Risk Factors Comparison 2025-03-21 to 2024-03-14 Form: 10-K

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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 **and changes to tariffs or trade policies** ; • 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, **tariffs and trade barriers,** 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 **. President Trump has indicated that his administration is likely to impose significant tariffs on imported goods. The imposition of such tariffs may strain international trade relations and increase the risk that foreign governments implement retaliatory tariffs on goods imported from the United States** . 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. **If** ~~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~~ **our** ~~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~~ **2024** . 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~~ **2024** . 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~~ **2025** . 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~~ **2024**, the Company had a deficit in stockholders' equity of approximately $ ~~345~~ **419**. ~~9~~ **2** 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~~ **2024** , we have entered into management agreements with Remington Hospitality, a subsidiary of Ashford Inc., to manage ~~61~~ **50** of our ~~90~~ **69** 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

and ~~, but we have not identified~~ -- **notified** ~~that any customer information was exposed~~ **potentially impacted individuals pursuant to applicable state guidelines** . 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~~ **2024** , our outstanding indebtedness ~~consists~~ **consisted** of ~~our $ 183. 1 million senior secured credit facility and~~ approximately $ ~~3.~~ 2 **. 7** billion in property- level debt, including approximately $ ~~3~~ **2** . ~~1~~ **5** 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~~ **2024** , our outstanding indebtedness ~~consists~~ **consisted** of ~~our $ 183. 1 million senior secured credit facility and~~ approximately $ ~~3.~~ 2 **. 7** billion in property- level debt, including approximately $ ~~3~~ **2** . ~~1~~ **5** 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~~ **2024** , ~~26~~ **12** 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~~ **2024** , approximately ~~12~~ **15** % 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~~ **2024**, Remington Hospitality managed ~~61~~ **50** of our ~~90~~ **69** 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~~ **2024**, holds a controlling interest in Ashford Inc. As of December 31, ~~2023~~ **2024**, the Bennetts owned approximately ~~610~~ **809**, ~~261~~ **937** shares of Ashford Inc. common stock, which represented an approximate ~~19~~ **46**. ~~0~~ **6** % 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~~ **395**, ~~668~~ **281** shares of Ashford Inc. common stock, which if converted as of December 31, ~~2023~~ **2024**, would have increased the Bennetts' ownership interest in Ashford Inc. to ~~65~~ **84**. ~~0~~ **9** %. 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 property 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 flooridor 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 protections 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. 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~~ **395** , 000, 000 shares of common stock and ~~50~~ **55** , 000, 000 shares of preferred stock. As of March ~~12~~ **19** , ~~2024~~ **2025** , we had ~~39~~ **5** , ~~625~~ **775** , ~~211~~ **167** shares of our common stock issued and outstanding, 1, ~~159~~ **111** , ~~927~~ **127** shares of our Series D Cumulative Preferred Stock, 1, ~~114~~ **037** , ~~344~~ **044** shares of our Series F Cumulative Preferred Stock, 1, ~~531~~ **470** , ~~996~~ **948** shares of our Series G Cumulative Preferred Stock, 1, ~~099~~ **037** , ~~325~~ **956** shares of our Series H Cumulative Preferred Stock, and 1, ~~148~~ **034** , ~~923~~ **303** shares of our Series I Cumulative Preferred Stock, ~~4~~ **7** , ~~084~~ **423** , ~~397~~ **351** shares of our Series J Redeemable Preferred ~~stock~~ **Stock** and ~~240~~ **683** , ~~353~~ **028** shares of our Series K Redeemable Preferred Stock. **As of March 19, 2025, no shares of our Series L Redeemable Preferred Stock or our Series M Redeemable Preferred Stock are issued and outstanding.** Accordingly, we may issue up to an additional ~~360~~ **389** , ~~374~~ **224** , ~~789~~ **833** shares of common stock and ~~39~~ **41** , ~~620~~ **202** , ~~735~~ **243** 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~~ **SEC**

regulations limit the funds we can raise during 12 months under a shelf registration statement on Form S- 3. As ~~off - our strategic financing~~ **of the filing of this Annual Report on Form 10- K, we are subject to General Instruction I. B. 6, Form S- 3 (the " Baby Shelf Rule "). Under the Baby Shelf Rule, the amount of funds we can raise through primary public securities offerings in any 12 months using a registration statement on Form S- 3** is ~~subject~~ **limited** to ~~various risks and uncertainties and may not be completed on~~ **one - third** ~~the terms or timeline currently contemplated, if at all. We recently provided an update on a plan to pay off -~~ **of the aggregate market value** ~~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~~ **the shares of our common stock held by** non- ~~traded preferred capital raising; however~~ **affiliates. Therefore, if we sell securities from a Form S- 3 registration statement, we may be limited in the proceeds we can raise by selling shares of our common stock using a shelf registration statement on Form S- 3 until our public float exceeds $ 75 million. The number of securities we may sell under a Form S- 3 shelf registration statement may also change over time. Even if sufficient funding is available in the future** , there can be no assurance **that it** ~~of the terms, timing or structure of any future transaction involving such assets, whether we~~ will be **available** ~~able to identify buyers for the assets~~ on ~~favorable~~ terms **acceptable** ~~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~~