Rent (as such terms are defined in and as determined pursuant to the Lease) for the benefit of Landlord, and business interruption insurance on the "Special Form" in the amount of one year of Gross Operating Profit, for the benefit of Lessee. All loss of income insurance proceeds shall be part of Gross Revenues;

(d) Commercial general liability insurance, with amounts not less than \$1,000,000 combined single limit for each occurrence and \$2,000,000.00 for the aggregate of all occurrences within each policy year, as well as excess liability (umbrella) insurance with limited of at least \$35,000,000 per occurrence, covering each of the following: bodily injury, death, or property damage liability per occurrence, personal and advertising injury, general aggregate, products and completed operations, and "all risk legal

liability" (including liquor law or "dram shop" liability if liquor or alcoholic beverages are served at the Hotel);

(e) Automobile insurance on vehicles operating in conjunction with the Hotel with limits of liability of at least \$1,000,000.00 combined, single limit coverage; and

(f) Insurance covering such other hazards and in such amounts as may be customary for comparable properties in the area of the Hotel and is available from insurance companies, insurance pools or other appropriate companies authorized to do business in the State where the Hotel is located at rates which are economically practicable in relation to the risks covered as may be reasonably requested by Lessee and otherwise consistent with the costs allocated therefor in the Annual Operating Budget.

12.01.2. **Operational Insurance.**

(a) Workers' compensation and employer's liability insurance as may be required under Legal Requirements and as Manager may deem reasonably prudent covering all of Manager's employees at the Premises, with such deductible limits or self-insured retentions as may be reasonably established from time to time by Manager;

(b) Fidelity bonds, with limits and deductibles as may be reasonably requested by Lessee, covering Manager's employees in job classifications normally bonded under prudent hotel management practices in the United States or otherwise required by law; and

(c) Such other insurance in amounts as Manager in its reasonable judgment deems advisable for its protection against claims, liabilities and losses arising out of or connected with its performance under this Agreement, and otherwise consistent with the costs allocated therefor in the Annual Operating Budget.

12.02 Replacement Cost

. The term "**full replacement cost**" as used herein shall mean the actual replacement cost of the Hotel requiring replacement from time to time including an increased cost of construction endorsement, if available, and the cost of debris removal. In the event either party to this Agreement believes that full replacement cost (the then-replacement cost less such exclusions) has increased or decreased at any time during the Term, it shall have the right to have such full replacement cost re-determined.

12.03 Increase in Limits

. If either party to this Agreement at any time deems the limits of the personal injury or property damage under the comprehensive commercial general liability insurance then carried to be either excessive or insufficient, such parties shall endeavor in good faith to agree on the proper and reasonable limits for such insurance to be carried and such insurance shall thereafter

be carried with the limits thus agreed on until further change pursuant to the provisions of this Section.

12.04 Blanket Policy

. Notwithstanding anything to the contrary contained in this **Article XII**, Manager may include the insurance required hereunder within the coverage of a so-called blanket policy or policies of insurance carried and maintained by Manager; provided, however, that the coverage afforded to the parties as required herein will not be reduced or diminished or otherwise be different from that which would exist under a separate policy meeting all other requirements of this Agreement by reason of the use of such blanket policy of insurance, and provided further that the requirements of this **Article XII** are otherwise satisfied.

12.05 Costs and Expenses

. Insurance premiums and any costs or expenses with respect to the insurance, including, without limitation, agent's and consultant's costs used to place insurance or adjust claims, shall be Deductions. Premiums on policies for more than one year shall be charged pro-rata against Gross Revenues over the period of the policies and to the extent, through blanket policies, cover other hotels managed by Manager or owned by Lessee or any of its Affiliates, shall be allocated based on rooms, number of employees, values or other methods as determined to be reasonable by Manager and Lessee. Any reserves, losses, costs, damages or expenses which are uninsured, self-insured, or fall within deductible limits shall be treated as a cost of insurance and shall be Deductions, subject to **Article XXV**.

12.06 Policies and Endorsements

- A. Where permitted, all insurance provided for under this **Article XII** shall name Lessee as insured, and Manager, any Holder, the Landlord, and, if required, the Franchisor, as additional insureds. The party procuring such insurance shall deliver to the other party certificates of insurance with respect to all policies so procured, including existing, additional and renewal policies and, in the event of insurance about to expire, shall deliver certificates of insurance with respect to the renewal policies not less than ten (10) days prior to the respective dates of expiration.
- B. All policies of insurance provided for under this **Article XII** shall, to the extent obtainable, be with insurance companies licensed or authorized to do business in the state in which the Premises are located, with a minimum rating of A or better in the Best's Insurance Guide and an S&P rating of at least A+V (or such higher rating if so required by any Holder, Landlord or Franchisor), and shall have attached thereto an endorsement that such policy shall not be cancelled or materially changed without at least thirty (30) days' (and for Texas Hotels, ten (10) days') prior written notice to Lessee. All insurance policies obtained

pursuant to this **Article XII** shall contain a standard waiver of subrogation endorsement.

12.07 Termination

. Upon Termination of this Agreement, an escrow fund in an amount reasonably acceptable to Manager shall be established from Gross Revenues (or, if Gross Revenues are not sufficient, with funds provided by Lessee) to cover the amount of any costs which, in Manager's reasonable business judgment, will likely need to be paid by either Lessee or Manager with respect to pending or contingent claims, including those which arise after Termination for causes arising during the Term of this Agreement. Upon the final disposition of all such pending or contingent claims, any unexpended funds remaining in such escrow shall be paid to Lessee.

ARTICLE XIII TAXES AND DEBT SERVICE

13.01 Taxes

(a) All real estate and ad valorem property taxes, assessments and similar charges on or relating to the Premises during the Term of this Agreement shall be paid by Manager, on behalf of Lessee, before any fine, penalty, or interest is added thereto or lien placed upon the Premises, unless payment thereof is stayed. All such payments shall be reserved and paid from Gross Revenues and treated as Deductions in determining Net Operating Income. Gross Revenues reserved for such purposes shall be placed in an escrow account or accounts established pursuant to the requirements of any applicable Holder. Interest earned in said account attributable to funds deposited pursuant to this Agreement shall be added to such reserve, thereby reducing the amount required to be placed in the account from Gross Revenues.

(b) Notwithstanding the foregoing, upon Lessee's request, Manager shall, as a Deduction, contest the validity or the amount of any such tax or assessment. Lessee agrees to cooperate with Manager and execute any documents or pleadings required for such purpose, provided that Lessee is satisfied that the facts set forth in such documents or pleadings are accurate and that such execution or cooperation does not impose any unreasonable obligations on Lessee, and Lessee agrees to reimburse Manager as a Deduction for all expenses occasioned to Manager by any such contest, provided that such expenses shall be approved by Lessee prior to the time that they are incurred.

13.02 Debt Service; Ground Lease Payments

. In the event of a Hotel Mortgage and/or Ground Lease and upon direction of Lessee, Manager shall establish an account (the "**Property Service Account**") to pay Debt Service and/or Ground Lease Payments in such periodic payments as required by any applicable Holder under any applicable Hotel Mortgage and/or landlord under any Ground Lease. The Property Service Account shall be funded by Landlord under the Lease from funds paid by Landlord to

Lessee. In the event sufficient funds are unavailable for the payment of Debt Service and/or Ground Lease Payments from the Property Service Account, then Manager shall notify Lessee in writing of such insufficiency who shall in turn advise the Landlord under the applicable Lease to replenish the Property Service Account to provide funds for payment of Debt Service and/or Ground Lease Payments.

ARTICLE XIV BANK ACCOUNTS

All funds made available to Manager by Lessee for operations of the Premises, exclusive of those amounts described in **Article VIII**, shall be deposited into a banking checking account or accounts to be established in the name of Lessee (the "**Operating Account**"), consistent with the requirements of any Cash Management Agreement, if any. The Operating Account shall be interest bearing when possible. Subject to the limitation of Manager's authority set forth herein, both Manager and Lessee shall be authorized to withdraw funds from said Operating Account, except that Lessee may withdraw funds from said account only if an Event of Default by Manager has occurred under this Agreement or an event has occurred that with the passage of time might be an Event of Default by Manager. Prior to any such withdrawal by Lessee, Lessee shall provide Notice of same to Manager, and Manager shall not be liable to Lessee for any checks written by Manager for operating expenses which are returned due to insufficient funds caused by such Lessee withdrawal. From time to time both Manager and Lessee shall designate signatory parties on such account and shall provide written notice of such designation or change in designation to the other party, and the signatures of such persons shall be formally and expressly recognized by the bank in which such account or accounts are maintained. The bank or banks to be utilized shall be selected and approved by Lessee and Manager. All monies received shall be deposited in, including, but not limited to, Gross Revenues, and expenses paid, including, but not limited to, Deductions, shall be paid from such bank checking account(s) except that Manager shall have the right to maintain payroll and petty cash funds and to make payments therefrom as the same are customary and utilized in the lodging business. Such funds shall not be commingled with Manager's funds. Lessee shall have the right, at its expense, to audit said account or accounts at any reasonable time.

Manager may establish one or more separate bank accounts for handling payroll costs in the name of Lessee. Such accounts shall be in a bank selected by Manager and approved by Lessee, and shall be handled exclusively by the individuals designated by Manager and approved in writing by Lessee. Funds shall be deposited in the payroll account or accounts from the Operating Account, as needed, in order to meet payroll requirements.

Until otherwise prescribed by Lessee in writing, the Operating Account shall be under the control of Manager, without prejudice, however, to Manager's obligation to account to Lessee as and when provided herein. All receipts and income, including without limitation, Gross Revenues shall be promptly deposited in the Operating Account. Checks or other documents of withdrawal shall be signed only by the individual representatives of Manager approved in writing by Lessee and duly recognized for such purpose by the bank or banks in

which the referenced accounts are maintained. Manager shall supply Lessee with fidelity bonds or other insurance insuring the fidelity of authorized signatories to such accounts, unless said bonds or other insurance shall have been placed by Lessee and delivered directly by the bonding or insurance company to Lessee. The cost of such fidelity bonds or other insurance shall be a Deduction, at Lessee's expense, and subject to Lessee's approval. Neither Lessee nor Manager shall be responsible for any losses occasioned by the failure or insolvency of the bank or banks in which the referenced accounts are maintained. Upon expiration or termination of this Agreement for the Hotel and the payment to Manager of all amounts due Manager hereunder upon such expiration or termination, as provided in this Agreement, all remaining amounts in the referenced accounts shall be transferred forthwith to Lessee, or made freely available to Lessee.

Manager shall not be required to advance funds, and Manager shall not be obligated to incur any liability or obligation for Lessee's account, without assurance that necessary funds for the discharge thereof will be provided by Lessee.

All reserve accounts established pursuant to this Agreement shall be placed in segregated interest-bearing accounts in the name of Lessee which interest shall be added to such reserve and serve to reduce the amount required to be placed in such reserve account.

ARTICLE XV ACCOUNTING SYSTEM

15.01 Books and Records

. Manager shall maintain an adequate and separate accounting system in connection with its management and operation of the Premises pursuant to this Agreement. The books and records shall be kept in accordance with GAAP and the Uniform System of Accounts (to the extent consistent with GAAP) and shall be maintained at all times either on the Premises, at the principal office of the Manager, or in storage, for at least three (3) years after the Fiscal Year to which the books and records relate. Lessee, the beneficial owners of Lessee, the Landlord (to the extent permitted under the Lease), any Holder (to the extent permitted under the Hotel Mortgage), any Franchisor (to the extent permitted under any applicable Franchise Agreement), or their respective employees or duly authorized agents, shall have the right and privilege of examining and inspecting the books and records at any reasonable time. Upon termination of this Agreement for a Hotel, all such books and records shall be turned over to Lessee so as to insure the orderly continuance of the operation of the Hotel; provided however, that all such books and records thereafter shall be available to Manager at the Hotel at all reasonable times for inspection, audit, examination and copying for a period of three (3) years.

15.02 Monthly Financial Statements

. Within twenty-five (25) days following each Accounting Period, Manager shall furnish Lessee with respect to the Hotel an accrual basis balance sheet on Manager's standard format in reasonable detail, together with a reasonably detailed accrual basis profit and loss statement for the calendar month next preceding and with a cumulative calendar year accrual basis profit and

loss statement to date, including a comparison to the Annual Operating Budget and the Capital Improvements Budget and a statement of cash flows for each monthly and cumulative period for which a profit and loss statement is prepared. Further, from time to time as reasonably requested by Lessee, Manager shall provide a statement of bank account balances, an allocation to reserve accounts, a sources and uses statement, a narrative discussing any of the aforementioned reports and material variances from the Annual Operating Budget and the Capital Improvements Budget, such other reports and financial statements as Lessee may reasonably request and as are customarily provided by managers of similar hotel properties in the area of the Hotel without Manager receiving additional fees to provide same.

15.03 Annual Financial Statements

. Within forty-five (45) days after the end of each Fiscal Year, Manager shall furnish to Lessee year-end financial statements for the Hotel (including a balance sheet, income statement and statement of sources and uses of funds) which statements shall be unaudited and shall be prepared in accordance with GAAP and the Uniform System of Accounts (to the extent consistent with GAAP). Lessee will engage an independent national certified public accounting firm with hospitality experience and reasonably acceptable to Lessee to provide audited annual financial statements. Manager shall cooperate in all respects with such accountant in the preparation of such statements, including the delivery of any financial information generated by Manager pursuant to the terms of this Agreement and reasonably required by the Lessee's accountant to prepare such audited financial statements.

ARTICLE XVI PAYMENT BY LESSEE

16.01 Payment of Base Management Fee

. On the fifth (5th) day of each month during the term of this Agreement, Manager shall be paid out of the Operating Account, the Base Management Fee for the preceding Accounting Period, as determined from the books and records referred to in **Article XV**.

16.02 Distributions

. Subject to retention of Reasonable Working Capital (including any amounts as required by the Capital Improvement Budget) and retention of such reserves as may be required under any Hotel Mortgage and/or Ground Lease, as applicable, Manager shall deliver to Lessee from the Operating Account, any excess Working Capital for the preceding Accounting Period on the 25th day of the following month, and such amounts of Lessee's money in the possession or under the control of Manager as Lessee shall from time to time request. For purposes of this Article "**Reasonable Working Capital**" shall mean an amount reasonably determined by Manager at the same time as the monthly financial statements are prepared pursuant to **Section 15.02** hereof, but in no event to exceed a sum equal to a ratio of current assets to current liabilities of 2:1 (but excluding from such calculation cash restricted or unavailable under any Cash Management Agreement).

16.03 Payment Option

. Management Fees shall be paid in cash, except that subject to the requirements of **Section 5.02.6** and **Section 28.08** Manager may request, no later than thirty (30) days prior to the payment due date, by Notice to Lessee (such request to be subject to the approval of a majority of the Independent Directors of AHT, in their sole discretion, and to any applicable restrictions of a national securities exchange (including NASDAQ NMS and NASDAQ Small Cap) and to federal and state securities laws), payment of up to one-third (1/3rd) of its Base Management Fee and up to one hundred percent (100%) of its Incentive Fee, in the form of shares of common stock of AHT priced at the "Strike Price," or in the form of stock options priced in accordance with the "Black-Scholes Model" (the "**Payment Option Request**"), as follows:

- A . **Common Stock at "Strike Price"**. The number of shares of common stock of AHT to be issued in lieu of the applicable Base Management Fees and/or Incentive Fee as noted in the Payment Option Request (the "**Designated Fees**") shall be based upon the "Strike Price" of such common stock determined as follows: The term "**Strike Price**" shall be and mean the amount obtained (rounded upward to the next highest cent) by determining the simple average of the daily closing price of the common stock of AHT for the twenty (20) trading days ending on the last trading day of the calendar week immediately preceding the applicable payment due date on the New York Stock Exchange or, if the shares of such common stock are not then being traded on the New York Stock Exchange, then on the principal stock exchange (including without limitation NASDAQ NMS or NASDAQ Small Cap) on which such common stock is then listed or admitted to trading as determined by AHT or, if such common stock is not then so listed or admitted to trading the average of the last reported closing bid and asked prices on such days in the over-the-counter market or, if no such prices are available, the fair market value per share of such common stock, as determined by a majority of the Independent Directors of AHT in their sole discretion. The Strike Price shall not be subject to any adjustment as a result of the issuance of any additional shares of common stock by AHT for any purpose, except for stock splits (whether accomplished by stock dividends or otherwise) or reverse stock splits occurring during the 20 trading days referenced in the calculation of the Strike Price. Upon determination of the Strike Price for such common stock (and provided payment in the form of common stock has been approved by the board of directors of AHT), AHT agrees to issue to Manager the number of shares of common stock in AHT determined by dividing the Designated Fees by the Strike Price per share of common stock, and any balance remaining shall be paid to Manager in cash.
- B . **Options based on Black-Scholes Model**. The number of stock options to be issued in lieu of the Designated Fees shall be based upon the "Black-Scholes Model" as follows: The term "**Black-Scholes Model**" means the Black-Scholes model for valuing the "fair value" of an option calculated based on historical data

and calculated probabilities of future stock prices, reasonably applied. Upon determination of the value of an option on the date such options are to be issued, as determined using the Black-Scholes Model (the "**Black-Scholes Amount**"), provided payment in the form of options has been approved by the board of directors of AHT, AHT agrees to issue to Manager the number of options for common stock of AHT determined by dividing the Designated Fees by the Black-Scholes Amount per option, and any balance remaining shall be paid to Manager in cash. The "Strike Price" for any option (which must be exercised within ten (10) years of issuance), shall have the meaning of the term "Strike Price" as used in subparagraph A above.

ARTICLE XVII RELATIONSHIP AND AUTHORITY

Lessee and Manager shall not be construed as partners, joint venturers or as members of a joint enterprise and neither shall have the power to bind or obligate the other except as set forth in this Agreement. Nevertheless, Manager is granted such authority and power as may be reasonably necessary for it to carry out the provisions of this Agreement. This Agreement, either alone or in conjunction with any other documents, shall not be deemed to constitute a lease of any portion of the Premises. Nothing contained herein shall prohibit or restrict Manager or any affiliate of Manager from operating, owning, managing, leasing or constructing any hotel of any nature or description which may in any manner compete with that of the Premises, except as otherwise set forth in the Mutual Exclusivity Agreement; provided that Manager agrees to comply with the conflicts policies of AHT. Except as otherwise expressly provided in this Agreement, (a) all debts and liabilities to third persons incurred by Manager in the course of its operation and management of the Hotel in accordance with the provisions of this Agreement shall be the debts and liabilities of Lessee only, and (b) Manager shall not be liable for any such obligations by reason of its management, supervision, direction and operation of the Hotel as agent for Lessee. Manager may so inform third parties with whom it deals on behalf of Lessee and may take any other reasonable steps to carry out the intent of this paragraph.

ARTICLE XVIII DAMAGE, CONDEMNATION AND FORCE MAJEURE

18.01 Damage and Repair

. If, during the Term hereof, a Hotel is damaged or destroyed by fire, casualty, or other cause, Lessee shall, subject to the requirements of the applicable underlying Lease, repair or replace the damaged or destroyed portion of the Hotel to the same condition as existed previously. In the event the underlying Lease relating to such damaged Hotel is terminated pursuant to the provisions of such Lease, Lessee may terminate this Agreement with respect to such Hotel upon sixty (60) days' Notice from the date of such damage or destruction, in which case this Agreement shall then terminate with respect to such Hotel sixty (60) days from the date of such notice and neither party shall have any further rights, obligations, liabilities or remedies

one to the other hereunder with respect to such Hotel, except as otherwise provided in **Article II** (provided that no termination fees shall be payable by Lessee pursuant to **Article II**) and **Section 18.04**. If this Agreement remains in effect with respect to such damaged Hotel and the damage does not result in a reduction of Gross Revenues at such Hotel, the Management Fee will be unabated. If however, this Agreement remain in effect with respect to such Hotel, but the damage does result in a reduction of Gross Revenues at such Hotel, Lessee shall be entitled to partial, pro rata abatement with respect to the Management Fee until such time as such Hotel is restored.

18.02 Condemnation

- A. In the event all or substantially all of a Hotel shall be taken in any eminent domain, condemnation, compulsory acquisition, or similar proceeding by any competent authority for any public or quasi-public use or purpose, this Agreement shall terminate with respect to such Hotel, subject to the requirements of the applicable underlying Lease. However, in any event of such termination, Lessee shall give Manager at least fifteen (15) days prior Notice of such termination. In the event of such termination, neither party shall have any further rights, remedies, obligations or liabilities one to the other hereunder with respect to such Hotel except as otherwise provided in **Article II** above (provided that no termination fees shall be payable by Lessee pursuant to **Article II**).
- B. If a portion of the Premises shall be taken by the events described in **Section 18.02A** or the entire Premises are temporarily affected, the result of either of which is not to make it, in the reasonable business judgment of Lessee, unreasonable to continue to operate the applicable Hotel, subject to the requirements of the applicable underlying Lease, this Agreement shall not terminate with respect to such Hotel. However, so much of any award for any such partial taking or condemnation shall be made available to the extent necessary to render the applicable Premises equivalent to its condition prior to such event and the balance shall be paid to Lessee or the Holder, if required by any Hotel Mortgage covering the Premises.

18.03 Force Majeure

. If an event of Force Majeure directly involves a Hotel and has a significant adverse effect upon the continued operations of such Hotel, then Lessee shall be entitled to terminate this Agreement with respect to the applicable Hotel by written Notice within sixty (60) days from the date of such Force Majeure, and this Agreement shall then terminate with respect to the applicable Hotel sixty (60) days from such notice, in which event neither Lessee nor Manager shall have any further rights, remedies, obligations or liabilities, one to the other, hereunder, with respect to the applicable Premises except as otherwise provided in **Article II** (provided that no termination fees shall be payable by Lessee pursuant to **Article II**).

18.04 Liquidated Damages if Casualty

A. **Omitted.**

- B. **Casualty of a Hotel.** Notwithstanding anything contained in this Agreement to the contrary, if any Hotel is damaged pursuant to a casualty as set forth in **Section 18.01** hereof within the first year of the initial 10-year term for such Hotel, and Lessee elects, for any reason, not to rebuild such Hotel, Lessee agrees to pay Manager (provided there does not then exist an Event of Default by Manager beyond any applicable cure periods), a termination fee, if any, that would be owed if such hotel were then sold, as set forth in **Section 2.03(a)(i)** above. However, if after the first year of the initial 10-year term for a Hotel, such Hotel is damaged and Lessee elects not to rebuild such hotel even though sufficient casualty proceeds are available to do so, then Lessee will pay to Manager a termination fee (provided there does not then exist an Event of Default by Manager beyond any applicable cure periods), equal to the product obtained by multiplying (i) 65% of the aggregate Base Management Fee and Incentive Fee estimated to be paid Manager budgeted in the Annual Operating Budget applicable to such Hotel (but in no event less than the Base Management Fee and Incentive Fee for the preceding full Fiscal Year) by (ii) nine (9).

Payment of the termination fees set forth in this **Section 18.04** shall be subject to **Section 2.03(d)** above with respect to liquidated damages.

21.05 No Liquidated Damages if Condemnation or Force Majeure

. No liquidated damages shall be payable in the event of a condemnation relating to a Hotel, provided that Manager shall be entitled to seek recovery from the condemning authority for its loss of contract and this Agreement shall not terminate for that purpose. No liquidated damages shall be payable by Lessee as a result of its termination of this Agreement as to a Hotel pursuant to **Section 18.03** (Force Majeure).

ARTICLE XIX
DEFAULT AND TERMINATION

19.01 Events of Default

. The following shall constitute events of default (each an **Event of Default**):

- A. The filing of a voluntary petition in bankruptcy or insolvency or a petition for reorganization under any bankruptcy law by Lessee or Manager;
- B. The consent to any involuntary petition in bankruptcy or the failure to vacate, within ninety (90) days from the date of entry thereof, any order approving an involuntary petition by Lessee or Manager;

- C. The entering of an order, judgment or decree by any court of competent jurisdiction, on the application of a creditor, adjudicating Lessee or Manager as bankrupt or insolvent, or approving a petition seeking reorganization or appointing a receiver, trustee, or liquidator of all or a substantial part of such party's assets, and such order, judgment or decree continues unstayed and in effect for any period of ninety (90) days or more;
- D. The appointment of a receiver for all or any substantial portion of the property of Lessee or Manager;
- E. The failure of Lessee or Manager to make any payment required to be made in accordance with the terms of this Agreement within ten (10) days after receipt of Notice, specifying said default with reasonable specificity, when such payment is due and payable; or
- F. The failure of Lessee or Manager to perform, keep or fulfill any of the other covenants, undertakings, obligations or conditions set forth in this Agreement, and the continuance of such default for a period of thirty (30) days after written notice of said failure; provided, however, if such default cannot be cured within such thirty (30) day period and Lessee or Manager, as the case may be, commences to cure such default within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended so long as it shall require Lessee or Manager, as the case may be, in the exercise of due diligence to cure such default, it being agreed that no such extension (including the original 30 day cure period) shall be for a period in excess of one hundred twenty (120) days.
- G. The Manager does not qualify as an Eligible Independent Contractor.

19.02 Consequence of Default

. Upon the occurrence of any Event of Default, the non-defaulting party may give the defaulting party Notice of intention to terminate this Agreement (after the expiration of any applicable grace or cure period provided in **Section 19.01**), and upon the expiration of thirty (30) days from the date of such notice, this Agreement shall terminate, whereupon the non-defaulting party shall be entitled to pursue all of its rights and remedies, at law or in equity, under this Agreement (including, without limitation, any indemnity obligations which shall survive termination of this Agreement) and any other rights and remedies available under Legal Requirements except as otherwise expressly limited by the terms of **Article II**. Notwithstanding the foregoing, in the event that an Event of Default is applicable to one or more of the Hotels but not all of the Hotels, such termination shall only be as to such applicable Hotel(s).

ARTICLE XX
WAIVER AND INVALIDITY

20.01 Waiver

. The failure of either party to insist upon a strict performance of any of the terms or provisions of this Agreement or to exercise any option, right or remedy herein contained, shall not be construed as a waiver or as a relinquishment for the future of such term, provision, option, right or remedy, but the same shall continue and remain in full force and effect. No waiver by either party of any term or provision hereof shall be deemed to have been made unless expressed in writing and signed by such party.

20.02 Partial Invalidity

. In the event that any portion of this Agreement shall be declared invalid by order, decree or judgment of a court, this Agreement shall be construed as if such portion had not been inserted herein except when such construction would operate as an undue hardship on the Manager or Lessee or constitute a substantial deviation from the general intent and purpose of said parties as reflected in this Agreement, in which event it shall be terminated.

ARTICLE XXI
ASSIGNMENT

Subject to the requirements of any Hotel Mortgage, Franchise Agreement, Ground Lease or the Lease, neither party shall assign or transfer (by operation of law or otherwise) or permit the assignment or transfer of this Agreement without the prior written consent of the other (which may be withheld in its sole discretion) and any such prohibited assignment or transfer shall be null and void; provided, however, that Manager shall have the right, without such consent, to assign its interest in this Agreement to any "Manager Affiliate Entity", provided such Manager Affiliate Entity qualifies as an Eligible Independent Contractor as of the date of such transfer. The term "**Manager Affiliate Entity**" shall mean any entity controlled directly or indirectly by (i) Archie Bennett, Jr. and/or Monty Bennett, (ii) family partnerships or trusts (the sole members or beneficiaries of which are at all times lineal descendants of Archie Bennett, Jr. or Monty Bennett (including step-children) and spouses of any of the foregoing), or (iii) by lineal descendants of Archie Bennett, Jr. or Monty Bennett (including step-children) and spouses of any of the foregoing. For purposes hereof, "controlled" shall mean (i) the possession, directly or indirectly of a majority of the voting power and capital stock or ownership interest of such entity, or (ii) the power to direct or cause the direction of the management and policies of such entity in the capacity of chief executive officer, president, chairman, or other similar capacity where they are actively engaged and/or involved in providing such direction or control and spend a substantial amount of time managing such entity. Any such permitted assignee shall be deemed to be the Manager for purposes of this Agreement provided such assignee assumes all of Manager's future obligations under this Agreement pursuant to an assumption agreement reasonably acceptable to Lessee. Any and all such assignments, however, shall at all times be subject to the prior right, title and interest of Lessee with respect to the Premises. An assignment

by Manager or any permitted assignee of its interest in this Agreement, shall not relieve Manager or any such permitted assignee, as the case may be, from their respective obligations under this Agreement, and shall inure to the benefit of, and be binding upon, their permitted successors and assigns. For purposes of this **Article XXI** any change in the ownership of the Manager or other event that would cause the Manager to fail to be a Manager Affiliate Entity (unless controlled by Ashford, Inc. or its successors and assigns) shall be deemed to be a transfer of this Agreement, prohibited by this **Article XXI** unless first consented to in writing by Lessee.

ARTICLE XXII
NOTICES

All notices, demands, elections, or other communications that any party this Agreement may desire or be required to be given hereunder shall be in writing and shall be given by hand, by depositing the same in the United States mail, first class, postage prepaid, certified mail, return receipt requested, or by a recognized overnight courier service providing confirmation of delivery, to the addresses set forth below, or at such address as may be designated by the addressee upon written notice to the other party, (herein called "**Notice**").

To Lessee: Ashford TRS Corporation (or New Lessee set forth in an Addendum)
14185 Dallas Parkway, Suite 1100
Dallas, Texas 75254
Attn: Chief Financial Officer
Fax: (972) 490-9605

With a copy to: Ashford Hospitality Limited Partnership
14185 Dallas Parkway, Suite 1100
Dallas, Texas 75254
Attn: General Counsel
Fax: (972) 490-9605

To Manager: Remington Lodging & Hospitality, LLC
14185 Dallas Parkway, Suite 1150
Dallas, Texas 75254
Attn: Sloan Dean
Fax: (972) 980-2705

With a copy to: Remington Lodging & Hospitality, LLC
14185 Dallas Parkway, Suite 1150
Dallas, Texas 75254
Attn: Legal Department
Fax: (972) 490-9605

To the Landlords: c/o Ashford Hospitality Limited Partnership
14185 Dallas Parkway, Suite 1100
Dallas, Texas 75254
Attn: General Counsel
Fax: (972) 490-9605

All notices given pursuant to this **Article XXII** shall be deemed to have been given (i) if delivered by hand on the date of delivery or on the date that delivery was refused by the addressee, or (ii) if delivered by certified mail or by overnight courier, on the date of delivery as established by the return receipt or courier service confirmation (or the date on which the return receipt or courier service confirms that acceptance of delivery was refused by the addressee).

ARTICLE XXIII SUBORDINATION; NON-DISTURBANCE

23.01 Subordination

. This Agreement shall be subject and subordinate to any Hotel Mortgage and Lease, and Manager agrees to enter into a lender-manager or landlord-manager (as applicable) agreement with respect to each Hotel, which agreement shall contain reasonable provisions, including, without limitation, Manager's acknowledgment that its real estate interest in and to the applicable Hotel, if any, created by this Agreement is subject and subordinate to the applicable Hotel Mortgage or Lease, including providing any purchaser of such Hotel at a foreclosure sale or deed-in-lieu of foreclosure, including the Holder, with the right to terminate this Agreement with respect to the applicable Hotel; provided, however, in no event will Manager agree to subordinate or waive its right to receive fees, reimbursements or indemnification payments under this Agreement arising prior to termination (but (a) if this Agreement is terminated by the Holder or such purchaser or Landlord (or its assignee) with respect to such Hotel, Manager shall not look to the Holder for payment of such fees, reimbursements or indemnification payments and Manager's right to receive such fees, reimbursements or indemnification payments shall be subordinated to the Holder's rights and (b) if this Agreement is not terminated by the Holder or such purchaser with respect to such Hotel, then such fees, reimbursements or indemnification payments shall be payable by the Holder or such purchaser). Notwithstanding the foregoing, Manager shall in no event be obligated to perform its duties hereunder without payment and/or reasonable assurance of payment of such fees, reimbursements or indemnification payments.

23.02 Non-Disturbance Agreement

. Notwithstanding **Section 23.01**, Lessee agrees that, prior to obtaining any Hotel Mortgage or executing any Lease, Lessee will use its commercially reasonable efforts to obtain from each prospective Holder or Landlord (as applicable), a Non-Disturbance Agreement pursuant to which Manager's rights under this Agreement will not be disturbed as a result of a default stemming from non-monetary factors which (i) relate to Lessee and do not relate solely to the applicable Hotel, and (ii) are not defaults by Manager under **Section 19.01** of this Agreement. If Lessee desires to obtain a Hotel Mortgage or to execute a Lease, Manager, on written request from Lessee, shall promptly identify those provisions in the proposed Hotel Mortgage or Lease documents which fall within the categories described in clauses (i) and (ii) above, and Manager shall otherwise assist in expediting the preparation of an agreement between the prospective Holder and/or Landlord and Manager which will implement the provisions of this **Section 23.02**.

ARTICLE XXIV PROPRIETARY MARKS; INTELLECTUAL PROPERTY

24.01 Proprietary Marks

. During the Term of this Agreement, the name "Remington," whether used alone or in connection with other another word(s), and all proprietary marks (being all present and future trademarks, trade names, symbols, logos, insignia, service marks, and the like) of Manager or any one of its Manager Affiliate Entities, whether or not registered ("**Proprietary Marks**") shall in all events remain the exclusive property of Manager and its Manager Affiliate Entities. Lessee shall have no right to use any Proprietary Mark, except during the term of this Agreement to have signage installed using any Proprietary Mark in conformance with the specifications provided by Manager. Upon Termination, any use of a Proprietary Mark by Lessee under this Agreement shall immediately cease. Upon Termination, Manager shall have the option to purchase, at their then book value, any items of the applicable Hotel's Inventories and Fixed Asset Supplies as may be marked with a Proprietary Mark. In the event Manager does not exercise such option, Lessee agrees that it will use any such items not so purchased exclusively in connection with the Hotel until they are consumed.

24.02 Computer Software and Equipment

. All "**Software**" (meaning all computer software and accompanying documentation, other than software which is commercially available, which are used by Manager in connection with the property management system, any reservation system and all future electronic systems developed by Manager for use in the Hotel) is and shall remain the exclusive property of Manager or any one of its Manager Affiliate Entities (or the licensor of such Software, as the case may be), and Lessee shall have no right to use, or to copy, any Software. Upon Termination, Manager shall have the right to remove from the Hotel, without compensation to Lessee, all Software, and any computer equipment which is utilized as part of a centralized property management system or is otherwise considered proprietary by Manager, excepting any software which is owned by the applicable Franchisor; provided that Manager shall cooperate

with Lessee in the transition of the centralized management system to the new manager, including in the change of any Software and computer equipment. If any of such computer equipment is owned by Lessee or Landlord, Manager shall reimburse Lessee for previous expenditures made by Lessee for the purchase of such equipment, subject to a reasonable allowance for depreciation.

24.03 Intellectual Property

. All "**Intellectual Property**" (meaning all Software and manuals, brochures and directives issued by Manager to its employees at the Hotel regarding procedures and techniques to be used in operating the Hotel) shall at all times be proprietary to Manager or its Affiliates, and shall be the exclusive property of Manager or its Affiliates. Upon Termination, all Intellectual Property shall be removed from the Hotel by Manager, without compensation to Lessee.

24.04 Books and Records

. All Books and Records maintained with respect to the Hotel, including guest records but excluding employee records, shall be the sole property of Lessee but may be used by the Manager during the Term in connection with its management and operation of the Hotel.

ARTICLE XXV INDEMNIFICATION

25.01 Manager Indemnity

. Manager shall indemnify and hold Lessee (and Lessee's agents, principals, shareholders, partners, members, officers, directors, attorneys and employees) harmless from and against all liabilities, losses, claims, damages, costs and expenses (including, but not limited to, reasonable attorneys' fees and expenses) which are not covered by insurance proceeds that may be incurred by or asserted against any such party and that arise from (a) the fraud, willful misconduct or gross negligence of Manager; provided, however, that the act or omission of any employee of Manager who is not an Executive Employee, which act or omission is willful or constitutes fraud or gross negligence on the part of such employee, shall not constitute fraud, gross negligence or willful misconduct on the part of Manager unless Manager's home office or regional staff, or an Executive Employee, acted with gross negligence in employing, training, supervising or continuing the employment of such employee; (b) the infringement by Manager on the intellectual property rights of any third party; (c) any Excluded Employee Claims; (d) knowing or reckless placing, discharge, leakage, use or storage of hazardous materials on the Premises or in the Hotel by Manager during the Term of this Agreement as set forth in **Section 28.09C**; or (e) the breach by Manager of any provision of this Agreement, including, without limitation, any action taken by Manager which is beyond the scope of Manager's authority under this Agreement, which is not cured within any applicable notice and cure periods. Lessee shall promptly provide Manager with written notice of any claim or suit brought against it by a third party which might result in such indemnification.

25.02 Lessee Indemnity

. Except with respect to matters for which Manager is obligated to provide indemnification pursuant to Section 25.01, Lessee shall indemnify and hold Manager (and Manager's agents, principals, shareholders, partners, members, officers, directors, attorneys and employees) harmless from and against all liabilities, losses, claims, damages, costs and expenses (including, but not limited to, reasonable attorneys' fees and expenses) which are not covered by insurance proceeds and that may be incurred by or asserted against such party and that arise from or in connection with (a) the performance of Manager's services under this Agreement; (b) the condition or use of the Hotel, to the fullest extent permitted by law, including without limitation, any injury to person(s) or damage to property or business by reason of any cause whatsoever in or about the Hotel; (c) any Employee Related Termination Costs, including any liability to which Manager is subjected pursuant to the WARN Act in connection with the termination of this Agreement, provided that Manager has provided notices in the form (other than any reference to the time period) required by the WARN Act within five (5) business days of Manager's receipt of a notice of the termination of this Agreement (excluding any termination of this Agreement which results from the commission of any theft, embezzlement or other criminal misappropriation of funds of the Hotel or from the Lessee or any fraud or felony by any Executive Employee that relates to or materially affects the operation or reputation of the Hotel); (d) the Employee Costs and Expenses as set forth in **Article IX** herein above; or (e) any Employee Claims, but excluding any Excluded Employee Claims. Manager shall promptly provide Lessee with written Notice of any claim or suit brought against it by a third party which might result in such indemnification. **THIS INDEMNITY PROVISION IS INTENDED TO INDEMNIFY MANAGER (i) AGAINST THE CONSEQUENCES OF ITS OWN NEGLIGENCE OR FAULT WHEN MANAGER IS SOLELY NEGLIGENT OR CONTRIBUTORILY, PARTIALLY, JOINTLY, COMPARATIVELY OR CONCURRENTLY NEGLIGENT WITH LESSEE OR ANY OTHER PERSON (BUT IS NOT GROSSLY NEGLIGENT, HAS NOT COMMITTED AN INTENTIONAL ACT OR MADE INTENTIONAL OMISSION) AND (ii) AGAINST ANY LIABILITY OF MANAGER BASED ON ANY APPLICABLE DOCTRINE OF STRICT LIABILITY.**

25.03 Indemnification Procedure

. Any party obligated to indemnify the other party under this Agreement (the "**Indemnifying Party**") shall have the right, by Notice to the other party, to assume the defense of any claim with respect to which the other party is entitled to indemnification hereunder. If the Indemnifying Party gives such notice, (i) such defense shall be conducted by counsel selected by the Indemnifying Party and approved by the other party, such approval not to be unreasonably withheld or delayed (provided, however, that the other party's approval shall not be required with respect to counsel designated by the Indemnifying Party's insurer); (ii) so long as the Indemnifying Party is conducting such defense with reasonable diligence, the Indemnifying Party shall have the right to control said defense and shall not be required to pay the fees or disbursements of any counsel engaged by the other party for services rendered after the Indemnifying Party has given the Notice provided for above to the other party, except if there is

a conflict of interest between the parties with respect to such claim or defense; and (iii) the Indemnifying Party shall have the right, without the consent of the other party, to settle such claim, but only provided that such settlement involves only the payment of money, the Indemnifying Party pays all amounts due in connection with or by reason of such settlement and, as part thereof, the other party is unconditionally released from all liability in respect of such claim. The other party shall have the right to participate in the defense of such claim being defended by the Indemnifying Party at the expense of the other party, but the Indemnifying Party shall have the right to control such defense (other than in the event of a conflict of interest between the parties with respect to such claim or defense). In no event shall (i) the other party settle any claim without the consent of the Indemnifying Party so long as the Indemnifying Party is conducting the defense thereof in accordance with this Agreement; or (ii) if a claim is covered by the Indemnifying Party's liability insurance, take or omit to take any action which would cause the insurer not to defend such claim or to disclaim liability in respect thereof.

25.04 Survival

. The provisions of this Article shall survive the termination of this Agreement with respect to acts, omissions and occurrences arising during the Term.

25.05 No Successor Liability

. Notwithstanding anything herein to the contrary, Manager shall not be liable as a successor employer or entity for any actions Manager's predecessors (a "**Predecessor** Manager") may have taken in the employer-employee relationship with Manager's current or former employees or employees of Manager's agents before the commencement of the term.

ARTICLE XXVI NEW HOTELS

Lessee acknowledges and agrees that any Hotel owned or leased by Lessee or its designees from any Affiliates of the Partnership (including the Landlord) from and after the Effective Date may become subject to the terms and provisions of this Agreement effective upon execution of an addendum to this Agreement (the "**Addendum**") in the form of **Exhibit "A"** attached hereto, or pursuant to a management agreement in form and substance substantially similar to the terms of this Agreement with either Manager or an Affiliate of Manager (provided said Affiliate constitutes an Eligible Independent Contractor); provided that there does not then exist an uncured Event of Default by Manager under this Agreement and the independent director approval requirements under the Mutual Exclusivity Agreement have been satisfied. Effective upon execution of said Addendum, all terms and conditions of this Agreement shall be deemed amended to include and apply to such Hotel(s) as provided in the Addendum. Notwithstanding anything to the contrary contained in this Agreement, a Lessee shall have no liability under this Agreement unless and until Lessee is or hereafter becomes a New Lessee (as that term is defined in a fully executed Addendum) with respect to a Hotel. This Agreement will be construed as a separate and independent Agreement with respect to each Hotel. Any affiliate of Ashford TRS Corporation may become party to this Agreement with respect to a Hotel by

executing and delivering an Addendum relating to such Hotel as a New Lessee, and in such event, it will not be a condition to its effectiveness that Ashford TRS Corporation or any other of its affiliates consent, join or otherwise be party to such Addendum.

ARTICLE XXVII
GOVERNING; LAW VENUE

This Agreement and its interpretation, validity and performance shall be governed by the laws of the State of Texas without regard to its conflicts of laws principles. In the event any court of law of appropriate judicial authority shall hold or declare that the law of another jurisdiction is applicable, this Agreement shall remain enforceable under the laws of the appropriate jurisdiction. The parties hereto agree that venue for any action in connection herewith shall be proper in Dallas County, Texas. Each party hereto consents to the jurisdiction of any local, state or federal court situated in any of such locations and waives any objection which it may have pertaining to improper venue or forum non conveniens to the conduct of any proceeding in any such court.

ARTICLE XXVIII
MISCELLANEOUS

28.01 Rights to Make Agreement

. Each party warrants, with respect to itself, that neither the execution of this Agreement nor the finalization of the transactions contemplated hereby shall violate any provision of law or judgment, writ, injunction, order or decree of any court or governmental authority having jurisdiction over it; result in or constitute a breach or default under any indenture, contract, other commitment or restriction to which it is a party or by which it is bound; or require any consent, vote or approval which has not been given or taken. Each party covenants that it has and will continue to have throughout the term of this Agreement and any extensions thereof, the full right to enter into this Agreement and perform its obligations hereunder.

28.02 Agency

. Manager's limited agency established by this Agreement is coupled with an interest and may not be terminated by Lessee until Termination except as otherwise provided in this Agreement.

28.03 Failure to Perform

. If Manager or Lessee at any time fails to make any payments as specified or required hereunder or fails to perform any other act required on its part to be made or performed hereunder without limitation, then the other party after thirty (30) days' written notice to the defaulting party may (but shall not be obligated to) pay any such delinquent amount or perform any such other act on the defaulting party's part. Any sums thus paid and all costs and expenses incurred in connection with the making of such payment or the proper performance of any such

act, together with interest thereon at the lesser of (i) the interest rate allowed by the applicable usury laws or (ii) at the Prime Rate plus three percent (3%), from the date that such payment is made or such costs and expenses incurred, shall constitute a liquidated amount to be paid by the defaulting party under this Agreement to the other party on demand. For the purposes of this **Section 28.03**, the term **'Prime Rate'** shall mean the "prime rate" as published in the "Money Rates" section of The Wall Street Journal; however, if such rate is, at any time during the Term of this Agreement, no longer so published, the term "Prime Rate" shall mean the average of the prime interest rates which are announced, from time to time, by the three (3) largest banks (by assets) headquartered in the United States which publish a "prime rate".

28.04 Headings

. Headings of Articles and Sections are inserted only for convenience and are in no way to be construed as a limitation on the scope of the particular Articles or Sections to which they refer.

28.05 Attorneys' Fees and Costs

. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

28.06 Entire Agreement

. This Agreement, together with other writings signed by the parties expressly stated to be supplementary hereto and together with any instruments to be executed and delivered pursuant to this Agreement, constitutes the entire agreement between the parties and supersedes all prior understandings and writings, and may be changed only by a writing signed by the parties hereto.

28.07 Consents

. Whenever the consent or approval of Lessee is required under the terms of this Agreement, unless otherwise stated to the contrary, such consent or approval may be granted or withheld by Lessee in its reasonable discretion.

28.08 Eligible Independent Contractor

. During the Term of this Agreement, Manager shall at all times qualify as an "eligible independent contractor" as defined in Section 856(d)(9) of the Code ("**Eligible Independent Contractor**"). To that end, during the Term of this Agreement, Manager agrees that:

- (a) Manager shall not conduct wagering activities at any of the Hotels;

(b) Manager shall not own, directly or indirectly (within the meaning of Section 856(d)(5) of the Code), more than thirty-five percent (35%) of the outstanding stock of AHT;

(c) no more than thirty-five percent (35%) of the Manager's partnership interest (in its assets or net profits) shall be owned (within the meaning of Section 856(d)(5) of the Code), directly or indirectly, by one or more persons owning thirty-five percent (35%) (within the meaning of Section 856(d)(5) of the Code) or more of the outstanding stock of AHT;

(d) neither AHT, the Partnership, the Landlords, nor the Lessee, shall derive any income from the Manager or any of its subsidiaries; and

(e) Manager (or a person who is a "related person" within the meaning of Section 856(d)(9)(F) of the Code (a "**Related Person**") with respect to Manager) shall be actively engaged in the trade or business of operating "qualified lodging facilities" within the meaning of Section 856(d)(9)(D) of the Code (defined below) for one or more persons who are not Related Persons with respect to AHT or Lessee ("**Unrelated Persons**"). For purposes of determining whether the requirement of this paragraph (e) has been met, Manager shall be treated as being "actively engaged" in such a trade or business if Manager (i) derives at least 10% of both its profits and revenue from operating "qualified lodging facilities" within the meaning of Section 856(d)(9)(D) of the Code for Unrelated Persons or (ii) complies with any regulations or other administrative guidance under Section 856(d)(9) of the Code that provide a "safe harbor" rule with respect to the hotel management business with Unrelated Persons that is necessary to qualify as an "eligible independent contractor" within the meaning of such Code section.

A "qualified lodging facility" is defined in Section 856(d)(9)(D) of the Code and means a "Lodging Facility" (defined below), unless wagering activities are conducted at or in connection with such facility by any person who is engaged in the business of accepting wagers and who is fully authorized to engage in such business at or in connection with such facility. A "**Lodging Facility**" is a hotel, motel or other establishment more than one-half of the dwelling units in which are used on a transient basis, and includes customary amenities and facilities operated as part of, or associated with, the lodging facility so long as such amenities and facilities are customary for other properties of a comparable size and class owned by other owners unrelated to AHT.

28.09 Environmental Matters

- A. For purposes of this **Section 28.09**, "hazardous materials" means any substance or material containing one or more of any of the following: "hazardous material," "hazardous waste," "hazardous substance," "regulated substance," "petroleum," "pollutant," "contaminant," or "asbestos," as such terms are defined in any applicable environmental law, in such concentration(s) or amount(s) as may impose clean-up, removal, monitoring or other responsibility under any

applicable environmental law, or which may present a significant risk of harm to guests, invitees or employees of the Hotel.

- B. Regardless of whether or not a given hazardous material is permitted on the Premises under applicable environmental law, Manager shall only bring on the Premises such hazardous materials as are needed in the normal course of business of the Hotel.
- C. In the event of the discovery of hazardous materials (as such term may be defined in any applicable environmental law) on the Premises or in the Hotel during the Term of this Agreement, Lessee shall promptly remove, if required by applicable environmental law, such hazardous materials, together with all contaminated soil and containers, and shall otherwise remedy the problem in accordance with all environmental laws (except to the extent knowingly or recklessly caused by Manager during the Term of this Agreement, whereupon the responsibility to promptly remove and/or remedy the environmental problem shall be that of Manager and at Manager's sole cost and expense). All costs and expenses of the compliance with all environmental laws shall be paid by Lessee from its own funds (except to the extent knowingly or recklessly caused by Manager during the Term of this Agreement as set forth herein above).

28.10 Equity and Debt Offerings

. Neither Lessee nor Manager (as an **issuing party**) shall make reference to the other party (the **non-issuing party**) or any of its Affiliates in any prospectus, private placement memorandum, offering circular or offering documentation related thereto (collectively, referred to as the **Prospectus**), issued by the issuing party, unless the non-issuing party has received a copy of all such references. In no event will the non-issuing party be deemed a sponsor of the offering described in any such Prospectus, nor will it have any responsibility for the Prospectus, and the Prospectus will so state. The issuing party shall be entitled to include in the Prospectus an accurate summary of this Agreement but shall not include any proprietary mark of the non-issuing party without prior written consent of the non-issuing party. The issuing party shall indemnify, defend and hold the non-issuing party and its Affiliates (and their respective directors, officers, shareholders, employees and agents) harmless from and against all loss, costs, liability and damage (including attorneys' fees and expenses, and the cost of litigation), arising out of any Prospectus or the offering described therein, except for any such losses, costs, liability and damage arising from material misstatements or omissions in a Prospectus based on information provided in writing by the non-issuing party expressly for inclusion in the Prospectus.

28.11 Estoppel Certificates

. Lessee and Manager will, at any time and from time to time within fifteen (15) days of the request of the other party or a Holder, or a Franchisor (if so permitted under the applicable Franchise Agreement), or a Landlord (if so permitted under the applicable Lease), execute,

acknowledge, and deliver to the other party and such Holder, Franchisor or Landlord, as applicable, a certificate certifying:

- A. That the Agreement is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating such modifications);
- B. The dates, if any, to which the distributions of excess Working Capital have been paid;
- C. Whether there are any existing Event(s) of Default or events which, with the passage of time, would become an Event of Default, by the other party to the knowledge of the party making such certification, and specifying the nature of such Event(s) of Default or defaults or events which, with the passage of time, would become an Event of Default, if any; and
- D. Such other matters as may be reasonably requested.

Any such certificates may be relied upon by any party to whom the certificate is directed.

31.12 Confidentiality

. The Manager shall keep confidential all non-public information obtained in connection with the services rendered under this Agreement and shall not disclose any such information or use any such information except in furtherance of its duties under this Agreement and as may be required by any of its lenders or owners (provided said lenders and/or owners, as applicable agree prior to disclosure to keep such information confidential as set forth in this subparagraph 28.12), or as may be required by applicable Legal Requirements or court order, or as may be required under any Franchise Agreement, Hotel Mortgage, Lease or Ground Lease.

28.13 Modification

. Any amendment, supplement or modification of this Agreement must be in writing signed by both parties hereto. In furtherance of the foregoing, (a) any amendment, supplement or modification intended to affect all Hotels collectively that are subject to this Agreement must be in writing signed by Manager and Lessee (including each New Lessee), and (b) any amendment, supplement or modification intended to affect only an individual Hotel must be in writing signed by Manager and the applicable Lessee (or New Lessee).

28.14 Counterparts

. This Agreement may be executed in multiple counterparts, each of which is an original and all of which collectively constitute one instrument.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers, as of the Effective Date.

LESSEE:

ASHFORD TRS CORPORATION, a Delaware corporation

By: /s/ Deric Eubanks
Deric Eubanks
President

MANAGER:

REMINGTON LODGING & HOSPITALITY, LLC, a Delaware limited liability company

By: /s/ Sloan Dean
Sloan Dean
Chief Executive Officer

EXHIBIT "A"

Addendum to Second Consolidated, Amended and Restated Hotel Master Management Agreement

_____, 20____

Remington Lodging & Hospitality, LLC
14185 Dallas Parkway, Suite 1150
Dallas, Texas 75254
Attn: Mr. Sloan Dean

Re: Management of Hotel by Remington Lodging & Hospitality, LLC as Manager

Dear Mr. Bennett:

Please refer to the Second Consolidated, Amended and Restated Hotel Master Management Agreement, dated as of March 12, 2024 (the "Management Agreement"), by and between Ashford TRS Corporation, a Delaware corporation ("Lessee") and Remington Lodging & Hospitality, LLC, a Delaware limited liability company, as Manager ("Remington"). Capitalized terms appearing but not defined herein shall have the meanings ascribed to such terms in the Management Agreement.

Lessee, through its affiliate, _____, a _____ ("New Lessee"), hereby appoints Remington to act as manager of the _____ property located at the location set forth on Exhibit "A" attached to this Addendum ("Addendum") and fully incorporated herein by reference for all purposes (the "New Hotel").

Accordingly, effective as of _____, 20____ ("Effective Date"), the Management Agreement is amended and modified as follows:

1. The New Hotel shall constitute a "Hotel" under the Management Agreement. New Lessee shall be a party to the Management Agreement as a "Lessee" and agrees to be bound by all of the terms and conditions of the Management Agreement as "Lessee" thereunder to the extent same are applicable to the New Hotel. All other Lessees shall have no obligations under the Management Agreement with respect to the New Hotel, and New Lessee shall have no obligations under the Management Agreement with respect to any other Hotel (other than the New Hotel).

2. Remington's retention by New Lessee as the manager of the New Hotel from and after the Effective Date shall be subject to the terms and conditions of the Management Agreement, as amended hereby, to the same extent as if New Lessee were the "Lessee" thereunder.

3. The following exhibits and schedules attached to the Management Agreement are hereby supplemented with the information on such exhibits as shown on the following exhibits attached hereto:

Schedule 1-1

Exhibits:

Exhibit "A" - Hotel Information for New Hotel

Exhibit "B" - Description of Lease for New Hotel

Exhibit "B-1" – Legal Description for Site of New Hotel

Exhibit "C" – Description of Franchise Agreement and Franchisor for New Hotel

Exhibit "D" – Annual Operating Budget for the Hotel

Schedules:

Schedule 1 - Competitive Set of New Hotel

[Signature pages to follow]

Please execute in the space provided for your signature below to evidence your agreement to the contents of this Addendum.

Sincerely yours,

NEW LESSEE:

_____, a _____

By: ____
Name: _____
Title: _____

AGREED TO AND ACCEPTED

AS OF _____, 20__:

MANAGER:

REMINGTON LODGING & HOSPITALITY, LLC,
a Delaware limited liability company

By: _____
Sloan Dean
CEO

EXHIBIT "A"

Hotel Information

Affiliate Property Owner (Landlord)	Property	Commencement Date

EXHIBIT "B"

Description of Lease

PROPERTY	LANDLORD	LESSEE	DATE OF LEASE

EXHIBIT "B-1"

Legal Description of Site of New Hotel

Exhibit "C"

Description of Franchise Agreement and Franchisor

EXHIBIT "D"
Annual Operating Budget

SCHEDULE 1

Competitive Set of Hotel

**AMENDED AND RESTATED
MASTER PROJECT MANAGEMENT AGREEMENT**

This Amended and Restated Master Project Management Agreement (the “**Agreement**”), is dated and effective as of March 12, 2024 (the “**Effective Date**”), by and among ASHFORD HOSPITALITY LIMITED PARTNERSHIP, a Delaware limited partnership (the “**Partnership**”), ASHFORD TRS CORPORATION, a Delaware corporation (together with any taxable REIT subsidiaries of the Partnership hereafter existing, “**Lessee**”), and PREMIER PROJECT MANAGEMENT LLC, a Maryland limited liability company (the “**Manager**”).

WITNESSETH:

WHEREAS, the parties (together with RI Manchester Tenant Corporation, a Delaware corporation, CY Manchester Tenant Corporation, a Delaware corporation, and Ashford TRS VII Corporation, a Delaware corporation (the “**Former Parties**”)) entered into that certain Master Project Management Agreement dated August 8, 2018 (the “**Original Master Project Management Agreement**”);

WHEREAS, the parties which to amend and restate the Original Master Project Management Agreement as set forth herein;

WHEREAS, the Former Parties are either no longer affiliated with Lessee or have otherwise determined that it is unnecessary or undesirable to remain a party to the Original Master Project Management Agreement, as amended by this Agreement;

WHEREAS, (a) as the controlling equity holder of the Landlords (as defined herein), the Partnership enters this Agreement on behalf of itself and the Landlords, and (b) as the controlling equity holder of each New Lessee currently a party to the Original Master Project Management Agreement pursuant to an existing Addendum, Lessee enters this Agreement on behalf of itself and each New Lessee.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the parties hereto hereby agree as follows:

**ARTICLE I
DEFINITION OF TERMS**

1.01 Definition of Terms. The following terms when used in this Agreement shall have the meanings indicated below.

“**Addendum**” shall have the meaning as set forth in **Article XXVI**.

“**Agreement**” shall mean this Master Project Management Agreement, and all amendments, modifications, supplements, consolidations, extensions and revisions to this Master

Project Management Agreement approved by Lessee and Manager in accordance with the provisions hereof.

"AHT" means Ashford Hospitality Trust, Inc., a Maryland corporation.

"Applicable Standards" shall mean standards of operation for the Premises which are (a) in accordance with the requirements of the applicable Franchise Agreement, Hotel Management Agreement and all CCRs affecting the Premises and of which true and complete copies have been made available by Lessee to Manager, (b) in accordance with applicable Legal Requirements, (c) in accordance with the terms and conditions of any Hotel Mortgage or Ground Lease to the extent not otherwise inconsistent with the terms of this Agreement (to the extent Lessee has made available to Manager true and complete copies of the applicable loan documents relating to any such Hotel Mortgage and/or the Ground Leases), (d) in accordance with the Leases (to the extent Lessee has made available to Manager a true and complete copy thereof), and (e) in accordance with the requirements of any carrier having insurance on the Hotel or any part thereof (to the extent Manager has been given written notice of such requirements or policies and/or has coordinated same on behalf of Lessee).

"CCRs" shall mean those certain restrictive covenants encumbering the Premises recorded in the real property records of the county where such premises are located, as described in the owner policies of title insurance relating to such premises, a copy of which are acknowledged received by the Manager.

"Capital Improvement Budget" shall mean the budget of the capital expenditures necessary for replacement of FF&E and building repairs of the nature contemplated by **Article VIII** that is approved by Lessee and Landlord for each Fiscal Year.

"Commencement Date" shall have the meaning as set forth in **Section 2.01**.

"Development Budget" shall mean the development budget for the project approved by Lessee and lender (if applicable).

"Development Fee" shall have the meaning set forth **Section 8.03**.

"Development Plan" shall mean the plan for the development and construction of hotel or other project and all related amenities, parking areas and other improvements, to be approved by Lessee.

"Development Work" shall have the meaning as set forth in **Section 4.01**.

"Effective Date" shall have the meaning as set forth in the introductory paragraph of this Agreement.

"Event(s) of Default" shall have the meaning set forth in **Article XIX**.

"Expiration Date" shall have the meaning as set forth in **Section 2.01**.

"FF&E" shall mean all fixtures, furniture, furnishings and equipment located at a Hotel.

"Fiscal Year" shall mean the twelve (12) month calendar year ending December 31, except that the first Fiscal Year and last Fiscal Year of the term of this Agreement may not be full calendar years.

"Force Majeure" shall mean any act of God (including adverse weather conditions); act of the state or federal government in its sovereign or contractual capacity; war; civil disturbance, riot or mob violence; terrorism; earthquake, flood, fire or other casualty; epidemic; quarantine restriction; labor strikes or lock out; freight embargo; civil disturbance; or similar causes beyond the reasonable control of Manager.

"Franchisor" shall mean the franchisors and any successor franchisors selected by Lessee for the Hotel.

"Franchise Agreement" shall mean any license agreements between a Franchisor and Lessee and/or Landlord, as applicable, as such license agreements are amended from time to time for the Hotel.

"Gross Revenues" shall mean all revenues and receipts of every kind received from operating the Premises and all departments and parts thereof, as reported by the Hotel Management Company to Lessee pursuant to the Hotel Management Agreement.

"Ground Lease" shall mean any ground lease agreements relating to the Hotel, executed by Landlord with any third party landlords.

"Holder" shall mean the holder of any Hotel Mortgage and the indebtedness secured thereby, and such holder's successors and assigns.

"Hotel" shall mean the hotel or motel property owned or leased by Lessee and subject to this Agreement pursuant to an Addendum, and property uses ancillary thereto, including, without limitation, condominium developments, fractional ownership or timeshare developments, multi-family and/or single family residential properties, and commercially leasing activity.

"Hotel Management Company" shall mean the property manager(s) and any successor property managers selected by Lessee for the Hotel.

"Hotel Management Agreement" shall mean any management agreements between a Hotel Management Company and Lessee and/or Landlord, as applicable, as such management agreements are amended from time to time for the Hotel.

"Hotel Mortgage" shall mean, collectively, any mortgage or deed of trust hereafter from time to time, encumbering all or any portion of the Premises (or the leasehold interest therein), together with all other instruments evidencing or securing payment of the

indebtedness secured by such mortgage or deed of trust and all amendments, modifications, supplements, extensions and revisions of such mortgage, deed of trust, and other instruments.

"Indemnifying Party" shall have the meaning as set forth in **Section 25.03**.

"Independent Directors" shall mean those directors of AHT who are "independent" within the meaning of the rules of the New York Stock Exchange or such other national securities exchange or interdealer quotation system on which AHT's common stock is then principally traded.

"issuing party" shall have the meaning as set forth in **Section 28.10**.

"Landlords" shall mean the landlords under the Leases.

"Leases" shall mean any lease agreements as amended, modified, supplemented, and extended from time to time, executed by Lessee as tenant and the Landlords for the Hotels.

"Legal Requirements" shall mean all laws, statutes, ordinances, orders, rules, regulations, permits, licenses, authorizations, directions and requirements of all governments and governmental authorities, which now or hereafter may be applicable to the Premises and the operation of the Hotels.

"Lessee" shall have the meaning as set forth in the introductory paragraph of this Agreement, and shall include each New Lessee, as that term is defined in the Addendum for each Hotel.

"Management Fee" shall collectively mean the Project Management Fee, the Market Service Fees, and any other fees payable to Manager pursuant to the terms of this Agreement.

"Manager" shall have the meaning as set forth in the introductory paragraph of this Agreement.

"Manager Affiliate Entity" shall have the meaning as set forth in **Article XXI**.

"Market Service Fees" shall have the meaning as set forth in **Section 8.02A**.

"Mutual Exclusivity Agreement" shall mean that certain Mutual Exclusivity Agreement dated the date hereof among the Partnership, AHT and Manager.

"Non-Disturbance Agreement" means an agreement, in recordable form in the jurisdiction in which a Hotel is located, executed and delivered by the Holder of a Hotel Mortgage or a Landlord, as applicable, (which agreement shall by its terms be binding upon all assignees of such lender or landlord and upon any individual or entity that acquires title to or possession of a Hotel (referred to as a **"Subsequent Owner"**), for the benefit of Manager, pursuant to which, in the event such holder (or its assignee) or landlord (or its assignee) or any Subsequent Owner comes into possession of or acquires title to a Hotel, such holder (and its

assignee) or landlord (or its assignee) and all Subsequent Owners shall (x) recognize Manager's rights under this Agreement, and (y) shall not name Manager as a party in any foreclosure action or proceeding, and (z) shall not disturb Manager in its right to continue to provide services to the Hotels pursuant to this Agreement; provided, however, that at such time, (i) this Agreement has not expired or otherwise been earlier terminated in accordance with its terms, and (ii) there are no outstanding Events of Default by Manager, and (iii) no material event has occurred and no material condition exists which, after notice or the passage of time or both, would entitle Lessee to terminate this Agreement.

"non-issuing party" shall have the meaning as set forth in Section 28.10.

"Notice" shall have the meaning as set forth in Article XXII.

"Partnership" shall have the meaning as set forth in the introductory paragraph of this Agreement.

"Premises" shall mean, as to each Hotel, the Lessee's fee interest in such Hotel and Site (if there is no Lease), or leasehold interest in such Hotel and Site pursuant to the terms and conditions of the applicable Lease.

"Prime Rate" shall have the meaning as set forth in Section 28.03.

"Project Management Fee" shall have the meaning as set forth in Section 8.02A.

"Project Management Work" shall have the meaning as set forth in Section 4.01.

"Project Related Services" shall have the meaning as set forth in Section 8.02A.

"Prospectus" shall have the meaning as set forth in Section 28.10.

"Sale" shall mean any sale, assignment, transfer or other disposition, for value or otherwise, voluntary or involuntary of Landlord's title (whether fee or ground leasehold) or Lessee's fee or ground leasehold interest in the Hotel (if there is no Lease), or of a controlling interest therein, other than a collateral assignment intended to provide security for a loan, and shall include any such disposition through the disposition of the ownership interests in the entity that holds such title and any lease or sublease of the Hotel.

"Site" shall mean, as to a Hotel, those certain tracts or parcels of land owned or leased by Landlord or Lessee constituting the Hotel.

"Term" shall mean, as to the Hotel, the contractual duration of this Agreement for the Hotel, as defined in Section 2.01.

"Termination" shall mean the expiration or sooner cessation of this Agreement as to a Hotel.

"Termination Date" shall have the meaning as set forth in **Section 2.01**.

"Working Funds" shall have the meaning as set forth in **Section 7.01**.

ARTICLE II
TERM OF AGREEMENT

2.01 Term. The term ("**Term**") of this Agreement shall commence for each Hotel on the later of the Effective Date and the Commencement Date as noted on **Exhibit "A"** of the Addendum for such Hotel (the "**Commencement Date**"), and, unless sooner terminated as herein provided, shall continue until the "Termination Date." For purposes of this Agreement, the "**Termination Date**" for each Hotel shall be the earlier to occur of (i) the Expiration Date applicable to such Hotel, (ii) termination at the option of Lessee in connection with the bona fide Sale of the Hotel by Landlord or Lessee to an unaffiliated third party as provided in and subject to the terms of **Section 2.03(a)** hereof, (iii) omitted, (iv) termination at the option of Lessee for convenience pursuant to and subject to the terms and conditions of **Section 2.03(c)** below, or (v) termination by either Lessee or Manager pursuant to **Article XVIII** hereof in connection with a condemnation, casualty or Force Majeure, subject to the terms thereof. The "**Expiration Date**" with respect to a Hotel shall mean the 10th anniversary of the Commencement Date applicable to such Hotel, provided that such initial 10-year term may thereafter be renewed by Manager, at its option, on the same terms and conditions contained herein, for three (3) successive periods of seven (7) Fiscal Years each, and thereafter, for a final period of four (4) Fiscal Years; and provided further, that at the time of exercise of any such option to renew, an Event of Default by Manager does not then exist beyond any applicable grace or cure period. If at any time of the exercise of any renewal period, Manager is then in default under this Agreement, then the exercise of the renewal option will be conditional on timely cure of such default, and if such default is not timely cured, then Lessee may terminate this Agreement regardless of the exercise of such renewal period and without the payment of any fee or liquidated damages. If Manager desires to exercise any such option to renew, it shall give Lessee Notice to that effect not less than ninety (90) days prior to the expiration of the then current Term. Notwithstanding the expiration or earlier termination of the Term, Lessee and Manager agree that the obligations of Lessee to pay, remit, reimburse and to otherwise indemnify Manager for any and all expenses and fees incurred or accrued by Manager pursuant to the provisions of this Agreement prior to the expiration or earlier termination of the Term (or actually incurred by Manager after the termination) shall survive Termination, provided such expenses and fees have been incurred consistent with the then current terms of this Agreement and the applicable Capital Improvement Budget and/or Development Budget. In addition, subject to **Section 19.02** below and the foregoing sentence, upon Termination as to a Hotel, Lessee and Manager shall have no further obligations to one another pursuant to this Agreement with respect to such Hotel, except that **Section 2.02**, obligations to make payments under **Section 2.03**, the last sentence of **Section**

15.01, obligations to make payments of termination fees pursuant to Article XVIII, Article XXV, Article XXVII and Section 28.12 shall survive Termination.

2.02 Actions to be Taken upon Termination. Upon a Termination of this Agreement as to a Hotel, the following shall be applicable:

(a) Manager shall, within forty-five (45) days after Termination as to a Hotel, prepare and deliver to Lessee a final statement of any sums due from Lessee to Manager pursuant hereto, dated as of the date of Termination. Within thirty (30) days after the receipt by Lessee of such statement, the parties will make whatever payments are necessary pursuant to such final statement. Manager and Lessee acknowledge that there may be certain adjustments for which the necessary information will not be available at the time of such final statement, and the parties agree to readjust such amounts and make the necessary cash payments when such information becomes available.

(b) As of the date of the final statement referred to in subsection A above, Manager shall release and transfer to Lessee any of Lessee's funds which are held or controlled by Manager with respect to the Hotel.

(c) Manager shall (to the extent permitted by Legal Requirements) assign to Lessee or to any other manager employed by Lessee to operate and manage the Hotel, all licenses and permits which have been issued in Manager's name in connection with Manager's duties under this Agreement; provided that if Manager has expended any of its own funds in the acquisition of any of such licenses, Lessee shall reimburse Manager therefor if it has not done so already.

(d) Manager shall cooperate with Lessee and the Hotel Management Company as to effect a smooth transition and shall peacefully vacate and surrender the Hotel to Lessee.

(e) Manager and Lessee agree to use best efforts to resolve any disputes amicably and promptly under this Section 2.02 to effect a smooth transition of the Hotel to Lessee and/or the Hotel Management Company.

2.03 Early Termination Rights; Liquidated Damages.

(a) **Termination Upon Sale**. Upon Notice to Manager, Lessee shall have the option to terminate this Agreement with respect to a Hotel effective as of the closing of the Sale of such Hotel to a third party. Such Notice shall be given at least forty-five (45) days' in advance (unless otherwise required by Legal Requirements, in which case Lessee shall provide such additional notice in order to comply with such Legal Requirements) and shall inform Manager of the identity of the contract purchaser. Manager, at its election, may offer to provide project management services to such contract purchaser after the closing of the sale. Lessee shall, in connection with such Sale, by a separate document reasonably acceptable to Lessee and Manager, indemnify and save Manager harmless against any and all losses, costs, damages, liabilities and court costs, claims and expenses, including, without limitation, reasonable attorneys' fees arising or resulting from the failure of Lessee or such prospective purchaser to pay for work contracted to, and including, the date of such Termination, in accordance with the

terms of this Agreement, including without limitation, any and all work so contracted to be furnished subsequent to the date of Termination, provided that any settlement by Manager of any such claims shall be subject to the prior written approval of Lessee which shall not be unreasonably withheld, conditioned or delayed. No termination fee or other liquidated damages shall be payable by Lessee as a result of its termination of this Agreement as to a Hotel pursuant to Section 2.03(a).

(b) **Omitted.**

(c) **Termination For Convenience.** Lessee may terminate this Agreement with respect to a Hotel for convenience (except if due to a Sale of a Hotel, whereupon **Section 2.03(a)** shall govern) upon ninety (90) days Notice to Manager, and shall pay to Manager as liquidated damages but not as a penalty, a termination fee (provided that there does not then exist an Event of Default by Manager under this Agreement beyond any applicable cure or grace periods) in an amount equal to the product of (A) 65% of the aggregate Project Management Fees and Market Service Fees estimated for the Hotel for the full current Fiscal Year in which such termination is to occur (but in no event less than the Project Management Fees and Market Service Fees for the preceding full Fiscal Year) by (B) nine (9).

(d) **Payment of Liquidated Damages.** WITH RESPECT TO ANY TERMINATION FEES PAYABLE IN CONNECTION WITH ANY EARLY TERMINATION RIGHT SET FORTH IN THIS **SECTION 2.03**, LESSEE RECOGNIZES AND AGREES THAT, IF THIS AGREEMENT IS TERMINATED WITH RESPECT TO THE HOTEL FOR THE REASONS SPECIFIED IN THIS **SECTION 2.03**, THEREBY ENTITLING MANAGER TO RECEIVE THE TERMINATION FEES AS SET FORTH IN THIS **SECTION 2.03**, MANAGER WOULD SUFFER AN ECONOMIC LOSS BY VIRTUE OF THE RESULTING LOSS OF FEES WHICH WOULD OTHERWISE HAVE BEEN EARNED UNDER THIS AGREEMENT. BECAUSE SUCH FEES VARY IN AMOUNT DEPENDING ON THE CAPITAL IMPROVEMENT BUDGET AT THE HOTEL AND ACCORDINGLY WOULD BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN WITH CERTAINTY, THE PARTIES AGREE THAT THE TERMINATION FEES PROVIDED IN THIS **SECTION 2.03** CONSTITUTE A REASONABLE ESTIMATE OF LIQUIDATED DAMAGES TO MANAGER FOR PURPOSES OF ANY AND ALL LEGAL REQUIREMENTS, AND IT IS AGREED THAT MANAGER SHALL NOT BE ENTITLED TO MAINTAIN A CAUSE OF ACTION AGAINST LESSEE, EXCEPT AS SPECIFICALLY PROVIDED HEREIN, FOR ACTUAL DAMAGES IN EXCESS OF THE TERMINATION FEES IN ANY CONTEXT WHERE THE TERMINATION FEES ARE PROVIDED BY THIS AGREEMENT, AND RECEIPT OF SUCH FEES (TOGETHER WITH ALL OTHER AMOUNTS DUE AND PAYABLE BY LESSEE TO MANAGER WITH RESPECT TO EVENTS OCCURRING PRIOR TO TERMINATION OF THIS AGREEMENT WITH RESPECT TO THE HOTEL OR AS OTHERWISE PROVIDED HEREIN) SHALL BE MANAGER'S SOLE REMEDY FOR DAMAGES AGAINST LESSEE IN ANY SUCH CASE. The foregoing shall in no way affect any other sums due Manager under this **Article II** or otherwise hereunder, including, without limitation, the Management Fees earned during the Term, or any other rights or remedies, at law

or in equity of Manager under this Agreement or under Legal Requirements, including any indemnity obligations of Lessee to Manager under this Agreement.

ARTICLE III
OMITTED

ARTICLE IV
APPOINTMENT OF MANAGER

4.01 Appointment. Lessee hereby appoints Manager as its sole, exclusive and continuing manager (a) to manage, coordinate, plan and execute the non-routine repairs and other work, either to the Premises' building or the FF&E, pursuant to the Capital Improvement Budget, and all major repositionings of the Hotel (the "**Project Management Work**"), (b) in the event the Site was acquired for the development and construction of a Hotel, to provide development and construction services (the "**Development Work**"), and/or (c) to provide Project Related Services. The Project Management Work, any Development Work and the Project Related Services shall be under the exclusive supervision and control of Manager who, except as otherwise specifically provided in this Agreement, shall be responsible for providing the Project Management Work, Development Work and Project Related Services in accordance with this Agreement, the Leases, the Hotel Management Agreement, the Franchise Agreements, the Capital Improvement Budget, the Development Budget and the Development Plan. Subject to the terms of such agreements, the Manager shall have discretion and control in all matters relating to the Project Management Work, Development Work and Project Related Services and all activities necessary thereto.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

5.01 Lessee Representations. Upon execution of an Addendum, the Lessee identified in the Addendum, in order to induce Manager to enter into this Agreement, will be deemed to hereby represent and warrant to Manager as of the date of such Addendum as follows:

(a) The execution of this Agreement is permitted by the organizational documents of Lessee and this Agreement has been duly authorized, executed and delivered on behalf of Lessee and constitutes the legal, valid and binding obligation of Lessee enforceable in accordance with the terms hereof;

(b) There is no claim, litigation, proceeding or governmental investigation pending, or, to the best knowledge and belief of Lessee, threatened, against or relating to Lessee, the properties or businesses of Lessee or the transactions contemplated by this Agreement which does, or may reasonably be expected to, materially or adversely affect the ability of Lessee to enter into this Agreement or to carry out its obligations hereunder, and, to the best knowledge

and belief of Lessee, there is no basis for any such claim, litigation, proceeding or governmental investigation except as has been fully disclosed in writing by Lessee to Manager;

(c) Neither the consummation of the transactions contemplated by this Agreement on the part of Lessee to be performed, nor the fulfillment of the terms, conditions and provisions of this Agreement, conflicts with or will result in the breach of any of the terms, conditions or provisions of, or constitute a default under, any agreement, indenture, instrument or undertaking to which Lessee is a party or by which it is bound;

(d) No approval of any third party (including any Landlord or the Holder of any Hotel Mortgage in effect as of the date of this Agreement) is required for Lessee's execution, delivery and performance of this Agreement that has not been obtained prior to the execution hereof;

(e) Lessee holds all required governmental approvals required (if applicable) to be held by it to own or lease the Hotel; and

(f) As of the date of this Agreement there are no defaults under the Leases (if any).

5.02 Manager Representations. Upon execution of an Addendum, Manager, in order to induce Lessee to enter into this Agreement, will be deemed to hereby represent and warrant to Lessee as of the date of such Addendum as follows:

(a) The execution of this Agreement is permitted by the organizational documents of Manager and this Agreement has been duly authorized, executed and delivered on behalf of Manager and constitutes a legal, valid and binding obligation of Manager enforceable in accordance with the terms hereof;

(b) There is no claim, litigation, proceeding or governmental investigation pending, or, to the best knowledge and belief of Manager, threatened, against or relating to Manager, the properties or business of Manager or the transactions contemplated by this Agreement which does, or may reasonably be expected to, materially or adversely affect the ability of Manager to enter into this Agreement or to carry out its obligations hereunder, and, to the best knowledge and belief of Manager, there is no basis for any such claim, litigation, proceeding or governmental investigation, except as has been fully disclosed in writing by Manager to Lessee;

(c) Neither the consummation of the transactions contemplated by this Agreement on the part of Manager to be performed, nor the fulfillment of the terms, conditions and provisions of this Agreement, conflicts with or will result in the breach of any of the terms, conditions or

provisions of, or constitute a default under, any agreement, indenture, instrument or undertaking to which Manager is a party or by which it is bound;

(d) No approval of any third party is required for Manager's execution, delivery and performance of this Agreement that has not been obtained prior to the execution and delivery hereof; and

(e) Manager holds all required governmental approvals required to be held by it to perform its obligations under this Agreement;

ARTICLE VI OPERATION

6.01 Use of Premises. Subject to the terms of this Agreement, Manager shall comply with and abide by all applicable Legal Requirements, and the requirements of any insurance companies covering any of the risks against which the Premises are insured, any Hotel Mortgage, the Ground Leases, the Leases, the Hotel Management Agreements and the Franchise Agreements.

6.02 Group Services. Manager may cause to be furnished to the Premises certain services ("**Group Services**") which are furnished generally on a central or regional basis to other hotels serviced by Manager or any Manager Affiliate Entity and which benefit each Hotel, including, by way of example and not by way of limitation, (i) centralized accounting, and (ii) legal support (such as license and permit coordination, filing and completion, standardized contracts, negotiation and preparation, lien releases, and similar legal services benefiting multiple Hotel(s)). Manager shall assure that the costs and expenses incurred in providing Group Services to the Premises shall have been allocated to the Premises on a pro-rata or fixed fee basis consistent with the method of allocation to all of Manager's (and any Manager Affiliate Entities') hotels receiving the same or similar services. Owner will pay Manager on a monthly basis its pro-rata share of Group Services based on actual cost (without mark up for fee or profit to Manager or any Manager Affiliate Entity, but including salary and employee benefit costs and costs of equipment used in performing such services and overhead costs) of Group Services for the benefit of all of Manager's hotels receiving the same or similar services, and shall be of a quality comparable to which Manager could obtain from other providers for similar services.

ARTICLE VII WORKING FUNDS

7.01 Working Funds. The Lessee shall cause funds to be deposited in one or more operating accounts established by Manager, in amounts sufficient to implement the Capital Improvement Budget, the Development Budget, pay the Management Fees and to enable Manager to perform its duties under this Agreement ("**Working Funds**"). In the event Lessee fails to advance sufficient Working Funds, Manager shall have the right to elect to terminate this Agreement upon ten (10) days' prior written notice to Lessee with respect to the affected applicable Hotel. During such ten (10) day period, Lessee and Manager shall use reasonable efforts to resolve the dispute over such Working Funds. If such dispute is not resolved, then this Agreement shall terminate with respect to the affected applicable Hotel on the tenth (10th) day following

Manager's delivery of written notice of termination as provided above. If such dispute is resolved, then the notice will be deemed rescinded and this Agreement shall not be terminated pursuant to the notice with respect to the affected applicable Hotel. Further, if Manager should so terminate this Agreement with respect to the affected applicable Hotel and if Manager in good faith incurs expenditures, or otherwise accrues liabilities in accordance with the Capital Improvement Budget prior to the date of termination, Lessee agrees to promptly indemnify and hold Manager harmless from and against (i) any and all liabilities, costs and expenses properly incurred by Manager in connection with such expenses and liabilities through the date of Termination of this Agreement with respect to such Hotel, and (ii) any and all liabilities, costs and expenses properly incurred by Manager as a result of Lessee's failure to perform any obligation or pay any liability arising under any related contracts pertaining to the applicable Hotel after Termination of this Agreement with respect to such Hotel. In the event of a Termination by Manager pursuant to this **Section 7.01**, Manager shall be entitled to a termination fee as liquidated damages but not as a penalty, as set forth in connection with a termination for convenience as described in **Section 2.03(c)** and subject to **Section 2.03(d)** above.

Upon Termination for the Hotel and the payment to Manager of all amounts due Manager hereunder upon such Termination, as provided in this Agreement, all remaining Working Funds shall be transferred forthwith to Lessee, or made freely available to Lessee. Manager shall not be required to advance funds, and Manager shall not be obligated to incur any liability or obligation for Lessee's account, without assurance that necessary funds for the discharge thereof will be provided by Lessee.

ARTICLE VIII IMPLEMENTATION OF CAPITAL IMPROVEMENT BUDGET AND/OR DEVELOPMENT BUDGET

8.01 Implementation of Capital Improvement Budget and/or Development Budget. Manager, on behalf of Lessee, shall cause to be completed (a) the Project Management Work pursuant to the Capital Improvement Budget, and/or (b) the Development Work pursuant to the Development Budget and the Development Plan. Manager and Lessee shall use their respective best efforts to prevent any liens from being filed against the Premises which arise from any changes, repairs, alterations, improvements, renewals or replacements in or to the Premises. Lessee and Manager shall cooperate fully in obtaining the release of any such liens. If the lien arises as a result of the fault of either party, then the party at fault shall bear the cost of obtaining the lien release. Except as hereinafter provided, no expenditures will be made except as otherwise provided in the Capital Improvement Budget or Development Budget, as applicable, without the approval of Lessee and Landlord. All changes, repairs, alterations, improvements,

renewals or replacements made pursuant to this **Article VIII** shall be the property of Lessee or Landlord.

8.02 Project Management Work and Project Related Services

(a) In consideration of the Project Management Fee (as defined below), Manager shall be responsible for the Project Management Work to the extent Lessee has the right to direct such matters (e.g., the Hotel Management Company for the Hotel does not have the right under its Hotel Management Agreement to direct such matters or elects not to exercise such right). Upon request by Lessee, Manager will review, evaluate and/or provide input or recommendations with respect to the preparation of the Capital Improvement Budget for each Fiscal Year. In addition, Manager shall be paid the fees set forth below (collectively, the "**Market Service Fees**") for the following services (the "**Project Related Services**") to be provided in accordance with the Applicable Standards (with the understanding that Manager may subcontract for any or all of the following Project Related Services) for the Hotel, to the extent Lessee has the right to direct such matters:

(i) Construction Management – ten percent (10%) of total construction costs (for projects without a general contractor). The Manager shall coordinate the selection process of contractors with Lessee and/or Landlord, shall assist in the negotiation of construction contracts, and manage such construction contracts and related issues.

(ii) Interior Design – six percent (6%) of the purchase price of FF&E designed or selected by Manager. With respect to any interior design elements involved in the implementation of the Capital Improvement Budget, Manager shall be responsible for overseeing the development of conceptual plans (consistent with Lessee's and Landlord's objectives), shall arrange for preparation of specifications, coordinate and make all fabric, flooring, furniture and wall treatment selections (both colors and finishes), coordinate reselections and document all selections in specification books as required under the terms of the Franchise Agreement or Hotel Management Agreement and coordinate all related Franchise Agreement or Hotel Management Company approvals, and will manage the applicable Franchisor or Hotel Management Company process on approval of all selections relating to initial and final selections.

(iii) Architecture – six point five percent (6.5%) of total construction costs for architectural services provided by Manager or its affiliates. Lessee shall reimburse Manager for all third party, out of pocket costs and expenses of mechanical, electrical and structural engineering services ("MES Services") utilized in providing architectural services for Project Management Work (not constituting ground-up construction).

(iv) FF&E Purchasing - eight percent (8%) of the FF&E purchase price; if the purchase price exceeds two million dollars (\$2,000,000.00) for the Hotel in a calendar year, then the purchasing fee is reduced to six percent (6%) of the FF&E purchase price in excess of two million dollars (\$2,000,000). Manager shall be responsible for the

evaluation of all specifications and negotiations of all prices associated with the purchasing of FF&E, shall manage and issue all purchase orders and place orders necessary for the proper and timely delivery of all FF&E.

(v) FF&E Expediting/Freight Management - 8% of the cost of expediting all FF&E contemplated in an applicable Capital Improvement Budget including the freight selection and shipping process in a cost effective manner.

(vi) FF&E Warehousing – 8% of the cost of warehousing of goods delivered at the job site, inspection of materials delivered, and the filing of all claims associated with the delivery of defective or damaged goods.

Manager shall be paid a project management fee (herein, the **Project Management Fee**) equal to four percent (4%) of the total project costs associated with the implementation of the Capital Improvement Budget (both hard and soft) until such time that the Capital Improvement Budget and/or renovation project involves the expenditure of an amount in excess of five percent (5%) of Gross Revenues of the applicable Hotel (as such Gross Revenues are certified to Manager from Lessee from time to time), whereupon the Project Management Fee shall be reduced to three percent (3%) of the total project costs in excess of the five percent (5%) of Gross Revenue threshold. Any onsite or dedicated personnel required for the direct supervision of the implementation of a Capital Improvement Budget or other renovation project will be a direct cost to, and shall be reimbursed by, the Landlord. The Project Management Fee, the Development Fee, and the Market Service Fees will be payable monthly as the service is delivered based on percentage complete, as reasonably determined by Manager for each service, or payable as set forth in other agreements.

8.03 Development Work. Manager shall be responsible for any Development Work to the extent Lessee has the right to direct such matters. Lessee shall pay Manager a Project Management Fee and a development fee (the **Development Fee**), each equal to four percent (4%) of the total project costs (both hard and soft costs) associated with the development and management of the project pursuant to the Development Budget. In addition to the Development Fee and the Project Management Fee, Lessee shall reimburse Manager (when performing Development Work) for all third party, out of pocket costs and expenses, such as, but without limitation, (a) costs of reproductions of architectural plans and specifications, (b) accountants fees and attorneys' fees, fees paid to computer services for preparation of critical path method studies and other work, and similar charges, (c) fees paid to design consultants and other outside consultants, (d) all costs of an on-site project office and of office supplies, rent, repair and maintenance of office machines and postage incurred for or in connection with the project office, and (e) long distance air travel and similar expenses incurred during conceptual planning, design, and implementation, administration and completion of the Development Plan; provided that such costs are incurred with the scope of the authority granted to Manager and consistent with the Development Budget or as otherwise approved in writing by Lessee. For Development Work that also includes Project Related Services, Manager shall also be entitled to Market Services Fees. Notwithstanding the terms of the Mutual Exclusivity Agreement, with respect to any

Development Work, Manager and Lessee shall not use the Development Agreement attached to the Mutual Exclusivity Agreement as Exhibit B.

8.04 Rebates. Manager shall be permitted to retain all rebates, cash incentives, administration fees, concessions, profit participations, investment rights or similar payments or economic consideration from or in, as applicable, vendors or suppliers of goods or services (collectively, "**Rebates**") and neither Lessee nor Landlord shall have any rights with respect to any such Rebates; provided, that Manager shall use commercially reasonable efforts to, at all times during the Term, employ at least one (1) individual with sufficient experience necessary to advise and assist Manager to generate incremental procurement savings through supply chain management, development and management of national account programs, and negotiation of preferred vendor pricing agreements for the benefit of Lessee and Landlord.

ARTICLE IX
EMPLOYEES

9.01 Employee Hiring. Manager will hire, train, promote, supervise, direct the work of and discharge its own staff and personnel in order to provide Project Management Work, Development Work and Project Related Services pursuant to this Agreement. Manager shall be the sole judge of the fitness and qualification of such personnel and is vested with absolute discretion in the hiring, discharging, supervision, and direction of such personnel during the course of their employment.

ARTICLE X
OMITTED

ARTICLE XI
OMITTED

ARTICLE XII
INSURANCE

12.01 Insurance. Manager shall coordinate with Lessee, at all times during any period of development, construction, renovation, furnishing and equipping of the Premises, the procurement and maintenance in amount and scope as available and market for the hotel lodging industry for hotels of similar type and in similar markets and geographical locations as the Hotel, public liability and indemnity and property insurance with minimum limits of liability as required by Lessee, the Landlords, any Holder, or Franchisors, if applicable, to protect Lessee, Landlord, Manager, any Holder, and any Franchisor, if applicable, against loss or damage arising in connection with the development, construction, renovation, furnishing and equipping of the Premises (and pre-opening activities, if applicable), including, without limitation, the following:

(a) **General Liability, Automobile Insurance.**

(i) Commercial general liability insurance, with amounts not less than \$1,000,000 combined single limit for each occurrence and \$2,000,000.00 for the

aggregate of all occurrences within each policy year, as well as excess liability (umbrella) insurance with limited of at least \$50,000,000 per occurrence, covering each of the following: bodily injury, death, or property damage liability per occurrence, personal and advertising injury, general aggregate, products and completed operations, and "all risk legal liability";

(ii) Automobile insurance on vehicles operating in conjunction with the "project" with limits of liability of at least \$1,000,000.00 combined, single limit coverage; and

(iii) Insurance covering such other hazards and in such amounts as may be customary for comparable properties in the area of the project and is available from insurance companies, insurance pools or other appropriate companies authorized to do business in the State where the project is being undertaken at rates which are economically practicable in relation to the risks covered as may be reasonably requested by Lessee.

(b) Operational Insurance.

(i) Workers' compensation and employer's liability insurance as may be required under Legal Requirements and as Manager may deem reasonably prudent covering all of Manager's employees at the Premises, with such deductible limits or self-insured retentions as may be reasonably established from time to time by Manager and agreed to be Lessee;

(ii) Fidelity bonds, with limits and deductibles as may be reasonably requested by Lessee, covering Manager's employees in job classifications normally bonded under prudent project/construction management practices in the United States or otherwise required by law; and

(iii) Professional errors and omissions coverage in an amount of not less than \$1,000,000 per claim which shall include coverage for attorney's fees and investigation. Such policy shall cover claims arising out of negligent errors or omissions during performance of the services. The retroactive date of the policy must be shown on the certificate of insurance and must be prior to the date of the agreement. If the coverage is cancelled or not renewed and not replaced with another policy with a retroactive date that precedes the date of this agreement, the Manager must provide extended reporting period coverage for a minimum of two (2) years after completion of this agreement or the work on the former policy. Manager shall keep such insurance in force during the course of this agreement and for a period of not less than two (2) years after the date of substantial completion of the work in accordance with the terms of this Agreement. Manager shall

require its sub-consultants to provide the same professional liability insurance coverage, unless otherwise agreed by Lessee in writing.

(iv) Such other insurance in amounts as Lessee in its reasonable judgment deems advisable for its protection against claims, liabilities and losses arising out of or connected with its performance under this Agreement.

12.02 Increase in Limits. If either party to this Agreement at any time deems the limits of the personal injury or property damage under the comprehensive commercial general liability insurance then carried to be either excessive or insufficient, such parties shall endeavor in good faith to agree on the proper and reasonable limits for such insurance to be carried and such insurance shall thereafter be carried with the limits thus agreed on until further change pursuant to the provisions of this Section.

12.03 Costs and Expenses. Insurance premiums and any costs or expenses with respect to the insurance, including, without limitation, agent's and consultant's costs used to place insurance or adjust claims, shall be appropriately allocated by project by Manager to appropriate projects managed by Manager or owned by Lessee or any of its Affiliates.

12.04 Policies and Endorsements. Where permitted, all insurance provided for under this **Article XII** shall name Lessee as "named insured", and Manager, any Holder, the Landlords, and, if required, the Franchisors, as additional insureds. The party procuring such insurance shall deliver to the other party certificates of insurance with respect to all policies so procured, including existing, additional and renewal policies and, in the event of insurance about to expire, shall deliver certificates of insurance with respect to the renewal policies not less than ten (10) days prior to the respective dates of expiration.

(a) All policies of insurance provided for under this **Article XII** shall be with insurance companies licensed or authorized to do business in the state in which the Premises are located, with a minimum rating of A or better in the Best's Insurance Guide and an S&P rating of at least A (or such higher rating if so required by any Holder, Landlord or Franchisor), and shall have attached thereto an endorsement that such policy shall not be cancelled or materially changed without at least thirty (30) days' (and for Texas Hotels, ten (10) days') prior written notice to Lessee. All insurance policies obtained pursuant to this **Article XII** shall contain a standard waiver of subrogation endorsement.

12.05 Termination. Upon Termination of this Agreement, an escrow fund in an amount reasonably acceptable to Manager shall be established from Gross Revenues (or, if Gross Revenues are not sufficient, with funds provided by Lessee) to cover the amount of any costs which, in Manager's reasonable business judgment, will likely need to be paid by either Lessee or Manager with respect to pending or contingent claims, including those which arise after Termination for causes arising during the Term of this Agreement. Upon the final disposition of

all such pending or contingent claims, any unexpended funds remaining in such escrow shall be paid to Lessee.

ARTICLE XIII
OMITTED

ARTICLE XIV
OMITTED

ARTICLE XV
ACCOUNTING SYSTEM

15.01 Books and Records. Manager shall maintain an adequate and separate accounting system in connection with implementing the Capital Expenditures Budget and/or Development Budget at the Premises. The books and records shall be maintained at all times at the principal office of the Manager, or in storage, for at least three (3) years after the Fiscal Year to which the books and records relate. Lessee, the beneficial owners of Lessee, the Landlords (to the extent permitted under the Leases), any Holder (to the extent permitted under the Hotel Mortgage), any Franchisor (to the extent permitted under any applicable Franchise Agreement), any Hotel Management Company (to the extent permitted under any applicable Hotel Management Agreement) or their respective employees or duly authorized agents, shall have the right and privilege of examining and inspecting the books and records at any reasonable time.

ARTICLE XVI
OMITTED

ARTICLE XVII
RELATIONSHIP AND AUTHORITY

Lessee and Manager shall not be construed as partners, joint venturers or as members of a joint enterprise and neither shall have the power to bind or obligate the other except as set forth in this Agreement. Nevertheless, Manager is granted such authority and power as may be reasonably necessary for it to carry out the provisions of this Agreement. This Agreement, either alone or in conjunction with any other documents, shall not be deemed to constitute a lease of any portion of the Premises. Nothing contained herein shall prohibit or restrict Manager or any affiliate of Manager from operating, owning, managing, leasing, repairing, improving, renovating or constructing any hotel of any nature or description which may in any manner compete with that of the Premises, except as otherwise set forth in the Mutual Exclusivity Agreement; provided that Manager agrees to comply with the conflicts policies of AHT. Except as otherwise expressly provided in this Agreement, (a) all debts and liabilities to third persons incurred by Manager in the course of its duties in accordance with the provisions of this Agreement shall be the debts and liabilities of Lessee only, and (b) Manager shall not be liable for any such obligations by reason of the provision of services to the Hotel in accordance with this Agreement as agent for Lessee. Manager may so inform third parties with whom it deals on behalf of Lessee and may take any other reasonable steps to carry out the intent of this paragraph.

ARTICLE XVIII
DAMAGE, CONDEMNATION AND FORCE MAJEURE

18.01 Damage and Repair. If, during the Term hereof, a Hotel is damaged or destroyed by fire, casualty, or other cause, Lessee shall, subject to the requirements of the applicable underlying Lease, repair or replace the damaged or destroyed portion of the Hotel to the same condition as existed previously. In the event the underlying Lease relating to such damaged Hotel is terminated pursuant to the provisions of such Lease, Lessee may terminate this Agreement with respect to such Hotel upon sixty (60) days' Notice from the date of such damage or destruction, in which case this Agreement shall then terminate with respect to such Hotel sixty (60) days from the date of such notice and neither party shall have any further rights, obligations, liabilities or remedies one to the other hereunder with respect to such Hotel, except as otherwise provided in **Article II**.

18.02 Condemnation.

(a) In the event all or substantially all of a Hotel shall be taken in any eminent domain, condemnation, compulsory acquisition, or similar proceeding by any competent authority for any public or quasi-public use or purpose, this Agreement shall terminate with respect to such Hotel, subject to the requirements of the applicable underlying Lease. However, in any event of such termination, Lessee shall give Manager at least fifteen (15) days prior Notice of such termination. In the event of such termination, neither party shall have any further rights, remedies, obligations or liabilities one to the other hereunder with respect to such Hotel except as otherwise provided in **Article II** above (provided that no termination fees shall be payable by Lessee pursuant to **Article II**).

(b) If a portion of the Premises shall be taken by the events described in **Section 18.02A** or the entire Premises are temporarily affected, the result of either of which is not to make it, in the reasonable business judgment of Lessee, unreasonable to continue to operate the applicable Hotel, subject to the requirements of the applicable underlying Lease, this Agreement shall not terminate with respect to such Hotel. However, so much of any award for any such partial taking or condemnation shall be made available to the extent necessary to render the applicable Premises equivalent to its condition prior to such event and the balance shall be paid to Lessee or the Holder, if required by any Hotel Mortgage covering the Premises.

18.03 Force Majeure. If an event of Force Majeure directly involves a Hotel and has a significant adverse effect upon the continued operations of such Hotel, then Lessee shall be entitled to terminate this Agreement with respect to the applicable Hotel by written Notice within sixty (60) days from the date of such Force Majeure, and this Agreement shall then terminate with respect to the applicable Hotel sixty (60) days from such notice, in which event neither Lessee nor Manager shall have any further rights, remedies, obligations or liabilities, one to the other, hereunder, with respect to the applicable Premises except as otherwise provided in **Article II (provided that no termination fees shall be payable by Lessee pursuant to Article II)**.

18.04 No Liquidated Damages if Condemnation or Force Majeure. No liquidated damages shall be payable in the event of a casualty or condemnation relating to a Hotel, provided that

Manager shall be entitled to seek recovery from the condemning authority for its loss of contract and this Agreement shall not terminate for that purpose. No liquidated damages shall be payable by Lessee as a result of its termination of this Agreement as to a Hotel pursuant to **Section 18.03** (Force Majeure).

ARTICLE XIX
DEFAULT AND TERMINATION

19.01 Events of Default. The following shall constitute events of default (each an **Event of Default**):

(a) The filing of a voluntary petition in bankruptcy or insolvency or a petition for reorganization under any bankruptcy law by Lessee or Manager;

(b) The consent to any involuntary petition in bankruptcy or the failure to vacate, within ninety (90) days from the date of entry thereof, any order approving an involuntary petition by Lessee or Manager;

(c) The entering of an order, judgment or decree by any court of competent jurisdiction, on the application of a creditor, adjudicating Lessee or Manager as bankrupt or insolvent, or approving a petition seeking reorganization or appointing a receiver, trustee, or liquidator of all or a substantial part of such party's assets, and such order, judgment or decree continues unstayed and in effect for any period of ninety (90) days or more;

(d) The appointment of a receiver for all or any substantial portion of the property of Lessee or Manager;

(e) The failure of Lessee or Manager to make any payment required to be made in accordance with the terms of this Agreement within ten (10) days after receipt of Notice, specifying said default with reasonable specificity, when such payment is due and payable; or

(f) The failure of Lessee or Manager to perform, keep or fulfill any of the other covenants, undertakings, obligations or conditions set forth in this Agreement, and the continuance of such default for a period of thirty (30) days after written notice of said failure; provided, however, if such default cannot be cured within such thirty (30) day period and Lessee or Manager, as the case may be, commences to cure such default within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended so long as it shall require Lessee or Manager, as the case may be, in the exercise of due diligence to cure such default, it being agreed that no such extension (including the original 30 day cure period) shall be for a period in excess of one hundred twenty (120) days.

19.02 Consequence of Default. Upon the occurrence of any Event of Default, the non-defaulting party may give the defaulting party Notice of intention to terminate this Agreement (after the expiration of any applicable grace or cure period provided in **Section 19.01**), and upon the expiration of thirty (30) days from the date of such notice, this Agreement shall terminate, whereupon the non-defaulting party shall be entitled to pursue all of its rights and remedies, at

law or in equity, under this Agreement (including, without limitation, any indemnity obligations which shall survive termination of this Agreement) and any other rights and remedies available under Legal Requirements except as otherwise expressly limited by the terms of **Article II**. Notwithstanding the foregoing, in the event that an Event of Default is applicable to one or more of the Hotels but not all of the Hotels, such termination shall only be as to such applicable Hotel(s).

ARTICLE XX WAIVER AND INVALIDITY

20.01 Waiver. The failure of either party to insist upon a strict performance of any of the terms or provisions of this Agreement or to exercise any option, right or remedy herein contained, shall not be construed as a waiver or as a relinquishment for the future of such term, provision, option, right or remedy, but the same shall continue and remain in full force and effect. No waiver by either party of any term or provision hereof shall be deemed to have been made unless expressed in writing and signed by such party.

20.02 Partial Invalidity. In the event that any portion of this Agreement shall be declared invalid by order, decree or judgment of a court, this Agreement shall be construed as if such portion had not been inserted herein except when such construction would operate as an undue hardship on the Manager or Lessee or constitute a substantial deviation from the general intent and purpose of said parties as reflected in this Agreement, in which event it shall be terminated.

ARTICLE XXI ASSIGNMENT

Subject to the requirements of any Hotel Mortgage, Franchise Agreement, Hotel Management Agreement, Ground Lease or any of the Leases, neither party shall assign or transfer (by operation of law or otherwise) or permit the assignment or transfer of this Agreement without the prior written consent of the other (which may be withheld in its sole discretion) and any such prohibited assignment or transfer shall be null and void; provided, however, that Manager shall have the right, without such consent, to assign its interest in this Agreement to any "Manager Affiliate Entity". The term "**Manager Affiliate Entity**" shall mean any entity controlled directly or indirectly by (i) Ashford, Inc., (ii) Archie Bennett, Jr. and/or Monty Bennett, (iii) family partnerships or trusts (the sole members or beneficiaries of which are at all times lineal descendants of Archie Bennett, Jr. or Monty Bennett (including step-children) and spouses of any of the foregoing), or (iv) by lineal descendants of Archie Bennett, Jr. or Monty Bennett (including step-children) and spouses of any of the foregoing. For purposes hereof, "controlled" shall mean (i) the possession, directly or indirectly of a majority of the voting power and capital stock or ownership interest of such entity, or (ii) the power to direct or cause the direction of the management and policies of such entity in the capacity of chief executive officer, president, chairman, or other similar capacity where they are actively engaged and/or involved in providing such direction or control and spend a substantial amount of time managing such entity. Any such permitted assignee shall be deemed to be the Manager for purposes of this Agreement provided such assignee assumes all of Manager's future obligations under this Agreement pursuant to an assumption agreement reasonably acceptable to Lessee. Any and all such

assignments, however, shall at all times be subject to the prior right, title and interest of Lessee with respect to the Premises. An assignment by Manager or any permitted assignee of its interest in this Agreement, shall not relieve Manager or any such permitted assignee, as the case may be, from their respective obligations under this Agreement, and shall inure to the benefit of, and be binding upon, their permitted successors and assigns. For purposes of this **Article XXI** any change in the ownership of the Manager or other event that would cause the Manager to fail to be a Manager Affiliate Entity (unless controlled by Ashford, Inc. or its successors and assigns) shall be deemed to be a transfer of this Agreement, prohibited by this **Article XXI** unless first consented to in writing by Lessee.

ARTICLE XXII
NOTICES

All notices, demands, elections, or other communications that any party this Agreement may desire or be required to be given hereunder shall be in writing and shall be given by hand, by depositing the same in the United States mail, first class, postage prepaid, certified mail, return receipt requested, or by a recognized overnight courier service providing confirmation of delivery, to the addresses set forth below, or at such address as may be designated by the addressee upon written notice to the other party, (herein called "**Notice**").

To Lessee: Ashford TRS Corporation (or New Lessee set forth in an Addendum)
14185 Dallas Parkway, Suite 1200
Dallas, Texas 75254
Attn: Chief Financial Officer
Fax: (972) 490-9605

With a copy to: Ashford Hospitality Limited Partnership
14185 Dallas Parkway, Suite 1200
Dallas, Texas 75254
Attn: General Counsel
Fax: (972) 490-9605

To Manager: Premier Project Management LLC
14185 Dallas Parkway, Suite 1400
Dallas, Texas 75254
Attn: General Counsel
Fax: (972) 490-9605

To the Landlords: c/o Ashford Hospitality Limited Partnership
14185 Dallas Parkway, Suite 1200
Dallas, Texas 75254
Attn: General Counsel
Fax: (972) 490-9605

All notices given pursuant to this **Article XXII** shall be deemed to have been given (i) if delivered by hand on the date of delivery or on the date that delivery was refused by

the addressee, or (ii) if delivered by certified mail or by overnight courier, on the date of delivery as established by the return receipt or courier service confirmation (or the date on which the return receipt or courier service confirms that acceptance of delivery was refused by the addressee).

ARTICLE XXIII
SUBORDINATION; NON-DISTURBANCE

23.01 Subordination. This Agreement shall be subject and subordinate to any Hotel Mortgage and Lease, and Manager agrees to enter into a lender-manager or landlord-manager (as applicable) agreement with respect to each Hotel, which agreement shall contain reasonable provisions, including, without limitation, Manager's acknowledgment that its real estate interest in and to the applicable Hotel, if any, created by this Agreement is subject and subordinate to the applicable Hotel Mortgage or Lease, including providing any purchaser of such Hotel at a foreclosure sale or deed-in-lieu of foreclosure, including the Holder, with the right to terminate this Agreement with respect to the applicable Hotel; provided, however, in no event will Manager agree to subordinate or waive its right to receive fees, reimbursements or indemnification payments under this Agreement arising prior to termination (but (a) if this Agreement is terminated by the Holder or such purchaser or Landlord (or its assignee) with respect to such Hotel, Manager shall not look to the Holder for payment of such fees, reimbursements or indemnification payments and Manager's right to receive such fees, reimbursements or indemnification payments shall be subordinated to the Holder's rights and (b) if this Agreement is not terminated by the Holder or such purchaser with respect to such Hotel, then such fees, reimbursements or indemnification payments shall be payable by the Holder or such purchaser). Notwithstanding the foregoing, Manager shall in no event be obligated to perform its duties hereunder without payment and/or reasonable assurance of payment of such fees, reimbursements or indemnification payments.

23.02 Non-Disturbance Agreement. Notwithstanding Section 23.01, Lessee agrees that, prior to obtaining any Hotel Mortgage or executing any Lease, Lessee will use its commercially reasonable efforts to obtain from each prospective Holder or Landlord (as applicable), a Non-Disturbance Agreement pursuant to which Manager's rights under this Agreement will not be disturbed as a result of a default stemming from non-monetary factors which are not defaults by Manager under Section 19.01 of this Agreement. If Lessee desires to obtain a Hotel Mortgage or to execute a Lease, Manager, on written request from Lessee, shall assist in expediting the preparation of an agreement between the prospective Holder and/or Landlord and Manager which will implement the provisions of this Section 23.02.

ARTICLE XXIV
OMITTED

ARTICLE XXV
INDEMNIFICATION

25.01 Manager Indemnity. Manager shall indemnify and hold Lessee (and Lessee's agents, principals, shareholders, partners, members, officers, directors, attorneys and employees)

harmless from and against all liabilities, losses, claims, damages, costs and expenses (including, but not limited to, reasonable attorneys' fees and expenses) which are not covered by insurance proceeds that may be incurred by or asserted against any such party and that arise from (a) the fraud, willful misconduct or gross negligence of Manager; (b) the infringement by Manager on the intellectual property rights of any third party; (c) knowing or reckless placing, discharge, leakage, use or storage of hazardous materials on the Premises or in the Hotel by Manager during the Term of this Agreement as set forth in **Section 28.09C**; or (d) the breach by Manager of any provision of this Agreement, including, without limitation, any action taken by Manager which is beyond the scope of Manager's authority under this Agreement, which is not cured within any applicable notice and cure periods. Lessee shall promptly provide Manager with written notice of any claim or suit brought against it by a third party which might result in such indemnification.

25.02 Lessee Indemnity. Except with respect to matters for which Manager is obligated to provide indemnification pursuant to **Section 25.01**, Lessee shall indemnify and hold Manager (and Manager's agents, principals, shareholders, partners, members, officers, directors, attorneys and employees) harmless from and against all liabilities, losses, claims, damages, costs and expenses (including, but not limited to, reasonable attorneys' fees and expenses) which are not covered by insurance proceeds and that may be incurred by or asserted against such party and that arise from or in connection with (a) the performance of Manager's services under this Agreement; or (b) the condition or use of the Hotel, to the fullest extent permitted by law, including without limitation, any injury to person(s) or damage to property or business by reason of any cause whatsoever in or about the Hotel. Manager shall promptly provide Lessee with written Notice of any claim or suit brought against it by a third party which might result in such indemnification. **THIS INDEMNITY PROVISION IS INTENDED TO INDEMNIFY MANAGER (i) AGAINST THE CONSEQUENCES OF ITS OWN NEGLIGENCE OR FAULT WHEN MANAGER IS SOLELY NEGLIGENT OR CONTRIBUTORILY, PARTIALLY, JOINTLY, COMPARATIVELY OR CONCURRENTLY NEGLIGENT WITH LESSEE OR ANY OTHER PERSON (BUT IS NOT GROSSLY NEGLIGENT, HAS NOT COMMITTED AN INTENTIONAL ACT OR MADE INTENTIONAL OMISSION) AND (ii) AGAINST ANY LIABILITY OF MANAGER BASED ON ANY APPLICABLE DOCTRINE OF STRICT LIABILITY.**

25.03 Indemnification Procedure. Any party obligated to indemnify the other party under this Agreement (the **Indemnifying Party**) shall have the right, by Notice to the other party, to assume the defense of any claim with respect to which the other party is entitled to indemnification hereunder. If the Indemnifying Party gives such notice, (i) such defense shall be conducted by counsel selected by the Indemnifying Party and approved by the other party, such approval not to be unreasonably withheld or delayed (provided, however, that the other party's approval shall not be required with respect to counsel designated by the Indemnifying Party's insurer); (ii) so long as the Indemnifying Party is conducting such defense with reasonable diligence, the Indemnifying Party shall have the right to control said defense and shall not be required to pay the fees or disbursements of any counsel engaged by the other party for services rendered after the Indemnifying Party has given the Notice provided for above to the other party, except if there is a conflict of interest between the parties with respect to such claim or defense;

and (iii) the Indemnifying Party shall have the right, without the consent of the other party, to settle such claim, but only provided that such settlement involves only the payment of money, the Indemnifying Party pays all amounts due in connection with or by reason of such settlement and, as part thereof, the other party is unconditionally released from all liability in respect of such claim. The other party shall have the right to participate in the defense of such claim being defended by the Indemnifying Party at the expense of the other party, but the Indemnifying Party shall have the right to control such defense (other than in the event of a conflict of interest between the parties with respect to such claim or defense). In no event shall (i) the other party settle any claim without the consent of the Indemnifying Party so long as the Indemnifying Party is conducting the defense thereof in accordance with this Agreement; or (ii) if a claim is covered by the Indemnifying Party's liability insurance, take or omit to take any action which would cause the insurer not to defend such claim or to disclaim liability in respect thereof.

25.04 Survival. The provisions of this Article shall survive the termination of this Agreement with respect to acts, omissions and occurrences arising during the Term.

ARTICLE XXVI NEW HOTELS

Lessee acknowledges and agrees that any Hotel owned or leased or to be developed by Lessee or its designees from any Affiliates of the Partnership (including the Landlords) from and after the Effective Date may either become subject to the terms and provisions of this Agreement effective upon execution of an addendum to this Agreement (the "**Addendum**") in the form of **Exhibit "A"** attached hereto, or pursuant to a management agreement in form and substance substantially similar to the terms of this Agreement with either Manager or an Affiliate of Manager; provided that there does not then exist an uncured Event of Default by Manager under this Agreement and the independent director approval requirements under the Mutual Exclusivity Agreement have been satisfied. Effective upon execution of said Addendum, all terms and conditions of this Agreement shall be deemed amended to include and apply to such Hotel(s) as provided in the Addendum. Notwithstanding anything to the contrary contained in this Agreement, a Lessee shall have no liability under this Agreement unless and until Lessee is or hereafter becomes a New Lessee (as that term is defined in a fully executed Addendum) with respect to a Hotel. This Agreement will be construed as a separate and independent project management agreement with respect to each Hotel. Any affiliate of Lessee may become party to this Agreement with respect to a Hotel by executing and delivering an Addendum relating to such Hotel, and in such event, it will not be a condition to the effectiveness of such Addendum that Lessee consent, join or otherwise be party to such Addendum.

ARTICLE XXVII GOVERNING; LAW VENUE

This Agreement and its interpretation, validity and performance shall be governed by the laws of the State of Texas without regard to its conflicts of laws principles. In the event any court of law of appropriate judicial authority shall hold or declare that the law of another jurisdiction is applicable, this Agreement shall remain enforceable under

the laws of the appropriate jurisdiction. The parties hereto agree that venue for any action in connection herewith shall be proper in Dallas County, Texas. Each party hereto consents to the jurisdiction of any local, state or federal court situated in any of such locations and waives any objection which it may have pertaining to improper venue or forum non conveniens to the conduct of any proceeding in any such court.

ARTICLE XXVIII
MISCELLANEOUS

28.01 Rights to Make Agreement. Each party warrants, with respect to itself, that neither the execution of this Agreement nor the finalization of the transactions contemplated hereby shall violate any provision of law or judgment, writ, injunction, order or decree of any court or governmental authority having jurisdiction over it; result in or constitute a breach or default under any indenture, contract, other commitment or restriction to which it is a party or by which it is bound; or require any consent, vote or approval which has not been given or taken. Each party covenants that it has and will continue to have throughout the term of this Agreement and any extensions thereof, the full right to enter into this Agreement and perform its obligations hereunder.

28.02 Agency. Manager's limited agency established by this Agreement is coupled with an interest and may not be terminated by Lessee until Termination, except as otherwise provided in this Agreement.

28.03 Failure to Perform. If Manager or Lessee at any time fails to make any payments as specified or required hereunder or fails to perform any other act required on its part to be made or performed hereunder without limitation, then the other party after thirty (30) days' written notice to the defaulting party may (but shall not be obligated to) pay any such delinquent amount or perform any such other act on the defaulting party's part. Any sums thus paid and all costs and expenses incurred in connection with the making of such payment or the proper performance of any such act, together with interest thereon at the lesser of (i) the interest rate allowed by the applicable usury laws or (ii) at the Prime Rate plus three percent (3%), from the date that such payment is made or such costs and expenses incurred, shall constitute a liquidated amount to be paid by the defaulting party under this Agreement to the other party on demand. For the purposes of this **Section 28.03**, the term '**Prime Rate**' shall mean the "prime rate" as published in the "Money Rates" section of The Wall Street Journal; however, if such rate is, at any time during the Term of this Agreement, no longer so published, the term "Prime Rate" shall mean the average of the prime interest rates which are announced, from time to time, by the three (3) largest banks (by assets) headquartered in the United States which publish a "prime rate".

28.04 Headings. Headings of Articles and Sections are inserted only for convenience and are in no way to be construed as a limitation on the scope of the particular Articles or Sections to which they refer.

28.05 Attorneys' Fees and Costs. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable

attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

28.06 Entire Agreement. This Agreement, together with other writings signed by the parties expressly stated to be supplementary hereto and together with any instruments to be executed and delivered pursuant to this Agreement, constitutes the entire agreement between the parties and supersedes all prior understandings and writings, and may be changed only by a writing signed by the parties hereto.

28.07 Consents. Whenever the consent or approval of Lessee is required under the terms of this Agreement, unless otherwise stated to the contrary, such consent or approval may be granted or withheld by Lessee in its reasonable discretion.

28.08 Omitted.

28.09 Environmental Matters.

(a) For purposes of this **Section 28.09**, "hazardous materials" means any substance or material containing one or more of any of the following: "hazardous material," "hazardous waste," "hazardous substance," "regulated substance," "petroleum," "pollutant," "contaminant," or "asbestos," as such terms are defined in any applicable environmental law, in such concentration(s) or amount(s) as may impose clean-up, removal, monitoring or other responsibility under any applicable environmental law, or which may present a significant risk of harm to guests, invitees or employees of the Hotel.

(b) Regardless of whether or not a given hazardous material is permitted on the Premises under applicable environmental law, Manager shall only bring on the Premises such hazardous materials as are needed in the normal course of performing its obligations under this Agreement.

(c) In the event of the discovery of hazardous materials (as such term may be defined in any applicable environmental law) on the Premises or in the Hotel during the Term of this Agreement, Lessee shall promptly remove, if required by applicable environmental law, such hazardous materials, together with all contaminated soil and containers, and shall otherwise remedy the problem in accordance with all environmental laws (except to the extent knowingly or recklessly caused by Manager during the Term of this Agreement, whereupon the responsibility to promptly remove and/or remedy the environmental problem shall be that of Manager and at Manager's sole cost and expense). All costs and expenses of the compliance with all environmental laws shall be paid by Lessee from its own funds (except to the extent knowingly or recklessly caused by Manager during the Term of this Agreement as set forth herein above).

28.10 Equity and Debt Offerings. Neither Lessee nor Manager (as an **issuing party**) shall make reference to the other party (the **non-issuing party**) or any of its Affiliates in any prospectus, private placement memorandum, offering circular or offering documentation related thereto (collectively, referred to as the **"Prospectus"**), issued by the issuing party, unless the

non-issuing party has received a copy of all such references. In no event will the non-issuing party be deemed a sponsor of the offering described in any such Prospectus, nor will it have any responsibility for the Prospectus, and the Prospectus will so state. The issuing party shall be entitled to include in the Prospectus an accurate summary of this Agreement but shall not include any proprietary mark of the non-issuing party without prior written consent of the non-issuing party. The issuing party shall indemnify, defend and hold the non-issuing party and its Affiliates (and their respective directors, officers, shareholders, employees and agents) harmless from and against all loss, costs, liability and damage (including attorneys' fees and expenses, and the cost of litigation), arising out of any Prospectus or the offering described therein, except for any such losses, costs, liability and damage arising from material misstatements or omissions in a Prospectus based on information provided in writing by the non-issuing party expressly for inclusion in the Prospectus.

28.11 Estoppel Certificates. Lessee and Manager will, at any time and from time to time within fifteen (15) days of the request of the other party or a Holder, Hotel Management Company or a Franchisor (if so permitted under the applicable Hotel Management Agreement or Franchise Agreement), or a Landlord (if so permitted under the applicable Lease), execute, acknowledge, and deliver to the other party and such Holder, Hotel Management Company, Franchisor or Landlord, as applicable, a certificate certifying:

(a) That the Agreement is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating such modifications);

(b) Whether there are any existing Event(s) of Default or events which, with the passage of time, would become an Event of Default, by the other party to the knowledge of the party making such certification, and specifying the nature of such Event(s) of Default or defaults or events which, with the passage of time, would become an Event of Default, if any; and

(c) Such other matters as may be reasonably requested.

Any such certificates may be relied upon by any party to whom the certificate is directed.

28.12 Confidentiality. The Manager shall keep confidential all non-public information obtained in connection with the services rendered under this Agreement and shall not disclose any such information or use any such information except in furtherance of its duties under this Agreement and as may be required by any of its lenders or owners (provided said lenders and/or owners, as applicable agree prior to disclosure to keep such information confidential as set forth in this subparagraph 28.12), or as may be required by applicable Legal Requirements or court order, or as may be required under any Franchise Agreement, Hotel Mortgage, Lease or Ground Lease.

28.13 Modification. Any amendment, supplement or modification of this Agreement must be in writing signed by both parties hereto. In furtherance of the foregoing, (a) any amendment, supplement or modification intended to affect all Hotels collectively that are subject to this Agreement must be in writing signed by Manager and Lessee (including each New Lessee), and

(b) any amendment, supplement or modification intended to affect only an individual Hotel must be in writing signed by Manager and the applicable Lessee (or New Lessee).

28.14 Counterparts. This Agreement may be executed in multiple counterparts, each of which is an original and all of which collectively constitute one instrument.

28.15 Relationship of Lessee and the Partnership. Other than with respect to any Hotel in which the Lessee owns the Premises, the Partnership or one of its subsidiaries owns the Premises of each Hotel and as to each such Hotel, not owned by the Lessee, the Partnership or one of its subsidiaries is the Landlord. Whether or not Lessee owns the Premises, the FF&E as to a Hotel may be owned by Lessee or by Landlord or portions of the FF&E may be owned by Lessee and other portions of the FF&E may be owned by Landlord. Lessee and the Partnership, on behalf of each Landlord, agree that, as to any Premises and FF&E owned by a Landlord, Lessee is acting as the agent of Landlord under this Agreement and all costs and expenses, including but not limited to, the Management Fee and other costs and expenses payable pursuant to Article VII, termination fees under Article II, and indemnification pursuant to Article XXV, incurred by Lessee under this Agreement properly allocable to the Premises and FF&E owned by Landlord (and not required to be paid by Lessee under a Lease) shall be paid or reimbursed by the applicable Landlord. All such costs and expenses properly allocable to the Premises and FF&E owned by Lessee shall be paid by Lessee with no right of reimbursement by any Landlord.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers, as of the Effective Date.

LESSEE, on behalf of itself and each New Lessee

ASHFORD TRS CORPORATION, a Delaware corporation

By: /s/ Deric Eubanks
Deric Eubanks
President

PARTNERSHIP, on behalf of itself and Landlords

ASHFORD HOSPITALITY LIMITED PARTNERSHIP, a Delaware limited partnership

By: Ashford OP General Partner LLC

By: /s/ J Robison Hays
J. Robison Hays
Chief Executive Officer

MANAGER:

PREMIER PROJECT MANAGEMENT LLC, a Maryland limited liability company

By: /s/ Hector Sanchez
Name: Hector Sanchez
Title: Chief Executive Officer

EXHIBIT "A"

Addendum to Master Project Management Agreement

_____, 20____

Premier Project Management LLC
14185 Dallas Parkway, Suite 1400
Dallas, Texas 75254
Attn: _____

Re: Project Management of a New Hotel by Premier Project Management LLC

Dear _____:

Please refer to the Amended and Restated Master Project Management Agreement, dated as of March 12, 2024 (the "Project Management Agreement"), among Ashford TRS Corporation, a Delaware corporation, ("Lessee") and Premier Project Management LLC, a Maryland limited liability company ("Manager"). Capitalized terms appearing but not defined herein shall have the meanings ascribed to such terms in the Project Management Agreement.

Lessee, through its affiliate, _____, a _____ ("New Lessee"), hereby appoints Manager to provide Project Management Work, [Development Work], and Project Related Services for the _____ property located at the location set forth on Exhibit "A" attached to this Addendum (the "New Hotel"), in exchange for payment by New Lessee of the Project Management Fee, [Development Fee] and Market Service Fees, all in accordance with and subject to the terms and conditions of the Project Management Agreement.

In addition:

1. The New Hotel shall constitute a "Hotel" under the Project Management Agreement. New Lessee shall be a party to the Project Management Agreement as a "Lessee" and agrees to be bound by all of the terms and conditions of the Project Management Agreement as "Lessee" thereunder to the extent same are applicable to the New Hotel. All other Lessees shall have no obligations under the Project Management Agreement with respect to the New Hotel, and New Lessee shall have no obligations under the Project Management Agreement with respect to any of the other Hotels (other than the New Hotel).

2. Manager's retention by New Lessee to perform Project Management Work, [Development Work], and Project Related Services at the New Hotel from and after the Effective Date shall be subject to the terms and conditions of the Project Management Agreement to the same extent as if New Lessee were the "Lessee" thereunder.

[Signature pages to follow]

Please execute in the space provided for your signature below to evidence your agreement to the contents of this Addendum.

Sincerely yours,

NEW LESSEE:

_____, a _____

By: ____
Name: _____
Title: _____

AGREED TO AND ACCEPTED

MANAGER:

PREMIER PROJECT MANAGEMENT LLC,
a Maryland limited liability company

By: _____
Name: Hector Sanchez
Title: CEO

EXHIBIT "A"
Hotel Information

Affiliate Property Owner	Property	Commencement Date

AMENDMENT NO. 3 TO CREDIT AGREEMENT

This AMENDMENT NO. 3 TO CREDIT AGREEMENT (this "Amendment") is entered into as of March 11, 2024, among **ASHFORD HOSPITALITY LIMITED PARTNERSHIP** (the "Borrower"), **ASHFORD HOSPITALITY TRUST, INC.** (the "Parent"), the guarantors party hereto (the "Guarantors"), the Lenders party hereto (the "Lenders") and **OAKTREE FUND ADMINISTRATION, LLC**, as administrative agent (in such capacity, together with its successors and assigns in such capacity, the "Administrative Agent").

RECITALS:

A. The Borrower, the Parent, the Administrative Agent and the Lenders are parties to that certain Credit Agreement, dated as of January 15, 2021 (as amended by that certain Amendment No. 1 to Credit Agreement, dated as of October 12, 2021, as amended by that certain Amendment No. 2 to Credit Agreement, dated as of June 21, 2023, and as may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time through the date hereof, the "Credit Agreement").

B. The Borrower, the Parent, the Guarantors, the Administrative Agent and the Lenders have agreed to certain amendments to the Credit Agreement, reaffirmations of other Loan Documents and certain other agreements, as more fully set forth herein.

AGREEMENT:

In consideration of the premises and mutual covenants herein and for other valuable consideration, the Borrower, the Parent, the Guarantors, the Administrative Agent, and the Lenders party hereto agree as follows:

Section 1. Definitions. Capitalized terms used in this Amendment but not defined have the meaning provided in the Credit Agreement, as modified hereby. Each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall, after giving effect to this Amendment, refer to the Credit Agreement, as modified hereby.

The following capitalized terms used in this Amendment shall have the following meanings:

"Boston Net Cash Proceeds" means all Net Cash Proceeds from the sale of Hilton Boston Back Bay Hotel Property.

"Forced Sale Trigger Event" means the first occurrence of either of: (a) September 30, 2024, if the Outstanding Amount is greater than \$100,000,000 on such date, or (b) March 31, 2025, if the Outstanding Amount is less than or equal to \$100,000,000 on September 30, 2024 but greater than \$0 on March 31, 2025.

"Sweep Percentage" means (a) 50% prior to a Forced Sale Trigger Event, and (b) 100% from and after a Forced Sale Trigger Event.

Section 2. Amendments. Subject to Section 3 of this Amendment, effective as of the Amendment No. 3 Effective Date (as hereinafter defined), the Credit Agreement is hereby amended as follows:

2.1 Certain Definitions. Section 1.01 of the Credit Agreement is hereby amended to insert the following defined term in the correct alphabetical order:

“**Amendment No. 3**” means that certain Amendment No. 3 to Credit Agreement, dated as of March 11, 2024.

“**Cash Exit Fee Loan**” has the meaning specified in Amendment No. 3.

2.2 Second Extension. The Maturity Date is hereby extended to the second Extended Maturity Date occurring on January 15, 2026 (the “Second Extension”). The Administrative Agent and the Lenders hereby waive all conditions to the effectiveness of the Second Extension set forth in Section 2.13 of the Credit Agreement, except that Borrower shall be obligated to pay the extension fee set forth in Section 2.13(b)(i) of the Credit Agreement for the Second Extension (the “Second Extension Fee”) on or before December 31, 2024; *provided, however*, the Second Extension Fee will not be due and payable if Borrower has, at any time on or before December 31, 2024, repaid in full the principal amount of the Loans, including any Cash Exit Fee Loan made pursuant to Section 2.12 of this Amendment.

2.3 Prepayment Premium. The parties to this Amendment hereby acknowledge and agree that from and after the Initial Maturity Date (i.e., January 15, 2024), Borrower shall not be required to pay any Prepayment Premium with respect to the repayment of the Loans on the Maturity Date (i.e., January 15, 2026) or earlier prepayment of the Loans in whole or in part, voluntary or mandatory, whether upon the occurrence of a Prepayment Premium Trigger Event or pursuant to this Amendment or otherwise.

2.4 Minimum Cash.

(a) Section 7.11 of the Credit Agreement is hereby deleted and replaced in its entirety as follows:

“7.11 **Capital Expenditures**. Without the prior written approval of Administrative Agent, make any capital expenditures (as defined in the following sentence) in excess of (a) during the period from the Amendment No. 3 Effective Date through the end of calendar year 2024, \$10,000,000, excluding capital expenditures that are required by the terms of existing franchise agreements, management agreements with a brand manager, or Mortgage Indebtedness as of the Amendment No. 3 Effective Date to maintain the brand standards or complete the property improvement plans of the Hotel Properties; *provided* that such capital expenditures do not exceed the amounts previously budgeted or reserved for such purposes and are not the result of any voluntary actions or initiatives by Borrower to change or upgrade the brand or the property; *provided further* that in no event shall capital expenditures during calendar year 2024 exceed \$50,000,000 in aggregate, and (b) during calendar year 2025 and thereafter, the amount of budgeted capital expenditures (together with a contingency) set forth in the budget prepared by Borrower in the ordinary course of business and approved by the Administrative Agent in its sole discretion. For purposes of this covenant, “capital expenditures” means any expenditures for the acquisition, construction, improvement, or replacement of any property, plant, equipment, or other fixed or long-term assets, whether tangible or intangible, that are capitalized or required to be capitalized in accordance with GAAP; *provided* that “capital expenditures” shall exclude capital expenditures paid or reimbursed from “FF&E” reserves required to be maintained and/or funded pursuant to

Mortgage Indebtedness, management agreements or franchise agreements with respect to Hotel Properties.”

(b) Clause (b)(vi) of Section 7.12 of the Credit Agreement is hereby amended and restated in its entirety as follows:

“(vi) any Investment in a Loan Party or a Subsidiary of a Loan Party that is not otherwise prohibited by Section 7.03 and is not for a purpose that would be prohibited under **Section 7.11** or Section 2.7 of Amendment No. 3,”

2.5 Cross-Default (Mortgage Indebtedness). Section 8.01(d)(ii) of the Credit Agreement is hereby deleted.

2.6 Applicable Rate. Upon the occurrence of a Forced Sale Trigger Event, the Applicable Rate shall automatically increase by 3.5% per annum. In addition, the following proviso at the end of the definition of Applicable Rate set forth in Section 1.01 of the Credit Agreement is hereby deleted: “*provided* that the Applicable Rate with respect to outstanding Loans on any day shall automatically increase by 3% per annum if Unrestricted Cash on such date is less than the sum of (x) \$100,000,000 *plus* (y) the amount of DDTLs drawn on or prior to such date *minus* (z) the aggregate amount of any prepayments of Initial Term Loans and/or DDTLs on or prior to such date.”

2.7 Hotel Property Contributions. From and after the Amendment No. 3 Effective Date, the Borrower shall not, nor shall it permit any Subsidiary or Controlled JV Subsidiary, directly or indirectly, sell, contribute, pledge (other than pursuant to Mortgage Indebtedness) or otherwise transfer or Dispose of any Hotel Properties (or Equity Interests in any Person that directly or indirectly own any Hotel Properties or any such Equity Interests) to any Person that is not a Subsidiary, all of the Equity Interests of which are directly or indirectly owned by the Borrower, except (i) Dispositions in accordance with Section 7.05(e) or 7.05(h)(iii) of the Credit Agreement for consideration consisting solely of cash or Cash Equivalents, and Section 7.05(h)(vii) of the Credit Agreement, and (ii) Dispositions pursuant to Sections 2.13 and 2.14 hereof; provided, however, except as otherwise provided in Section 2.13 and 2.14 hereof, Borrower shall not be required to apply Net Cash Proceeds from any such sale, contribution, transfer or Disposition of any Hotel Properties (or Equity Interests) in accordance with Section 2.04(b)(i) of the Credit Agreement (and Borrower shall be deemed to have complied with Section 2.04(b)(i) of the Credit Agreement) so long as Borrower is in compliance with Section 2.04(b)(iv) of the Credit Agreement.

2.8 Reinvestment of Net Cash Proceeds.

(a) Section 2.04(b)(i)(A) of the Credit Agreement is hereby amended and restated as follows:

“(A) Subject to Section 2.7 of Amendment No. 3, all Net Cash Proceeds described in clauses (a) or (d) of the definition thereof that are realized or received by the Parent and its Subsidiaries (but, in the case of any Property-Level Subsidiary, only to the extent permitted by the terms of any Mortgage Indebtedness to distribute such Net Cash Proceeds to the Borrower; *provided* that all such Net Cash Proceeds that are prohibited from being distributed are instead applied to prepay such Mortgage Indebtedness (or applied to other purposes expressly required under the terms of such Mortgage Indebtedness, or deposited or escrowed pending application for such expressly required purposes, so long as actually applied to prepay such Mortgage Indebtedness, for other expressly required purposes expressly required under the terms of such Mortgage

Indebtedness, or else in accordance with this **Section 2.04(b)(i))**, shall be paid to the Administrative Agent for distribution to the Lenders for application to the Loans in accordance with the provisions of **Section 2.04(c)**, within five (5) Business Days after realization or receipt of such Net Cash Proceeds.”

(b) Sections 2.04(b)(i)(B) and Section 2.04(b)(i)(C) of the Credit Agreement are hereby deleted.

2.9 DDTL Commitment Expiration.

(a) The following definition in Section 1.01 of the Credit Agreement is hereby amended by replacing the same in its entirety as follows:

“DDTL Commitment Expiration Date” means the Amendment No. 3 Effective Date.

(b) The definition of “Initial DDTL” in Section 1.01 of the Credit Agreement is hereby amended to delete the proviso thereto.

(c) Notwithstanding anything in Sections 2.01(b), 2.05 and 4.02(c) of the Credit Agreement or any other provision of any Loan Document to the contrary, in no event shall any Loans be available or funded, nor shall any Lender have any commitment to make available or fund any Loans (other than a Cash Exit Fee Loan), under the Credit Agreement on or after the Amendment No. 3 Effective Date.

2.10 Unused Fee. The definition of Unused Fee set forth in Section 1.01 of the Credit Agreement and Section 2.08(d) of the Credit Agreement are hereby deleted.

2.11 Mandatory Prepayments.

(a) New clauses (iv) and (v) shall be added immediately after Section 2.04(b) of the Credit Agreement and shall read as follows:

(iv) Excess Cash. If the balance of Unrestricted Cash exceeds (A) \$75,000,000 on the last day of any of the first three fiscal quarters in 2024, (B) \$50,000,000 on the last day of the fourth fiscal quarter in 2024, or (C) \$25,000,000 on the last day of any fiscal quarter thereafter (in each case, the **“Minimum Cash Balance”**), then within five (5) Business Days after such occurrence on the last day of the applicable fiscal quarter, the Borrower shall pay or cause to be paid to Administrative Agent in immediately available funds an amount equal to the amount of such excess, in each case to be immediately applied as set forth in **Section 2.04(c)**.

(v) Net Equity Proceeds. Within five (5) Business Days after the receipt of any Net Equity Proceeds by Parent and its Subsidiaries, the Borrower shall pay or cause to be paid to the Administrative Agent in immediately available funds an amount equal to the Sweep Percentage of such Net Equity Proceeds, to be immediately applied as set forth in **Section 2.04(c)**.

(b) The definition of “Net Equity Proceeds” is hereby amended to replace each instance of the phrase “common Equity Interests” therein with the phrase “any Equity Interests”.

2.12 Exit Fee.

(a) Sections 2.08(b)(i) and (ii) of the Credit Agreement shall be amended and restated in its entirety to read as follows:

“(i) Upon the earliest of (x) repayment in full of the outstanding principal amount of the Loans (including any PIK Principal, and including for the avoidance of doubt as a result of a Change of Control Offer under **Section 2.04(e)** to the extent that the full outstanding principal amount of all Loans are prepaid as a result of such Change of Control Offer), (y) the Maturity Date, or (z) the acceleration of the outstanding principal amount of the Loans pursuant to **Section 8.02** following an Event of Default (the “**Exit Date**”), in addition to all other amounts owed under this Agreement, the Borrower shall pay to the Administrative Agent, for the account of the Lenders, a fee (the “**Exit Fee**”) equal to and in the form of the Cash Exit Fee.

(ii) The “**Cash Exit Fee**” means an amount payable in cash (*i.e.*, immediately available funds in Dollars) equal to the product of (A) 15%, *multiplied by* (B) the aggregate amount of Initial Loans advanced to Borrower at any time on or after the Closing Date *plus* the then-outstanding balance of PIK Principal.”

(b) For the avoidance of doubt, each of the parties to this Amendment hereby acknowledges and agrees, notwithstanding anything to the contrary in the Credit Agreement prior to giving effect to this Amendment or otherwise, that (i) the Exit Fee shall be paid 100% in the form of the Cash Exit Fee, and (ii) the Cash Exit Fee shall be payable only in the form of cash (*i.e.*, immediately available funds in Dollars). For the avoidance of doubt, the Borrower has no right to elect to satisfy any portion of the Cash Exit Fee in the form of Common Stock or Oaktree Registered Warrants or in any form other than cash.

(c) If, as a result of the application of Section 2.04(b) of the Credit Agreement, there shall occur a repayment in full of the outstanding principal amount of the Loans which results in the Cash Exit Fee being due and payable at a time when the aggregate balance of Unrestricted Cash (after giving effect to all prepayments made on such date pursuant to Section 2.04(b) of the Credit Agreement) is insufficient in amount to pay all or any portion of the Cash Exit Fee (the amount of the insufficiency, the “Cash Exit Fee Remainder”), then such Cash Exit Fee Remainder shall automatically be deemed to be paid in the form of additional Loans (any such loan, a “Cash Exit Fee Loan”). Any Cash Exit Fee Loans shall be treated for all purposes of the Credit Agreement and the other Loan Documents as “Initial Term Loans” and “Loans”, including with respect to the accrual of interest on the outstanding principal amount of the Cash Exit Fee Loan commencing at the time of such conversion and exchange, the required repayment of the principal balance (including any PIK Principal) and accrued interest and all other Obligations with respect to the Cash Exit Fee Loans in full on or prior to the Maturity Date, and all other indemnities, fees, covenants and other restrictions, obligations and provisions that would apply to Initial Term Loans and Loans under the Credit Agreement; *provided* that no Origination Fee (or other upfront fee) or Exit Fee (including Cash Exit Fee) shall be payable in respect of any Cash Exit Fee Loans, nor shall any Prepayment Premium be due in connection with any principal payments of Cash Exit Fee Loans.

(d) If the Cash Exit Fee is required to be paid under Section 2.08(b)(i) of the Credit Agreement as a result of a repayment in full of the Loans that occurs on or prior to September 30, 2024, so long as the Cash Exit Fee (and any Cash Exit Fee Loan made pursuant to the foregoing

paragraph (c)) is also paid in full on or prior to September 30, 2024, the reference to “15%” in Section 2.08(b)(ii)(A) of the Credit Agreement shall be deemed to be specify “12.5%” for purposes of calculating the amount of such Cash Exit Fee.

2.13 Sale of Hotel Properties. From and after the Amendment No. 3 Effective Date, Borrower shall use commercially reasonable efforts to market and sell the Hotel Properties listed on Schedule 1 attached hereto for consideration consisting solely of cash and Cash Equivalents, at such sales prices, terms and conditions determined by Borrower from time to time in its reasonable discretion. Net Cash Proceeds from the sale of any such Hotel Properties shall not be applied in accordance with Section 2.04(b)(i) of the Credit Agreement. Notwithstanding the prior sentence, within five (5) Business Days following the closing of the sale of the Hilton Boston Back Bay Hotel Property, 100% of Boston Net Cash Proceeds shall be applied in accordance with Section 2.04(b)(i) of the Credit Agreement.

2.14 Forced Sale of Hotel Properties. Upon the occurrence of a Forced Sale Trigger Event, Borrower will be obligated to sell each Hotel Property listed on Schedule 2 attached hereto within six months of the Forced Sale Trigger Event for consideration consisting solely of cash and Cash Equivalents at a minimum gross sales price no less than that set forth opposite each Hotel Property listed on Schedule 2 attached hereto (the “Minimum Price”). Net Cash Proceeds from the sale of such Hotel Properties shall be applied in accordance with Section 2.04(b)(i) of the Credit Agreement. Notwithstanding the foregoing, it shall not be an Event of Default if Borrower fails to sell a Hotel Property listed on Schedule 2 attached within such six month period, if such failure is solely due to (a) the absence of any prospective purchasers willing to purchase the Hotel Property at a price not less than the Minimum Price; provided, in the case of this clause (a), that Borrower continues to use commercially reasonable efforts to sell such Hotel Property in accordance with this Section 2.14, or (b) a prospective purchaser exercising any termination right contained in the definitive documentation governing the sale of the Hotel Property, including, without limitation, due to any unsatisfied condition to closing (other than a seller default); provided, in this clause (b), that such six month period shall be tolled solely for the period such Hotel Property was subject to a binding agreement for such sale and shall resume immediately upon such termination of the applicable definitive documentation.

2.15 Refinancing of Hotel Properties. From and after the Amendment No. 3 Effective Date, Borrower shall use commercially reasonable efforts to refinance the Mortgage Indebtedness in respect of the Renaissance Nashville Hotel Property (the “**Nashville Refinancing**”) on terms and conditions that maximize any Net Cash Proceeds in excess of the amount required for such refinancing and are otherwise on such terms and conditions as determined by Borrower in its reasonable discretion. Within two (2) Business Days following the completion of the Nashville Refinancing (or any other Permitted Refinancing) (a “**Refinancing Closing Date**”), all Net Cash Proceeds from the Nashville Refinancing (or any other Permitted Refinancing) shall immediately be paid to the Administrative Agent to be applied as set forth in Section 2.04(b)(iii) of the Credit Agreement; provided, however, in the event that the Nashville Refinancing occurs prior to the sale of the Westin Princeton Hotel Property, the Net Cash Proceeds for the Nashville Refinancing to be applied as set forth in Section 2.04(b)(iii) of the Credit Agreement shall be reduced by the amount, if any, necessary to increase the balance of Unrestricted Cash on such Refinancing Closing Date to the Minimum Cash Balance applicable to the quarter in which such Refinancing Closing Date occurs.

2.16 Lender Consents. Lender consents to (a) an amendment to the Advisory Agreement in substantially the form set forth on Exhibit A-1 attached hereto, (b) an amendment to the Remington Management Agreement in substantially the form set forth on Exhibit A-2 attached hereto, and (c) an amendment to the Premier Project Management Agreement in substantially the form set forth on Exhibit

A-3 attached hereto. In addition, on the Amendment No. Effective Date, Lender agrees to execute and deliver to Borrower a Limited Waiver to Credit Agreement in the form set forth on Exhibit B attached hereto.

Section 3. Conditions to Effectiveness. The amendments set forth in Section 2 above shall become effective on the first date (the "Amendment No. 3 Effective Date") that the following conditions precedent have been satisfied:

3.1 The Administrative Agent shall have received counterpart signature pages to this Amendment executed by each of the Administrative Agent, the Borrower, the Parent, the Guarantors and all the Lenders;

3.2 The Borrower shall have paid to Administrative Agent all fees and expenses due and payable hereunder and under the Credit Agreement, including, without limitation, all reasonable and documented out-of-pocket fees and expenses of Paul Weiss, counsel to the Administrative Agent; and

Section 4. Miscellaneous.

4 . 1 Representations and Warranties. Each Loan Party, by signing below, hereby represents and warrants to the Administrative Agent and the Lenders that:

- (a) they have the legal power and authority to execute and deliver this Amendment;
- (b) the officers executing this Amendment on behalf of the Loan Parties have been duly authorized to execute and deliver the same and bind the Loan Parties with respect to the provisions hereof;
- (c) immediately after giving effect to this Amendment, no Default or Event of Default exists under the Credit Agreement;
- (d) this Amendment constitutes the legal, valid and binding agreement and obligation of the Loan Parties, enforceable against the Loan Parties in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles relating to enforceability (regardless of whether enforcement is sought in equity or at law); and
- (e) each of the representations and warranties set forth in Section 5 of the Credit Agreement and in each other Loan Document is true and correct in all material respects (other than those representations and warranties that are expressly qualified by a Material Adverse Effect or other materiality, in which case such representations and warranties shall be true and correct in all respects) on and as of the date hereof after giving effect to this Amendment, except to the extent that any thereof expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (other than those representations and warranties that are expressly qualified by a Material Adverse Effect or other materiality, in which case such representations and warranties shall be true and correct in all respects) on and as of such earlier date.

4.2 Ratification. The terms and provisions set forth in this Amendment shall modify and supersede all inconsistent terms and provisions of the Credit Agreement and shall not be deemed to be a

consent to the modification or waiver of any other term or condition of the Credit Agreement. Except as expressly modified and superseded by this Amendment, the terms and provisions of the Credit Agreement and the other Loan Documents are hereby ratified and confirmed and shall continue in full force and effect on a continuous basis after giving effect to this Amendment. Each of the Loan Parties hereby ratifies and reaffirms (a) the Obligations under and as defined in the Credit Agreement and all of the covenants, duties, indebtedness and liabilities under the Credit Agreement (as modified hereby) and the other Loan Documents to which it is a party, (b) the Liens and security interests created in favor of the Administrative Agent and/or Lenders pursuant to each Collateral Document, which Liens and security interests shall continue in full force and effect during the term of the Credit Agreement, and shall continue to secure the Obligations, in each case, on and subject to the terms and conditions set forth in the Credit Agreement (as modified hereby) and the other Loan Documents, and nothing herein shall be construed to deem any such Obligations paid, or to release or terminate any Lien or security interest given to secure any such Obligations or any guarantee thereof, (c) the guarantee of the Obligations pursuant to the Guaranty and (d) each of such other Loan Documents executed and delivered by or on its behalf in connection with the Credit Agreement or this Amendment. Each Loan Party confirms that, assuming all UCC financing statements naming the Administrative Agent, as secured party, and a Loan Party, as debtor, filed in connection with the Credit Agreement have not been terminated or amended, such UCC financing statements remain effective and authorized by the Loan Parties to continue perfection of the security interests in the Collateral. This Amendment constitutes the entire agreement of the parties hereto, and supersedes all prior understandings and agreements, among the parties hereto relating to the subject matter hereof.

4.3 No Novation. This Amendment represents in part a renewal of, and not in satisfaction of or a novation of, the Obligations under the Credit Agreement. Each of the Loan Parties expressly acknowledges and agrees that (i) there has not been, and this Amendment does not constitute or establish, a novation with respect to the Credit Agreement or any of the other Loan Documents, or a mutual departure from the strict terms, provisions and conditions thereof, other than with respect to the amendments set forth in Section 2 above, and (ii) nothing in this Amendment shall affect or limit any right of the Administrative Agent or any Lender to demand payment of liabilities owing from the Loan Parties, or to demand strict performance of the terms, provisions and conditions of, the Credit Agreement (as modified hereby) and the other Loan Documents, as applicable, to exercise any and all rights, powers, and remedies under the Credit Agreement or the other Loan Documents or at law or in equity, or to do any and all of the foregoing, immediately at any time after the occurrence of an Event of Default under the Credit Agreement (as modified hereby) or an Event of Default under and as defined in any of the other Loan Documents.

4.4 Credit Agreement Unaffected. Each reference to the Credit Agreement in any Loan Document shall hereafter be construed as a reference to the Credit Agreement, as modified hereby. Except as herein otherwise specifically provided, all provisions of the Credit Agreement (as modified hereby) and the other Loan Documents shall remain in full force and effect and be unaffected hereby. This Amendment shall constitute a "Loan Document" for all purposes under and pursuant to the Credit Agreement and the other Loan Documents.

4.5 Headings. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

4.6 Counterparts. This Amendment may be executed in any number of counterparts, by different parties hereto in separate counterparts and by facsimile signature or other electronic

transmissions, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

4.7 Governing Law; Consent to Jurisdiction. The provisions of Sections 11.14 and 11.15 of the Credit Agreement shall be set forth herein *mutatis mutandis*.

4.8 Release. By signing below, each Loan Party hereby releases, remises, acquits and forever discharges the Administrative Agent, the Lenders and their respective employees, agents, representatives, consultants, attorneys, officers, directors, partners, fiduciaries, predecessors, successors and assigns, subsidiary corporations, parent corporations and related corporate divisions (collectively, the "Released Parties"), from any and all actions, causes of action, judgments, executions, suits, debts, claims, demands, liabilities, obligations, damages and expenses of any and every character, known or unknown, direct or indirect, at law or in equity, of whatever nature or kind, whether heretofore or hereafter arising, for or because of any manner of things done, omitted or suffered to be done by any of the Released Parties prior to and including the date of execution hereof, and in any way directly or indirectly arising out of any or in any way connected to this Amendment or any other Loan Document (collectively, the "Released Matters"). Each Loan Party hereby acknowledges that the agreements in this paragraph are intended to be in full satisfaction of all or any alleged injuries or damages arising in connection with the Released Matters. Each Loan Party hereby represents and warrants to the Administrative Agent and each Lender that it has not purported to transfer, assign or otherwise convey any right, title or interest of such Loan Party in any Released Matter to any other Person and that the foregoing constitutes a full and complete release of all Released Matters.

[Signature pages follow.]

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered as of the date first above written.

ASHFORD HOSPITALITY TRUST, INC.

By: /s/ J Robison Hays III
Name: J. Robison Hays III
Title: Chief Executive Officer

**ASHFORD OP GENERAL PARTNER LLC
ASHFORD OP LIMITED PARTNER LLC**

By: /s/ J Robison Hays III
Name: J. Robison Hays III
Title: President and Chief Executive Officer

ASHFORD HOSPITALITY LIMITED PARTNERSHIP

By: Ashford OP General Partner LLC, its general partner

By: /s/ Alex Rose
Name: Alex Rose
Title: Executive Vice President, General Counsel and Secretary

ASHFORD A-3 MEZZ LLC
ASHFORD AA SENIOR MEZZ LLC
ASHFORD C-1 LLC
ASHFORD C-2 LLC
ASHFORD CHAMBERS GP LLC
ASHFORD CREDIT HOLDING LLC
ASHFORD D-3 MEZZ LLC
ASHFORD FIVE JUNIOR HOLDER LLC
ASHFORD FIVE JUNIOR MEZZ LLC
ASHFORD FIVE SENIOR MEZZ LLC
ASHFORD G-3 MEZZ LLC
ASHFORD IHC LLC
ASHFORD JUNIOR A LLC
ASHFORD JUNIOR B LLC
ASHFORD JUNIOR MI LLC
ASHFORD JUNIOR M2 LLC
ASHFORD LE PAVILLON SENIOR MEZZ LLC
ASHFORD POOL C2 JUNIOR HOLDER LLC
ASHFORD POOL C2 JUNIOR MEZZ LLC
ASHFORD POOL C2 SENIOR MEZZ LLC
ASHFORD SENIOR M1 LLC
ASHFORD SENIOR M2 LLC
ASHFORD TEN JUNIOR MEZZ LLC
ASHFORD TEN SENIOR MEZZ LLC
ASHFORD WQ HOTEL GP LLC
HH MEZZ BORROWER A-4 LLC
HH MEZZ BORROWER G-4 LLC
HH SWAP C LLC
HH SWAP C-1 LLC
HH SWAP F LLC
HH SWAP F-1 LLC
PIM HIGHLAND HOLDING LLC
RFS SPE 2000 LLC

By: /s/ Alex Rose

Name: Alex Rose

Title: Vice President and Secretary

ASHFORD TRS AA SENIOR MEZZ LLC
ASHFORD TRS ASHTON HOLDER LLC
ASHFORD TRS C-1 LLC ASHFORD TRS C-2 LLC
ASHFORD TRS CHAMBERS LLC
ASHFORD TRS FIVE JUNIOR HOLDER I LLC
ASHFORD TRS FIVE JUNIOR HOLDER II LLC
ASHFORD TRS FIVE JUNIOR HOLDER III LLC
ASHFORD TRS FIVE JUNIOR HOLDER IV LLC
ASHFORD TRS FIVE JUNIOR HOLDER V LLC
ASHFORD TRS FIVE JUNIOR MEZZ I LLC
ASHFORD TRS FIVE JUNIOR MEZZ II LLC
ASHFORD TRS FIVE JUNIOR MEZZ III LLC
ASHFORD TRS FIVE JUNIOR MEZZ IV LLC
ASHFORD TRS FIVE JUNIOR MEZZ V LLC
ASHFORD TRS FIVE SENIOR MEZZ I LLC
ASHFORD TRS FIVE SENIOR MEZZ II LLC
ASHFORD TRS FIVE SENIOR MEZZ III LLC
ASHFORD TRS FIVE SENIOR MEZZ IV LLC
ASHFORD TRS FIVE SENIOR MEZZ V LLC
ASHFORD TRS JUNIOR A LLC
ASHFORD TRS JUNIOR B LLC
ASHFORD TRS JUNIOR M1 LLC
ASHFORD TRS JUNIOR M2 LLC
ASHFORD TRS LE PA VILLON SENIOR MEZZ LLC
ASHFORD TRS POOL C2 JUNIOR HOLDER LLC
ASHFORD TRS POOL C2 JUNIOR MEZZ LLC
ASHFORD TRS POOL C2 SENIOR MEZZ LLC
ASHFORD TRS POOL C3 JUNIOR HOLDER LLC
ASHFORD TRS POOL C3 JUNIOR MEZZ LLC
ASHFORD TRS POOL C3 SENIOR MEZZ LLC
ASHFORD TRS SENIOR M1 LLC
ASHFORD TRS SENIOR M2 LLC
ASHFORD TRS TEN JUNIOR MEZZ LLC
ASHFORD TRS TEN SENIOR MEZZ LLC
ASHFORD TRS WQ LLC
HH MEZZ BORROWER D-2 LLC
HH MEZZ BORROWER D-4 LLC
AH TENANT CORPORATION
ASHFORD TRS CORPORATION
ASHFORD TRS VI CORPORATION
CRYSTAL CITY TENANT CORP.
LEE VISTA TENANT CORP.
SANTA CLARA TENANT CORP.

By: : /s/ Deric S. Eubanks
Name: Deric S. Eubanks
Title: President and Secretary

ASHFORD CHAMBERS LP

By: **ASHFORD CHAMBERS GP LLC**,
its general partner

By: : /s/ Alex Rose
Name: Alex Rose
Title: Vice President and Secretary

ASHFORD WQ HOTEL LP

By: **ASHFORD WQ HOTEL GP LLC**,
its general partner

By: : /s/ Alex Rose
Name: Alex Rose
Title: Vice President and Secretary

ASHFORD WQ LICENSEE LLC

By: **ASHFORD TRS CORPORATION**,
its sole member

By: /s/ Deric S. Eubanks
Name: Deric S. Eubanks
Title: President

OPPS AHT HOLDINGS, LLC

By: Oaktree Fund GP, LLC, its Manager

By: Oaktree Fund GP I, L.P., its Managing Member

By: /s/ Jordan Mikes

Name: Jordan Mikes

Title: Authorized Signatory

By: /s/ Manish Desai

Name: Manish Desai

Title: Authorized Signatory

[Signature Page to Amendment No. 1]

ROF8 AHT PT, LLC

By: /s/ Taejo Kim
Name: Taejo Kim
Title: Authorized Signatory

By: Cary Kleinman
Name: Cary Kleinman
Title: Authorized Signatory

[Signature Page to Amendment No. 1]

OAKTREE PHOENIX INVESTMENT FUND AIF (DELAWARE), L.P.

By: Oaktree Fund AIF Series, L.P. – Series U, its General Partner

By: Oaktree Fund GP AIF, LLC, its General Partner

By: Oaktree Fund GP III, L.P., its Managing Member

By: /s/ Jordan Mikes

Name: Jordan Mikes

Title: Authorized Signatory

By: /s/ Steven Tesoriere

Name: Steven Tesoriere

Title: Authorized Signatory

[Signature Page to Amendment No. 1]

OAKTREE FUND ADMINISTRATION, LLC, as
Administrative Agent
By: Oaktree Capital Management, L.P., its Managing Member

By: /s/ Henry Orren
Name: Henry Orren
Title: Vice President

By: /s/ Brian Price
Name: Brian Price
Title: Senior Vice President

[Signature Page to Amendment No. 3]

Schedules Omitted from Amendment No. 3 to Credit Agreement

Certain schedules have been omitted. The registrant agrees to furnish a copy of any omitted schedules to the Securities and Exchange Commission upon request.

Schedules

Schedule 1 Hotel Properties
Schedule 2 Minimum Price

[Signature Page to Loan Guaranty]

LIMITED WAIVER UNDER ADVISORY AGREEMENT

This LIMITED WAIVER UNDER ADVISORY AGREEMENT (this "Waiver") is entered into as of March 11, 2024, by and among **ASHFORD HOSPITALITY TRUST, INC.** (the "Company"), **ASHFORD HOSPITALITY LIMITED PARTNERSHIP** (the "Operating Partnership"), **ASHFORD TRS CORPORATION** ("TRS"), **ASHFORD INC.** ("AINC"), and **ASHFORD HOSPITALITY ADVISORS LLC** ("Ashford LLC") and, together with AINC, the "Advisor").

RECITALS:

A. The parties hereto are parties to that certain Second Amended and Restated Advisory Agreement, dated as of January 14, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "Advisory Agreement").

B. Section 5 of the Advisory Agreement allocates responsibility for certain employee costs between the Company and the Advisor.

C. Section 6.3 of the Advisory Agreement provides that, subject to the limitations set forth therein, the Board of Directors of the Company shall issue annual equity awards in the Company or the Operating Partnership to employees, officers, consultants, non-employee directors, Affiliates or representatives of the Advisor, based on achievement by the Company of certain financial or other objectives or otherwise as the Board of Directors of the Company sees fit.

D. The Company has determined that it is in the best interests of the Company to award cash compensation to employees, officers, consultants, non-employee directors, Affiliates or representatives of the Advisor, and, as more fully set forth herein, the parties hereto desire to provide for a waiver of the operation of provisions under the Advisory Agreement, if any, that might otherwise limit the Company's ability to make such awards.

AGREEMENT:

In consideration of the premises and mutual covenants herein and for other valuable consideration, the parties hereto agree as follows:

Section 1. Definitions. Capitalized terms used in this Waiver but not defined have the meaning provided in the Advisory Agreement. Each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Advisory Agreement shall refer to the Advisory Agreement after giving effect to this Waiver.

Section 2. Waiver.

2.1 The Company, the Operating Partnership, TRS and the Advisor hereby waive the operation of any provision in the Advisory Agreement that would otherwise limit the ability of the Company in its discretion, at the Company's cost and expense, to award during calendar year 2024 cash incentive compensation to employees, officers, consultants, non-employee directors, Affiliates or representatives of the Advisor, in each case on a current, deferred and/or contingent basis and subject to such other terms and conditions as the Board of Directors of the Company or its delegates may establish in their discretion.

2.2 The waiver contained in this Waiver shall be effective only in this instance and for the specific purpose for which it was intended and shall not be deemed to be a consent to any other

transaction or matter or waiver of compliance in the future, or a waiver of any preceding or succeeding breach of the same or any other covenant or provision of the Advisory Agreement.

Section 3. Miscellaneous.

3.1 Advisory Agreement Unaffected. Each reference to the Advisory Agreement shall hereafter be construed as a reference to the Advisory Agreement after giving effect to this Waiver. Except as herein otherwise specifically provided, all provisions of the Advisory Agreement (after giving effect to this Waiver) shall remain in full force and effect and be unaffected hereby.

3.2 Headings. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

3.3 Counterparts. This Waiver may be executed in any number of counterparts, by different parties hereto in separate counterparts and by facsimile signature or other electronic transmissions, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

3.4 Governing Law; Consent to Jurisdiction. The provisions of Section 21 of the Advisory Agreement shall be set forth herein *mutatis mutandis*.

[Signature pages follow.]

IN WITNESS WHEREOF, this Waiver has been duly executed and delivered as of the date first above written.

ASHFORD HOSPITALITY TRUST, INC.

By: /s/ J. Robison Hays III
Name: J. Robison Hays III
Title: Chief Executive Officer

ASHFORD HOSPITALITY LIMITED PARTNERSHIP

By: Ashford OP General Partner LLC, its general partner

By: /s/ Deric S. Eubanks
Name: Deric S. Eubanks
Title: Chief Financial Officer

ASHFORD TRS CORPORATION

By: /s/ Deric S. Eubanks
Name: Deric S. Eubanks
Title: President and Secretary

[Signature Page to Limited Waiver]

ASHFORD HOSPITALITY ADVISORS LLC

By: /s/ Eric Batis
Name: Eric Batis
Title: Chief Executive Officer

ASHFORD INC.

By: /s/ Alex Rose
Name: Alex Rose
Title: Executive Vice President, General Counsel & Secretary

[Signature Page to Limited Waiver]

LIMITED WAIVER TO CREDIT AGREEMENT

This LIMITED WAIVER TO CREDIT AGREEMENT (this "Waiver") is entered into as of March 11, 2024, among **ASHFORD HOSPITALITY LIMITED PARTNERSHIP** (the "Borrower"), **ASHFORD HOSPITALITY TRUST, INC.** (the "Parent"), the guarantors party hereto (the "Guarantors"), the Lenders party hereto (the "Lenders") and **OAKTREE FUND ADMINISTRATION, LLC**, as administrative agent (in such capacity, together with its successors and assigns in such capacity, the "Administrative Agent").

RECITALS:

A. The Borrower, the Parent, the Administrative Agent and the Lenders are parties to that certain Credit Agreement, dated as of January 15, 2021 (as amended by that certain Amendment No. 1 to Credit Agreement, dated as of October 12, 2021, as amended by that certain Amendment No. 2 to Credit Agreement, dated as of June 21, 2023, and as may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time through the date hereof, the "Credit Agreement").

B. The Borrower, the Parent, the Guarantors, the Administrative Agent and the Lenders have agreed to waive certain provisions set forth in the Credit Agreement, as more fully set forth herein.

AGREEMENT:

In consideration of the premises and mutual covenants herein and for other valuable consideration, the Borrower, the Parent, the Guarantors, the Administrative Agent, and the Lenders party hereto agree as follows:

Section 1. Definitions. Capitalized terms used in this Waiver but not defined have the meaning provided in the Credit Agreement, as modified hereby. Each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall, after giving effect to this Waiver, refer to the Credit Agreement, as modified hereby.

Section 2. Acknowledgement and Waiver. The Borrower, the other Loan Parties, the Lenders and the Administrative Agent hereby acknowledge and agree that:

(a) certain deferred cash grants were or are being awarded to employees and/or officers of the Parent, the Advisor and/or their Affiliates pursuant to equity compensation plans during 2022, 2023 and 2024, in aggregate amounts of \$7,950,817 in 2022, \$13,063,844 in 2023 and \$14,880,846 in 2024 (i.e., \$35,895,507 in the aggregate) (the "Specified Deferred Cash Grants"), which the parties hereto have agreed may be made (and were or are being made) in lieu of deferred stock grants that would otherwise be permitted and made under the terms of the Advisory Agreement;

(b) accordingly, (i) the departure from the terms of the Advisory Agreement in making the Specified Deferred Cash Grants as described in the foregoing clause (a) shall be deemed to be permitted under Section 7.13(b) of the Credit Agreement; provided, however, the Borrower and the other Loan Parties agree that actual cash payments made under the Specified Deferred Cash Grants, together with any other Restricted Payments made pursuant to Section 7.06(f) of the Credit Agreement, shall not exceed \$30,000,000 in the aggregate unless and until Borrower has repaid in full the principal amount of the Loans, including any Cash Exit Fee

Loans; (ii) the Lenders and the Administrative Agent hereby waive non-compliance with Section 7.13(b), if any, prior to the date hereof, which resulted or would result (absent this waiver) from the making of the Specified Deferred Cash Grants in accordance with the foregoing provisions of this Section 2, and (iii) effective from the date hereof Section 7.13(b) shall be deemed to be amended to permit the Specified Deferred Cash Grants in accordance with the foregoing provisions of this Section 2; and

(c) the waiver contained in this Waiver shall be effective only in this instance and for the specific purpose for which it was intended and shall not be deemed to be a consent to any other transaction or matter or waiver of compliance in the future, or a waiver of any preceding or succeeding breach of the same or any other covenant or provision of the Credit Agreement.

Section 3. Representations and Warranties. Each Loan Party, by signing below, hereby represents and warrants to the Administrative Agent and the Lenders that:

(a) they have the legal power and authority to execute and deliver this Waiver;

(b) the officers executing this Waiver on behalf of the Loan Parties have been duly authorized to execute and deliver the same and bind the Loan Parties with respect to the provisions hereof;

(c) immediately after giving effect to this Waiver, no Default or Event of Default exists under the Credit Agreement;

(d) this Waiver constitutes the legal, valid and binding agreement and obligation of the Loan Parties, enforceable against the Loan Parties in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles relating to enforceability (regardless of whether enforcement is sought in equity or at law); and

(e) each of the representations and warranties set forth in Section 5 of the Credit Agreement and in each other Loan Document is true and correct in all material respects (other than those representations and warranties that are expressly qualified by a Material Adverse Effect or other materiality, in which case such representations and warranties shall be true and correct in all respects) on and as of the date hereof after giving effect to this Waiver, except to the extent that any thereof expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (other than those representations and warranties that are expressly qualified by a Material Adverse Effect or other materiality, in which case such representations and warranties shall be true and correct in all respects) on and as of such earlier date.

Section 4. Miscellaneous.

4.1 Credit Agreement Unaffected. Each reference to the Credit Agreement in any Loan Document shall hereafter be construed as a reference to the Credit Agreement, as modified hereby. Except as herein otherwise specifically provided, all provisions of the Credit Agreement (as modified hereby) and the other Loan Documents shall remain in full force and effect and be unaffected hereby.

This Waiver shall constitute a "Loan Document" for all purposes under and pursuant to the Credit Agreement and the other Loan Documents.

4.2 Headings. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

4.3 Counterparts. This Waiver may be executed in any number of counterparts, by different parties hereto in separate counterparts and by facsimile signature or other electronic transmissions, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

4.4 Governing Law; Consent to Jurisdiction. The provisions of Sections 11.14 and 11.15 of the Credit Agreement shall be set forth herein *mutatis mutandis*.

4.5 Costs and Expenses. The out-of-pocket expenses incurred by the Administrative Agent or any Lender in connection with the preparation, negotiation, execution, delivery and administration of this Waiver shall be paid by the Borrower in accordance with Section 11.04(a) of the Credit Agreement.

4.6 Release. By signing below, each Loan Party hereby releases, remises, acquits and forever discharges the Administrative Agent, the Lenders and their respective employees, agents, representatives, consultants, attorneys, officers, directors, partners, fiduciaries, predecessors, successors and assigns, subsidiary corporations, parent corporations and related corporate divisions (collectively, the "Released Parties"), from any and all actions, causes of action, judgments, executions, suits, debts, claims, demands, liabilities, obligations, damages and expenses of any and every character, known or unknown, direct or indirect, at law or in equity, of whatever nature or kind, whether heretofore or hereafter arising, for or because of any manner of things done, omitted or suffered to be done by any of the Released Parties prior to and including the date of execution hereof, and in any way directly or indirectly arising out of any or in any way connected to this Waiver or any other Loan Document (collectively, the "Released Matters"). Each Loan Party hereby acknowledges that the agreements in this paragraph are intended to be in full satisfaction of all or any alleged injuries or damages arising in connection with the Released Matters. Each Loan Party hereby represents and warrants to the Administrative Agent and each Lender that it has not purported to transfer, assign or otherwise convey any right, title or interest of such Loan Party in any Released Matter to any other Person and that the foregoing constitutes a full and complete release of all Released Matters.

[Signature pages follow.]

IN WITNESS WHEREOF, this Waiver has been duly executed and delivered as of the date first above written.

ASHFORD HOSPITALITY TRUST, INC.

By: /s/ J. Robison Hays III
Name: J. Robison Hays III
Title: Chief Executive Officer

**ASHFORD OP GENERAL PARTNER LLC
ASHFORD OP LIMITED PARTNER LLC**

By: /s/ J. Robison Hays III
Name: J. Robison Hays III
Title: President and Chief Executive
Officer

ASHFORD HOSPITALITY LIMITED PARTNERSHIP

By: Ashford OP General Partner LLC, its general partner

By: /s/ Alex Rose
Name: Alex Rose
Title: Executive Vice President, General
Counsel and Secretary

[Signature Page to Limited Waiver]

ASHFORD A-3 MEZZ LLC
ASHFORD AA SENIOR MEZZ LLC
ASHFORD C-1 LLC
ASHFORD C-2 LLC
ASHFORD CHAMBERS GP LLC
ASHFORD CREDIT HOLDING LLC
ASHFORD D-3 MEZZ LLC
ASHFORD FIVE JUNIOR HOLDER LLC
ASHFORD FIVE JUNIOR MEZZ LLC
ASHFORD FIVE SENIOR MEZZ LLC
ASHFORD G-3 MEZZ LLC
ASHFORD IHC LLC
ASHFORD JUNIOR A LLC
ASHFORD JUNIOR B LLC
ASHFORD JUNIOR MI LLC
ASHFORD JUNIOR M2 LLC
ASHFORD LE PAVILLON SENIOR MEZZ LLC
ASHFORD POOL C2 JUNIOR HOLDER LLC
ASHFORD POOL C2 JUNIOR MEZZ LLC
ASHFORD POOL C2 SENIOR MEZZ LLC
ASHFORD SENIOR M1 LLC
ASHFORD SENIOR M2 LLC
ASHFORD TEN JUNIOR MEZZ LLC
ASHFORD TEN SENIOR MEZZ LLC
ASHFORD WQ HOTEL GP LLC
HH MEZZ BORROWER A-4 LLC
HH MEZZ BORROWER G-4 LLC
HH SWAP C LLC
HH SWAP C-1 LLC
HH SWAP F LLC
HH SWAP F-1 LLC
PIM HIGHLAND HOLDING LLC
RFS SPE 2000 LLC

By: /s/ Alex Rose

Name: Alex Rose

Title: Vice President and Secretary

ASHFORD TRS AA SENIOR MEZZ LLC
ASHFORD TRS ASHTON HOLDER LLC
ASHFORD TRS C-1 LLC ASHFORD TRS C-2 LLC
ASHFORD TRS CHAMBERS LLC
ASHFORD TRS FIVE JUNIOR HOLDER I LLC
ASHFORD TRS FIVE JUNIOR HOLDER II LLC
ASHFORD TRS FIVE JUNIOR HOLDER III LLC
ASHFORD TRS FIVE JUNIOR HOLDER IV LLC
ASHFORD TRS FIVE JUNIOR HOLDER V LLC
ASHFORD TRS FIVE JUNIOR MEZZ I LLC
ASHFORD TRS FIVE JUNIOR MEZZ II LLC
ASHFORD TRS FIVE JUNIOR MEZZ III LLC
ASHFORD TRS FIVE JUNIOR MEZZ IV LLC
ASHFORD TRS FIVE JUNIOR MEZZ V LLC
ASHFORD TRS FIVE SENIOR MEZZ I LLC
ASHFORD TRS FIVE SENIOR MEZZ II LLC
ASHFORD TRS FIVE SENIOR MEZZ III LLC
ASHFORD TRS FIVE SENIOR MEZZ IV LLC
ASHFORD TRS FIVE SENIOR MEZZ V LLC
ASHFORD TRS JUNIOR A LLC
ASHFORD TRS JUNIOR B LLC
ASHFORD TRS JUNIOR M1 LLC
ASHFORD TRS JUNIOR M2 LLC
ASHFORD TRS LE PA VILLON SENIOR MEZZ LLC
ASHFORD TRS POOL C2 JUNIOR HOLDER LLC
ASHFORD TRS POOL C2 JUNIOR MEZZ LLC
ASHFORD TRS POOL C2 SENIOR MEZZ LLC
ASHFORD TRS POOL C3 JUNIOR HOLDER LLC
ASHFORD TRS POOL C3 JUNIOR MEZZ LLC
ASHFORD TRS POOL C3 SENIOR MEZZ LLC
ASHFORD TRS SENIOR M1 LLC
ASHFORD TRS SENIOR M2 LLC
ASHFORD TRS TEN JUNIOR MEZZ LLC
ASHFORD TRS TEN SENIOR MEZZ LLC
ASHFORD TRS WQ LLC
HH MEZZ BORROWER D-2 LLC
HH MEZZ BORROWER D-4 LLC
AH TENANT CORPORATION
ASHFORD TRS CORPORATION
ASHFORD TRS VI CORPORATION
CRYSTAL CITY TENANT CORP.
LEE VISTA TENANT CORP.
SANTA CLARA TENANT CORP.

By: /s/ Deric S. Eubanks
Name: Deric S. Eubanks
Title: President and Secretary

ASHFORD CHAMBERS LP

By: **ASHFORD CHAMBERS GP LLC**,
its general partner

By: /s/ Alex Rose
Name: Alex Rose
Title: Vice President and Secretary

ASHFORD WQ HOTEL LP

By: **ASHFORD WQ HOTEL GP LLC**,
its general partner

By: /s/ Alex Rose
Name: Alex Rose
Title: Vice President and Secretary

ASHFORD WQ LICENSEE LLC

By: **ASHFORD TRS CORPORATION**,
its sole member

By: /s/ Deric S. Eubanks
Name: Deric S. Eubanks
Title: President

OPPS AHT HOLDINGS, LLC

By: Oaktree Fund GP, LLC, its Manager

By: Oaktree Fund GP I, L.P., its Managing Member

By: /s/ Jordan Mikes

Name: Jordan Mikes

Title: Authorized Signatory

By: /s/ Manish Desai

Name: Manish Desai

Title: Authorized Signatory

[Signature Page to Limited Waiver]

ROF8 AHT PT, LLC

By: /s/ Taejo Kim
Name: Taejo Kim
Title: Authorized Signatory

By: /s/ Cary Kleinman
Name: Cary Kleinman
Title: Authorized Signatory

[Signature Page to Limited Waiver]

OAKTREE PHOENIX INVESTMENT FUND AIF (DELAWARE), L.P.

By: Oaktree Fund AIF Series, L.P. – Series U, its General Partner

By: Oaktree Fund GP AIF, LLC, its General Partner

By: Oaktree Fund GP III, L.P., its Managing Member

By: /s/ Jordan Mikes

Name: Jordan Mikes

Title: Authorized Signatory

By: /s/ Steven Tesoriere

Name: Steven Tesoriere

Title: Authorized Signatory

[Signature Page to Limited Waiver]

OAKTREE FUND ADMINISTRATION, LLC, as
Administrative Agent
By: Oaktree Capital Management, L.P., its Managing Member

By: /s/ Henry Orren
Name: Henry Orren
Title: Vice President

By: /s/ Brian Price
Name: Brian Price
Title: Senior Vice President

[Signature Page to Limited Waiver]

SUBSIDIARIES LISTING AS OF DECEMBER 31, 2023

All the subsidiaries listed below are incorporated in Delaware except that Ashford Hospitality Trust, Inc. is incorporated in Maryland and 815 Commerce Construction Manager LLC is organized in Texas.

Ashford Hospitality Trust, Inc.
 815 Commerce Construction Manager LLC
 815 Commerce LLC
 815 Commerce Managing Member LLC
 815 Commerce Master Tenant LLC
 AH Tenant Corporation
 AHT SMA GP, LLC
 AHT SMA, LP
 AMM Borrower Parent LLC
 AMM Lessee Parent LLC
 Annapolis Hotel GP LLC
 Annapolis Maryland Hotel Limited Partnership
 APHM North Dallas – GP, LLC
 Ashford A-3 Mezz LLC
 Ashford AA Senior Mezz LLC
 Ashford Alexandria GP LLC
 Ashford Alexandria LP
 Ashford Alpharetta Limited Partnership
 Ashford Anchorage GP LLC
 Ashford Anchorage LP
 Ashford Ann Arbor GP LLC
 Ashford Ann Arbor LP
 Ashford Ashton GP LLC
 Ashford Ashton LP
 Ashford Atlanta Peachtree GP LLC
 Ashford Atlanta Peachtree LP
 Ashford Atlantic Beach GP LLC
 Ashford Atlantic Beach LP
 Ashford Austin GP LLC
 Ashford Austin LP
 Ashford Basking Ridge GP LLC
 Ashford Basking Ridge LP
 Ashford Beverly Hills GP LLC
 Ashford Bloomington GP LLC
 Ashford Bloomington LP
 Ashford Bridgewater GP LLC
 Ashford Bridgewater Hotel Partnership, LP
 Ashford Bucks County LLC
 Ashford Buford I LP
 Ashford Buford II LP
 Ashford BWI Airport GP LLC
 Ashford BWI Airport LP
 Ashford C-1 LLC

Ashford C-2 LLC
Ashford Chambers GP LLC
Ashford Chambers LP
Ashford Charlotte Limited Partnership
Ashford CM GP LLC
Ashford CM Partners LP
Ashford Coral Gables GP LLC
Ashford Coral Gables LP
Ashford Credit Holding LLC
Ashford Crystal City GP LLC
Ashford Crystal City Limited Partnership
Ashford Crystal City Partners LP
Ashford Crystal Gateway GP LLC
Ashford Crystal Gateway LP
Ashford D-3 Mezz LLC
Ashford Dallas GP LLC
Ashford Dallas LP
Ashford Downtown Atlanta GP LLC
Ashford Downtown Atlanta LP
Ashford Dulles GP LLC
Ashford Dulles LP
Ashford Durham I LLC
Ashford Eight General Partner LLC
Ashford Evansville I GP LLC
Ashford Evansville I LP
Ashford Evansville III GP LLC
Ashford Evansville III LP
Ashford Falls Church Limited Partnership
Ashford Five Junior Holder LLC
Ashford Five Junior Mezz LLC
Ashford Five Senior Mezz LLC
Ashford Flagstaff GP LLC
Ashford Flagstaff LP
Ashford Fort Tower I GP LLC
Ashford Foshay Senior Mezz LLC
Ashford Fremont GP LLC
Ashford Fremont LP
Ashford G-3 Mezz LLC
Ashford Gateway TRS Corporation
Ashford Hawthorne GP LLC
Ashford Hawthorne LP
Ashford Hospitality Finance General Partner LLC
Ashford Hospitality Finance LP
Ashford Hospitality Limited Partnership
Ashford Hospitality Servicing LLC
Ashford IHC LLC
Ashford IHC Partners, LP
Ashford Irvine Spectrum Foothill Ranch Limited Partnership
Ashford Jacksonville I GP LLC

Ashford Jacksonville I LP
Ashford Jacksonville IV GP LLC
Ashford Jacksonville IV LP
Ashford Junior A LLC
Ashford Junior B LLC
Ashford Junior C LLC
Ashford Junior D LLC
Ashford Junior E LLC
Ashford Junior F LLC
Ashford Junior M1 LLC
Ashford Junior M2 LLC
Ashford Kennesaw I LP
Ashford Kennesaw II LP
Ashford Lakeway GP LLC
Ashford Lakeway LP
Ashford Las Vegas GP LLC
Ashford Las Vegas LP
Ashford Lawrenceville LP
Ashford Le Pavillon GP LLC
Ashford Le Pavillon LP
Ashford Le Pavillon Senior Mezz LLC
Ashford Lee Vista GP LLC
Ashford Lee Vista Partners LP
Ashford LV Hughes Center GP LLC
Ashford LV Hughes Center LP
Ashford Manhattan Beach GP LLC
Ashford Manhattan Beach LP
Ashford Market Center GP LLC
Ashford Market Center LP
Ashford Memphis GP LLC
Ashford Memphis LP
Ashford Minneapolis Airport GP LLC
Ashford Minneapolis Airport LP
Ashford Mira Mesa San Diego Limited Partnership
Ashford MV San Diego GP LLC
Ashford MV San Diego LP
Ashford New York GP LLC
Ashford New York Junior Mezz LLC
Ashford New York LP
Ashford New York Senior Mezz LLC
Ashford Newark GP LLC
Ashford Newark LP
Ashford Oakland GP LLC
Ashford Oakland LP
Ashford OP General Partner LLC
Ashford OP Limited Partner LLC
Ashford Orlando Sea World Limited Partnership
Ashford Overland Park Limited Partnership
Ashford PH GP LLC

Ashford PH Partners LP
Ashford Philly GP LLC
Ashford Philly LP
Ashford Phoenix Airport GP LLC
Ashford Phoenix Airport LP
Ashford Plano-C GP LLC
Ashford Plano-C LP
Ashford Plano-R GP LLC
Ashford Plano-R LP
Ashford Plymouth Meeting GP LLC
Ashford Plymouth Meeting LP
Ashford Pool C1 Junior Holder LLC
Ashford Pool C1 Junior Mezz LLC
Ashford Pool C1 Senior Mezz LLC
Ashford Pool C2 GP LLC
Ashford Pool C2 Junior Holder LLC
Ashford Pool C2 Junior Mezz LLC
Ashford Pool C2 Senior Mezz LLC
Ashford Pool C3 GP LLC
Ashford Pool C3 Junior Holder LLC
Ashford Pool C3 Junior Mezz LLC
Ashford Pool C3 Senior Mezz LLC
Ashford Posada GP LLC
Ashford Posada LP
Ashford Raleigh Limited Partnership
Ashford RB Junior Mezz LLC
Ashford RB Senior Mezz LLC
Ashford Salt Lake Limited Partnership
Ashford San Jose GP LLC
Ashford San Jose LP
Ashford Santa Clara GP LLC
Ashford Santa Clara Partners LP
Ashford Santa Fe GP LLC
Ashford Santa Fe LP
Ashford Scotts Valley GP LLC
Ashford Scotts Valley LP
Ashford Scottsdale GP LLC
Ashford Scottsdale LP
Ashford Senior A LLC
Ashford Senior B LLC
Ashford Senior C LLC
Ashford Senior D LLC
Ashford Senior E LLC
Ashford Senior F LLC
Ashford Senior General Partner II LLC
Ashford Senior General Partner IV LLC
Ashford Senior M1 LLC
Ashford Senior M2 LLC
Ashford Six General Partner LLC

Ashford Ten Junior Mezz LLC
Ashford Ten Senior Mezz LLC
Ashford Tipton Lakes GP LLC
Ashford Tipton Lakes LP
Ashford TRS AA Senior Mezz LLC
Ashford TRS Alexandria LLC
Ashford TRS Anchorage LLC
Ashford TRS Ann Arbor LLC
Ashford TRS Annex LLC
Ashford TRS Ashton Holder LLC
Ashford TRS Ashton LLC
Ashford TRS Atlanta Peachtree LLC
Ashford TRS Atlantic Beach LLC
Ashford TRS Austin LLC
Ashford TRS Basking Ridge LLC
Ashford TRS Beverly Hills LLC
Ashford TRS Bloomington LLC
Ashford TRS Bridgewater LLC
Ashford TRS Bucks County LLC
Ashford TRS BWI Airport LLC
Ashford TRS C-1 LLC
Ashford TRS C-2 LLC
Ashford TRS Chambers LLC
Ashford TRS CM LLC
Ashford TRS Coral Gables LLC
Ashford TRS Corporation
Ashford TRS Crystal City LLC
Ashford TRS Dallas LLC
Ashford TRS Downtown Atlanta LLC
Ashford TRS Dulles LLC
Ashford TRS Durham I LLC
Ashford TRS Eight LLC
Ashford TRS Evansville I LLC
Ashford TRS Evansville III LLC
Ashford TRS Five Junior Holder I LLC
Ashford TRS Five Junior Holder II LLC
Ashford TRS Five Junior Holder III LLC
Ashford TRS Five Junior Holder IV LLC
Ashford TRS Five Junior Holder V LLC
Ashford TRS Five Junior Mezz I LLC
Ashford TRS Five Junior Mezz II LLC
Ashford TRS Five Junior Mezz III LLC
Ashford TRS Five Junior Mezz IV LLC
Ashford TRS Five Junior Mezz V LLC
Ashford TRS Five LLC
Ashford TRS Five Senior Mezz I LLC
Ashford TRS Five Senior Mezz II LLC
Ashford TRS Five Senior Mezz III LLC
Ashford TRS Five Senior Mezz IV LLC

Ashford TRS Five Senior Mezz V LLC

Ashford TRS Flagstaff LLC

Ashford TRS Fort Tower I LLC

Ashford TRS Foshay Senior Mezz LLC

Ashford TRS Fremont LLC

Ashford TRS Hawthorne LLC

Ashford TRS Investment Management GP LLC

Ashford TRS Investment Management LP

Ashford TRS Jacksonville I LLC

Ashford TRS Jacksonville IV LLC

Ashford TRS Junior A LLC

Ashford TRS Junior B LLC

Ashford TRS Junior C1 LLC

Ashford TRS Junior C2 LLC

Ashford TRS Junior D1 LLC

Ashford TRS Junior D2 LLC

Ashford TRS Junior E LLC

Ashford TRS Junior F LLC

Ashford TRS Junior M1 LLC

Ashford TRS Junior M2 LLC

Ashford TRS Lakeway LLC

Ashford TRS Las Vegas LLC

Ashford TRS Le Pavillon LLC

Ashford TRS Le Pavillon Senior Mezz LLC

Ashford TRS Lee Vista LLC

Ashford TRS Lessee II LLC

Ashford TRS Lessee IV LLC

Ashford TRS LV Hughes Center LLC

Ashford TRS Manhattan Beach LLC

Ashford TRS Marietta LLC

Ashford TRS Market Center LLC

Ashford TRS Memphis LLC

Ashford TRS Minneapolis Airport LLC

Ashford TRS MV San Diego LLC

Ashford TRS New York Holder LLC

Ashford TRS New York Junior Mezz LLC

Ashford TRS New York LLC

Ashford TRS New York Senior Mezz LLC

Ashford TRS Newark LLC

Ashford TRS Oakland LLC

Ashford TRS PH LLC

Ashford TRS Philly LLC

Ashford TRS Phoenix Airport LLC

Ashford TRS Plano-C LLC

Ashford TRS Plano-R LLC

Ashford TRS Plymouth Meeting LLC

Ashford TRS Pool C1 Junior Holder LLC

Ashford TRS Pool C1 Junior Mezz LLC

Ashford TRS Pool C1 Senior Mezz LLC

Ashford TRS Pool C2 Junior Holder LLC
Ashford TRS Pool C2 Junior Mezz LLC
Ashford TRS Pool C2 LLC
Ashford TRS Pool C2 Senior Mezz LLC
Ashford TRS Pool C3 Junior Holder LLC
Ashford TRS Pool C3 Junior Mezz LLC
Ashford TRS Pool C3 LLC
Ashford TRS Pool C3 Senior Mezz LLC
Ashford TRS Posada LLC
Ashford TRS RB Junior Mezz LLC
Ashford TRS RB Senior Mezz LLC
Ashford TRS San Jose LLC
Ashford TRS Santa Clara LLC
Ashford TRS Santa Fe LLC
Ashford TRS Scotts Valley LLC
Ashford TRS Scottsdale LLC
Ashford TRS Senior A LLC
Ashford TRS Senior B LLC
Ashford TRS Senior C1 LLC
Ashford TRS Senior C2 LLC
Ashford TRS Senior D1 LLC
Ashford TRS Senior D2 LLC
Ashford TRS Senior E LLC
Ashford TRS Senior F LLC
Ashford TRS Senior M1 LLC
Ashford TRS Senior M2 LLC
Ashford TRS Six LLC
Ashford TRS Ten Junior Mezz LLC
Ashford TRS Ten Senior Mezz LLC
Ashford TRS Tipton Lakes LLC
Ashford TRS VI Corporation
Ashford TRS VII Corporation
Ashford TRS Walnut Creek LLC
Ashford TRS WQ LLC
Ashford Walnut Creek GP LLC
Ashford Walnut Creek LP
Ashford WQ Hotel GP LLC
Ashford WQ Hotel LP
Ashford WQ Licensee LLC
Austin Embassy Beverage, Inc.
Bucks County Member LLC
Crystal City Tenant Corp.
CY Manchester Hotel Partners, LP
CY Manchester Tenant Corporation
CY-CIH Manchester Parent, LLC
HH Atlanta LLC
HH Austin Hotel Associates, L.P.
HH Baltimore LLC
HH Chicago LLC

HH Churchill Hotel Associates, L.P.

HH Denver LLC

HH DFW Hotel Associates, L.P.

HH FP Portfolio LLC

HH Gaithersburg LLC

HH LC Portfolio LLC

HH Melrose Hotel Associates, L.P.

HH Mezz Borrower A-2 LLC

HH Mezz Borrower A-4 LLC

HH Mezz Borrower D-1 LLC

HH Mezz Borrower D-2 LLC

HH Mezz Borrower D-4 LLC

HH Mezz Borrower G-2 LLC

HH Mezz Borrower G-4 LLC

HH Palm Springs LLC

HH Princeton LLC

HH Savannah LLC

HH Swap A LLC

HH Swap C LLC

HH Swap C-1 LLC

HH Swap D LLC

HH Swap F LLC

HH Swap F-1 LLC

HH Swap G LLC

HH Tampa Westshore LLC

HH Texas Hotel Associates, L.P.

HHC Texas GP LLC

HHC TRS Atlanta LLC

HHC TRS Austin LLC

HHC TRS Baltimore II LLC

HHC TRS Baltimore LLC

HHC TRS Chicago LLC

HHC TRS FP Portfolio LLC

HHC TRS Highland LLC

HHC TRS LC Portfolio LLC

HHC TRS Melrose LLC

HHC TRS Portsmouth LLC

HHC TRS Princeton LLC

HHC TRS Savannah LLC

HHC TRS Tampa LLC

Key West Florida Hotel Limited Partnership

Key West Hotel GP LLC

Lee Vista Tenant Corp.

Marietta Leasehold GP LLC

Marietta Leasehold L.P.

Minnetonka Hotel GP LLC

Minnetonka Minnesota Hotel Limited Partnership

New Beverly Hills Hotel Limited Partnership

New Clear Lake GP LLC

New Clear Lake Hotel Limited Partnership
 New Fort Tower I Hotel Limited Partnership
 New Fort Tower II Hotel Limited Partnership
 New Forth Tower II GP LLC
 New Houston GP LLC
 New Houston Hotel Limited Partnership
 New Indianapolis Downtown GP LLC
 New Indianapolis Downtown Hotel Limited Partnership
 Non-REIT GP LLC
 Palm Beach Florida Hotel and Office Building Limited Partnership
 Palm Beach GP LLC
 PIM Ashford Venture I, LLC
 PIM Boston Back Bay LLC
 PIM Highland Holding LLC
 PIM Nashville LLC
 PIM TRS Boston Back Bay LLC
 PIM TRS Nashville LLC
 REDUS SH ND, LLC
 RFS SPE 2000 LLC
 RI Manchester Hotel Partners, LP
 RI Manchester Tenant Corporation
 RI-CIH Manchester Parent, LLC
 Santa Clara Tenant Corp.
 St. Petersburg Florida Hotel Limited Partnership
 St. Petersburg Florida Land Limited Partnership
 St. Petersburg GP LLC
 St. Petersburg Land GP LLC
 Ashford Buford I LP
 Ashford Buford II LP
 Ashford Jacksonville IV GP LLC
 Ashford Jacksonville IV LP
 Ashford TRS Jacksonville IV LLC
 RI Manchester Holding LLC
 RI Manchester Hotel Partners, LP
 RI TRS Manchester Holding LLC
 RI TRS Manchester LLC
 RI-CIH Manchester Parent, LLC
 Stirling Buford I GP LLC
 Stirling Buford I Holding LLC
 Stirling Buford II GP LLC
 Stirling Buford II Holding LLC
 Stirling Jacksonville IV Holding LLC
 Stirling OP General Partner LLC
 Stirling OP Limited Partner LLC
 Stirling REIT Holdings LLC
 Stirling REIT OP, LP
 Stirling TRS Buford I Holding LLC
 Stirling TRS Buford I LLC
 Stirling TRS Buford II Holding LLC

Stirling TRS Buford II LLC

Stirling TRS Corporation

Stirling TRS Jacksonville IV Holding LLC

SPECIAL PURPOSE ENTITIES LIST AS OF DECEMBER 31, 2022

Annapolis Maryland Hotel Limited Partnership
Ashford Alpharetta Limited Partnership
Ashford Anchorage LP
Ashford Atlantic Beach LP
Ashford Austin LP
Ashford Basking Ridge LP
Ashford Bloomington LP
Ashford Bridgewater Hotel Partnership, LP
Ashford Bucks County LLC
Ashford Buford I LP
Ashford Buford II LP
Ashford BWI Airport LP
Ashford CM Partners LP
Ashford Coral Gables LP
Ashford Crystal City Partners LP
Ashford Crystal City Limited Partnership
Ashford Crystal Gateway LP
Ashford Dallas LP
Ashford Dulles LP
Ashford Durham I LLC
Ashford Evansville I LP
Ashford Evansville III LP
Ashford Falls Church Limited Partnership
Ashford Flagstaff LP
Ashford Irvine Spectrum Foothill Ranch Limited Partnership
Ashford Gateway TRS Corporation
Ashford Hawthorne LP
Ashford Jacksonville I LP
Ashford Jacksonville IV LP
Ashford Kennesaw I LP
Ashford Kennesaw II LP
Ashford Las Vegas LP
Ashford Lawrenceville LP
Ashford Lee Vista Partners LP
Ashford LV Hughes Center LP
Ashford Manhattan Beach LP
Ashford Market Center LP
Ashford Minneapolis Airport LP
Ashford Mira Mesa San Diego Limited Partnership
Ashford MV San Diego LP
Ashford Newark LP
Ashford Oakland LP

Ashford Orlando Sea World Limited Partnership
 Ashford Overland Park Limited Partnership
 Ashford Philly LP
 Ashford Phoenix Airport LP
 Ashford PH Partners LP
 Ashford Plano-C LP
 Ashford Plano-R LP
 Ashford Plymouth Meeting LP
 Ashford Salt Lake Limited Partnership
 Ashford San Jose LP
 Ashford Santa Clara Partners LP
 Ashford Santa Fe LP
 Ashford Scottsdale LP
 Ashford Tipton Lakes LP
 Ashford Walnut Creek LP
 CY Manchester Hotel Partners, LP
 Key West Florida Hotel Limited Partnership
 Minnetonka Minnesota Hotel Limited Partnership
 New Beverly Hills Hotel Limited Partnership
 New Clear Lake Hotel Limited Partnership
 New Fort Tower I Hotel Limited Partnership
 New Houston Hotel Limited Partnership
 New Indianapolis Downtown Hotel Limited Partnership
 Palm Beach Florida Hotel and Office Building Limited Partnership
 St. Petersburg Florida Hotel Limited Partnership
 Ashford TRS CM LLC
 Ashford TRS Crystal City LLC
 Ashford TRS Jacksonville IV LLC
 Ashford TRS Lee Vista LLC
 Ashford TRS Lessee II LLC
 Ashford TRS Lessee IV LLC
 Ashford TRS PH LLC
 Ashford TRS Santa Clara LLC
 CY Manchester Tenant Corporation
 Annapolis Hotel GP LLC
 Ashford Anchorage GP LLC
 Ashford CM GP LLC
 Ashford Crystal City GP LLC
 Ashford Crystal Gateway GP LLC
 Ashford Jacksonville IV GP LLC
 Ashford Lee Vista GP LLC
 Ashford Minneapolis Airport GP LLC
 Ashford MV San Diego GP LLC
 Ashford Philly GP LLC
 Ashford PH GP LLC

Ashford Santa Clara GP LLC
Ashford Senior General Partner II LLC
Ashford Senior General Partner IV LLC
Ashford Walnut Creek GP LLC
CY-CIH Manchester Parent LLC
Key West Hotel GP LLC
Minnetonka Hotel GP LLC
New Clear Lake GP LLC
New Houston GP LLC
New Indianapolis Downtown Hotel GP LLC
Palm Beach GP LLC
St. Petersburg GP LLC
Ashford Five Junior Mezz LLC
Ashford Five Senior Mezz LLC
Ashford Five Junior Holder LLC
Ashford TRS Five Junior Holder I LLC
Ashford TRS Five Junior Holder II LLC
Ashford TRS Five Junior Holder III LLC
Ashford TRS Five Junior Holder IV LLC
Ashford TRS Five Junior Holder V LLC
Ashford TRS Five Junior Mezz I LLC
Ashford TRS Five Junior Mezz II LLC
Ashford TRS Five Junior Mezz III LLC
Ashford TRS Five Junior Mezz IV LL
Ashford TRS Five Junior Mezz V LLC
Ashford TRS Five Senior Mezz I LLC
Ashford TRS Five Senior Mezz II LLC
Ashford TRS Five Senior Mezz III LLC
Ashford TRS Five Senior Mezz IV LLC
Ashford TRS Five Senior Mezz V LLC
Ashford TRS Five LLC
Santa Clara Tenant Corp.
Lee Vista Tenant Corp.
Crystal City Tenant Corp.
AH Tenant Corp.
Ashford Pool C2 Junior Holder LLC
Ashford Pool C2 Junior Mezz LLC
Ashford Pool C2 Senior Mezz LLC
Ashford Pool C2 GP LLC
Ashford TRS Pool C2 Junior Holder LLC
Ashford TRS Pool C2 Junior Mezz LLC
Ashford TRS Pool C2 Senior Mezz LLC
Ashford TRS Pool C2 LLC
Ashford Pool C3 Junior Holder LLC
Ashford Pool C3 Junior Mezz LLC

Ashford Pool C3 Senior Mezz LLC
Ashford Pool C3 GP LLC
Ashford TRS Pool C3 Junior Holder LLC
Ashford TRS Pool C3 Junior Mezz LLC
Ashford TRS Pool C3 Senior Mezz LLC
Ashford TRS Pool C3 LLC
RI-CIH Manchester Parent, LLC
RI Manchester Hotel Partners LP
RI Manchester Tenant Corporation
Ashford Ashton LP
Ashford Ashton GP LLC
Ashford TRS Ashton LLC
Ashford TRS Ashton Holder LLC
Ashford Fremont LP
Ashford Fremont GP LLC
Ashford TRS Fremont LLC
Ashford TRS Pool 1 LLC
Ashford Six General Partner LLC
Ashford TRS Six LLC
Ashford Lakeway LP
Ashford Lakeway GP LLC
Ashford TRS Lakeway LLC
Ashford Memphis GP LLC
Ashford Memphis LP
Ashford TRS Memphis LLC
HH Mezz Borrower A-4 LLC
Ashford A-3 Mezz LLC
HH Mezz Borrower A-2 LLC
HH Swap A LLC
HH Mezz Borrower G-4 LLC
Ashford G-3 Mezz LLC
HH Mezz Borrower G-2 LLC
HH Swap G LLC
HH Swap C-1 LLC
HH Swap C LLC
HH Swap F-1 LLC
HH Swap F LLC
HH Mezz Borrower D-4 LLC
Ashford D-3 Mezz LLC
HH Mezz Borrower D-2 LLC
HH Mezz Borrower D-1 LLC
HH Swap D LLC
Non-REIT GP LLC
HHC Texas GP LLC
HH FP Portfolio LLC

HH LC Portfolio LLC
HH Texas Hotel Associates, L.P.
HH Melrose Hotel Associates, L.P.
HH Churchill Hotel Associates, L.P.
HH Austin Hotel Associates, L.P.
HH DFW Hotel Associates, L.P.
HH Savannah LLC
HH Atlanta LLC
HH Gaithersburg LLC
HH Baltimore LLC
HH Chicago LLC
HH Palm Springs LLC
HH Tampa Westshore LLC
HH Princeton LLC
PIM Boston Back Bay LLC
PIM Nashville LLC
PIM TRS Nashville LLC
PIM TRS Boston Back Bay LLC
HHC TRS Princeton LLC
HHC TRS Savannah LLC
HHC TRS Atlanta LLC
HHC TRS FP Portfolio LLC
HHC TRS LC Portfolio LLC
HHC TRS Baltimore LLC
HHC TRS Baltimore II LLC
HHC TRS Melrose LLC
HHC TRS Highland LLC
HHC TRS Chicago LLC
HHC TRS Austin LLC
HHC TRS Portsmouth LLC
HHC TRS Tampa LLC
Ashford Le Pavillon Senior Mezz LLC
Ashford Le Pavillon GP LLC
Ashford Le Pavillon LP
Ashford TRS Le Pavillon Senior Mezz LLC
Ashford TRS Le Pavillon LLC
Ashford Downtown Atlanta LP
Ashford Downtown Atlanta GP LLC
Ashford TRS Downtown Atlanta LLC
Ashford Atlanta Peachtree LP
Ashford Atlanta Peachtree GP LLC
Ashford TRS Atlanta Peachtree LLC
Ashford Foshay Senior Mezz LLC
Ashford TRS Foshay Senior Mezz LLC
Ashford Ten Senior Mezz LLC

Ashford Ten Junior Mezz LLC
Ashford TRS Ten Senior Mezz LLC
Ashford TRS Ten Junior Mezz LLC
Ashford Bloomington GP LLC
Ashford Evansville I GP LLC
Ashford Evansville III GP LLC
Ashford Jacksonville I GP LLC
Ashford TRS Bloomington LLC
Ashford TRS Evansville I LLC
Ashford TRS Evansville III LLC
Ashford TRS Jacksonville I LLC
Ashford Senior M1 LLC
Ashford Junior M1 LLC
Ashford TRS Senior M1 LLC
Ashford TRS Junior M1 LLC
Ashford Austin GP LLC
Ashford Dallas GP LLC
Ashford Las Vegas GP LLC
Ashford TRS Austin LLC
Ashford TRS Dallas LLC
Ashford TRS Las Vegas LLC
Ashford Senior M2 LLC
Ashford Junior M2 LLC
Ashford TRS Senior M2 LLC
Ashford TRS Junior M2 LLC
Ashford Senior A LLC
Ashford Junior A LLC
Ashford TRS Senior A LLC
Ashford TRS Junior A LLC
Ashford TRS Tipton Lakes LLC
Ashford TRS Scottsdale LLC
Ashford TRS Phoenix Airport LLC
Ashford TRS Hawthorne LLC
Ashford TRS Plymouth Meeting LLC
Ashford TRS LV Hughes Center LLC
Ashford TRS San Jose LLC
Ashford Tipton Lakes GP LLC
Ashford Scottsdale GP LLC
Ashford Phoenix Airport GP LLC
Ashford Hawthorne GP LLC
Ashford Plymouth Meeting GP LLC
Ashford LV Hughes Center GP LLC
Ashford San Jose GP LLC
Ashford Senior B LLC
Ashford Junior B LLC

Ashford TRS Senior B LLC
Ashford TRS Junior B LLC
Ashford TRS Newark LLC
Ashford TRS BWI Airport LLC
Ashford TRS Oakland LLC
Ashford TRS Plano-C LLC
Ashford TRS Plano-R LLC
Ashford TRS Manhattan Beach LLC
Ashford TRS Basking Ridge LLC
Ashford Newark GP LLC
Ashford BWI Airport GP LLC
Ashford Oakland GP LLC
Ashford Plano-C GP LLC
Ashford Plano-R GP LLC
Ashford Manhattan Beach GP LLC
Ashford Basking Ridge GP LLC
Ashford Senior C LLC
Ashford Junior C LLC
Ashford TRS Senior C1 LLC
Ashford TRS Junior C1 LLC
Ashford TRS Senior C2 LLC
Ashford TRS Junior C2 LLC
Ashford Fort Tower I GP LLC
Ashford Coral Gables GP LLC
Ashford TRS MV San Diego LLC
Ashford TRS Bucks County LLC
Ashford TRS Minneapolis Airport LLC
Ashford TRS Fort Tower I LLC
Ashford TRS Coral Gables LLC
Ashford Senior D LLC
Ashford Junior D LLC
Ashford TRS Senior D1 LLC
Ashford TRS Junior D1 LLC
Ashford TRS Senior D2 LLC
Ashford TRS Junior D2 LLC
Ashford TRS Dulles LLC
Ashford TRS Santa Fe LLC
Ashford TRS Market Center LLC
Ashford TRS Beverly Hills LLC
Ashford TRS Atlantic Beach LLC
Ashford Dulles GP LLC
Ashford Santa Fe GP LLC
Ashford Market Center GP LLC
Ashford Beverly Hills GP LLC
Ashford Atlantic Beach GP LLC

Ashford Senior E LLC
Ashford Junior E LLC
Ashford TRS Senior E LLC
Ashford TRS Junior E LLC
Ashford TRS Philly LLC
Ashford TRS Anchorage LLC
Ashford Senior F LLC
Ashford Junior F LLC
Ashford TRS Senior F LLC
Ashford TRS Junior F LLC
Ashford TRS Flagstaff LLC
Ashford TRS Walnut Creek LLC
Ashford TRS Bridgewater LLC
Ashford TRS Durham I LLC
Ashford Flagstaff GP LLC
Ashford Bridgewater GP LLC
Ashford Alexandria LP
Ashford Alexandria GP LLC
Ashford TRS Alexandria LLC
Ashford Posada LP
Ashford Posada GP LLC
Ashford TRS Posada LLC
Ashford Scotts Valley GP LLC
Ashford Scotts Valley LP
Ashford TRS Scotts Valley LLC
Ashford C-1 LLC
Ashford C-2 LLC
Ashford TRS C-1 LLC
Ashford TRS C-2 LLC
Ashford TRS Annex LLC
815 Commerce LLC
815 Commerce Managing Member LLC
815 Commerce Master Tenant LLC
815 Commerce Construction Manager LLC
Ashford TRS Marietta LLC
Marietta Leasehold LP
Marietta Leasehold GP LLC
Stirling Jacksonville IV Holding LLC
Ashford Jacksonville IV GP LLC
Ashford Jacksonville IV LP
RI Manchester Holding LLC
RI-CIH Manchester Parent, LLC
RI Manchester Hotel Partners, LP
Stirling Buford I Holding LLC
Stirling Buford I GP LLC

Ashford Buford I LP

Stirling Buford II Holding LLC

Stirling Buford II GP LLC

Ashford Buford II LP

Stirling TRS Buford I Holding LLC

Stirling TRS Buford I LLC

Stirling TRS Buford II Holding LLC

Stirling TRS Buford II LLC

RI TRS Manchester Holding LLC

RI TRS Manchester LLC

Stirling TRS Jacksonville IV Holding LLC

Ashford TRS Jacksonville IV LLC

Consent of Independent Registered Public Accounting Firm

Ashford Hospitality Trust, Inc.
Dallas, Texas

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-263323, 333-263150, 333-263278, 333-263265, 333-118746 and 333-125423) and Form S-8 (Nos. 333-271977, 333-264868, 333-256037, 333-164428, 333-174448, 333-108335, 333-132440, 333-202729 and 333-218887) of Ashford Hospitality Trust, Inc. (the "Company") of our reports dated March 14, 2024, relating to the consolidated financial statements and financial statement schedule, and the effectiveness of the Company's internal control over financial reporting, which appear in this Annual Report on Form 10-K.

/s/ BDO USA, P.C.

Dallas, Texas
March 14, 2024

CERTIFICATION

I, J. Robison Hays, III, certify that:

1. I have reviewed this Annual Report on Form 10-K of Ashford Hospitality Trust, Inc.;
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 officers 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 officers 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: March 14, 2024

/s/ J. ROBISON HAYS, III

J. Robison Hays, III

President and Chief Executive Officer

CERTIFICATION

I, Deric S. Eubanks, certify that:

1. I have reviewed this Annual Report on Form 10-K of Ashford Hospitality Trust, Inc.;
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 officers 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 officers 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: March 14, 2024

/s/ DERIC S. EUBANKS

Deric S. Eubanks

Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Ashford Hospitality Trust, Inc. (the "Company") on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, J. Robison Hays, III, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 14, 2024

/s/ J. ROBISON HAYS, III

J. Robison Hays, III

President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Ashford Hospitality Trust, Inc. (the "Company") on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Deric S. Eubanks, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 14, 2024

/s/ DERIC S. EUBANKS

Deric S. Eubanks

Chief Financial Officer

Ashford Hospitality Trust, Inc.**Policy on Recoupment of Incentive Compensation**

(Effective October 2, 2023)

This policy ("Policy") sets forth the terms and conditions under which Ashford Hospitality Trust, Inc. (the "Company") will seek reimbursement of certain incentive compensation paid or payable to certain current or former executive officers of the Company. This Policy as amended and restated herein substitutes for the Company's existing Policy on Recoupment of Incentive Compensation and, subject to Part A(vi) of this Policy, shall become effective October 2, 2023 (the "Effective Date"). Clause (vii) of Part A below defines certain capitalized terms that are used but not otherwise defined in this Policy.

A. Required Recoupment

(i) Except as provided in below in this Policy, the Company will recover reasonably promptly the amount of erroneously awarded Incentive-Based Compensation ("Erroneously Awarded Compensation") in the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

(ii) This Policy applies only to Incentive-Based Compensation that is Received by an individual: (a) after beginning service as an Executive Officer; (b) who served as an Executive Officer at any time during the performance period for the applicable Incentive-Based Compensation; and (c) during the three completed fiscal years immediately preceding the date that the Company is required to prepare an accounting restatement described in clause (i) above (together with any transition period resulting from a change in the Company's fiscal year within or immediately following those three completed fiscal years, provided that any transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months shall be deemed a completed fiscal year), regardless whether or when the restated financial statements are filed.

(iii) For purposes of this Policy, Erroneously Awarded Compensation is the amount of Incentive-Based Compensation that is Received that exceeds the amount of Incentive-Based Compensation that otherwise would have been Received had it been determined based on the restated amounts, computed without regard to any taxes paid. For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an accounting restatement, the amount shall be based on a reasonable estimate of the effect of the accounting restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received, and the Company shall maintain documentation of that reasonable estimate and provide such documentation to the New York Stock Exchange (the "Exchange").

(iv) For purposes of this Policy, the date that the Company is required to prepare an accounting restatement as described in clause (i) above is the earlier to occur of: (a) the date the Board of Directors of the Company (the "Board"), a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an accounting restatement as described in clause (i) above; or (b) the date a court, regulator, or other legally authorized body directs the Company to prepare an accounting restatement as described in clause (i) above.

(v) The requirements of clause (i) above shall not apply if the Compensation Committee of the Board (the “Compensation Committee”) or a majority of the independent directors serving on the Board determine that recovery would be impracticable in any of the following circumstances: (a) the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered, provided the Company has made a reasonable attempt to recover such Erroneously Awarded Compensation, has documented such reasonable attempt(s) to recover, and has provided that documentation to the Exchange; (b) recovery would violate home country law where that law was adopted prior to November 28, 2022, provided that the Company has obtained an opinion of home country counsel, acceptable to the Exchange, that recovery would result in such a violation and has provided such opinion to the Exchange; or (c) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company or its subsidiaries, to fail to meet the requirements of 26 U.S.C. Section 401(a)(13) or 26 U.S.C. Section 411(a) and regulations thereunder.

(vi) This Policy as amended and restated herein shall apply to all Incentive-Based Compensation that is Received by Executive Officers on or after the Effective Date that results from attainment of a Financial Reporting Measure based on or derived from financial information for any fiscal period ending on or after the Effective Date. The Company’s Policy on Recoupment of Incentive Compensation as in effect immediately before the Effective Date shall continue to apply pursuant to its terms then in effect with respect to all other compensation subject to such policy as then in effect.

(vii) For purposes of this Policy, the following italicized terms shall have the meaning indicated:

“*Executive Officer*” means (a) the Company’s president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer of the Company or its subsidiaries who performs a significant policy-making function for the Company, or any other person who performs significant policy-making functions for the Company and in any event (b) any individual identified as an executive officer of the Company pursuant to 17 C.F.R. Section 229.401(b).

“*Financial Reporting Measures*” means measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, any measures that are derived wholly or in part from such measures, and stock price and total shareholder return, regardless whether such measures are presented within the Company’s financial statements or included in a filing with the Securities and Exchange Commission.

“*Incentive-Based Compensation*” means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

Incentive-Based Compensation is deemed “*Received*” in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of Incentive-Based Compensation occurs after the end of that period.

(viii) This Policy shall be applied in a manner that is consistent with and does not cause a violation of, and shall be deemed to incorporate any provisions required to make it compliant with, applicable Exchange listing standards.

B. Miscellaneous

(i) The Company may, to the extent permitted by law, enforce all or part of an Executive Officer's repayment obligation under this Policy by any available means.

(ii) Except as provided in Part A(v) of this Policy, this Policy shall be administered and enforced by the Compensation Committee, except to the extent the Board shall designate another committee comprising exclusively independent directors or itself shall act (the Compensation Committee, such other committee or the Board, as applicable, the "Administrator"). The Administrator shall have full and final authority to make all determinations required under this Policy, and its decision as to all questions of interpretation and application of the Policy shall be final, binding and conclusive on all persons.

(iii) The recoupment of Incentive-Based Compensation under this Policy is in addition to any other right or remedy available to the Company. Without limiting the preceding sentence, this Policy is separate from and in addition to the requirements of Section 304 of the Sarbanes-Oxley Act of 2002 ("Section 304") that are applicable to the Company's Chief Executive Officer and Chief Financial Officer, and the Administrator shall consider any amounts paid to the Company by the Chief Executive Officer and Chief Financial Officer pursuant to Section 304 in determining any amount of Incentive-Based Compensation to recoup under this Policy.

(iv) The Company shall not indemnify an Executive Officer or any other person against the loss of Incentive-Based Compensation recouped pursuant to this Policy.

(v) This Policy may be amended at any time by the Administrator.