ASHFORD HOSPITALITY TRUST INC
Form 424B5
February 02, 2015

CALCULATION OF REGISTRATION FEE[(1)]

Title of Each Class of Securities to be Registered	Amount to be Registered(2)	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount Of Registration Fee(3)
Common Stock, $0.01 par value per share	10,925,000	$10.65	$116,351,250	$13,520.02

(1) *This "Calculation of Registration Fee" table shall be deemed to update the "Calculation of Registration Fee" table in Registration Statement on Form S-3 of Ashford Hospitality Trust, Inc. (File No. 333-181499) in accordance with Rules 456(b) and 457(r) under the Securities Act of 1933.*

(2) *Includes 1,425,000 shares of Common Stock, par value $0.01 per share, that may be purchased by the underwriter upon exercise of the underwriter's option to purchase additional shares.*

(3) *Calculated in accordance with Rule 457(r) under the Securities Act of 1933.*

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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-181499

PROSPECTUS Supplement
(To Prospectus Dated May 17, 2012)

9,500,000 Shares

Common Stock

Ashford Hospitality Trust, Inc. is offering 9,500,000 shares of our common stock, $0.01 par value per share, by this prospectus supplement and the accompanying prospectus.

Our common stock is subject to certain restrictions on ownership designed to preserve our qualification as a real estate investment trust for federal income tax purposes. See "Description of our Capital Stock Restrictions on Ownership and Transfer" on page 4 of the accompanying prospectus.

Our common stock is listed on the New York Stock Exchange under the symbol "AHT." On January 29, 2015, the last reported sale price of our common stock was $10.95 per share.

Investing in our common stock involves a high degree of risk. Before buying any shares, you should read the discussion of material risks of investing in our common stock in "Risk Factors" beginning on page S-9 of this prospectus supplement and page 11 of our Annual Report on Form 10-K for the year ended December 31, 2013, as updated in our subsequent Quarterly Reports on Form 10-Q.

	Per Share	Total[(1)]
Public offering price	$ 10.6500	$ 101,175,000
Underwriting discount	$ 0.0997	$ 947,150
Proceeds, before expenses, to us	$ 10.5503	$ 100,227,850

(1) Assumes no exercise of the underwriter's option to purchase additional shares.

The underwriter may also exercise its option to purchase up to an additional 1,425,000 shares from us, at the public offering price, less the underwriting discount, for 30 days after the date of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state or other securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation

to the contrary is a criminal offense.

The shares will be ready for delivery on or about February 4, 2015.

Baird

The date of this prospectus supplement is January 30, 2015

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You should rely only on the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus in making a decision about whether to invest in our common stock. We have not, and the underwriter has not, authorized anyone to provide you with different or additional information. We take no responsibility for, and can provide no assurance as to the reliability of, any different or inconsistent information. We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents and information incorporated by reference is only accurate as of the respective dates which are specified in those documents or that information. Our business, financial condition, results of operations and prospects may have changed since those dates.

All references to "we," "our," "us" and "Ashford Trust" in this prospectus supplement mean Ashford Hospitality Trust, Inc. and all entities owned or controlled by Ashford Hospitality Trust, Inc., except where it is made clear that the term means only the parent company. The term "you" refers to a prospective investor.

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PROSPECTUS SUPPLEMENT SUMMARY

The following summary highlights information contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. It may not contain all of the information that is important to you. Before making a decision to invest in our common stock, you should read carefully this entire prospectus supplement and the accompanying prospectus, including the section entitled "Risk Factors" beginning on page S-9 of this prospectus supplement, as well as the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. This summary is qualified in its entirety by the more detailed information and financial statements, including the notes thereto, appearing elsewhere or incorporated by reference into this prospectus supplement and the accompanying prospectus.

The Company

General

We are a Maryland corporation that was formed in May 2003 and, together with our subsidiaries, are focused on investing in the hospitality industry in all methods including direct real estate, securities, equity and debt. We are externally advised by Ashford Inc. (NYSE MKT: AINC) and we own our lodging investments and conduct our business through Ashford Hospitality Limited Partnership, our operating partnership. As of September 30, 2014, we owned interests in the following hotel properties (all located in the United States) and a note receivable:

88 consolidated hotel properties ("legacy hotel properties"), including 86 directly owned and two owned through a majority-owned investment in a consolidated entity, which represent 17,291 total rooms (or 17,264 net rooms excluding those attributable to our partners);

28 hotel properties owned through a 71.74% common equity interest and a 50.0% preferred equity interest in an unconsolidated joint venture ("PIM Highland JV"), which represent 8,084 total rooms (or 5,799 net rooms excluding those attributable to our partner); however, as discussed in "Recent Developments PIM Highland JV Acquisition" below, we have agreed to purchase our joint venture partner's interest in these hotels with a portion of the net proceeds of this offering, resulting in our 100% ownership interests in these assets;

10 hotel properties owned through a 14.4% interest in Ashford Hospitality Prime Limited Partnership ("Ashford Prime OP");

88 hotel condominium units at WorldQuest Resort in Orlando, Florida; and

a mezzanine loan with a carrying value of $3.5 million.

Our current key priorities and financial strategies include, among other things, acquisition of additional hospitality investments, which may include direct hotel acquisitions, joint venture investments, securities and debt investments, opportunistic disposition of hotel properties, implementing effective asset management strategies to minimize operating costs and increase revenues, pursuing capital market activities to enhance long-term stockholder value, implementing selective capital improvements designed to increase profitability, and financing or refinancing hotels on competitive terms. We believe that as supply, demand, and capital market cycles change, we will be able to shift our investment strategies to take advantage of new lodging-related investment opportunities as they may develop. As the business cycle changes and the hotel markets improve, we intend to continue to invest in a variety of lodging-related assets based upon our evaluation of diverse market conditions including our cost of capital and the expected returns from those investments.

For federal income tax purposes, we have elected to be treated as a real estate investment trust ("REIT"), which imposes limitations related to operating hotels. As of September 30, 2014, our 88 legacy hotel properties were leased or owned by our wholly owned subsidiaries that are

treated as taxable REIT subsidiaries for federal income tax purposes (collectively, these subsidiaries are referred to as "Ashford TRS"). Ashford TRS then engages hotel management

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companies that qualify as "eligible independent contractors" to operate the hotels under management contracts. Hotel operating results related to these properties are included in the consolidated statements of operations. As of September 30, 2014, the 28 hotel properties owned by our unconsolidated joint venture, PIM Highland JV, are leased to its wholly owned subsidiary that is treated as a taxable REIT subsidiary for federal income tax purposes.

As of September 30, 2014, Remington Lodging & Hospitality, LLC, (together with its affiliates, "Remington"), which is beneficially wholly owned by Mr. Monty J. Bennett, our Chairman and Chief Executive Officer, and Mr. Archie Bennett, Jr., our Chairman Emeritus, managed 55 of our 88 legacy hotel properties, 21 of the 28 PIM Highland JV hotel properties, one of the 10 Ashford Prime OP hotel properties and the WorldQuest Resort. Third-party management companies managed the remaining hotel properties.

Our principal executive offices are located at 14185 Dallas Parkway, Suite 1100, Dallas, Texas 75254. Our telephone number is (972) 490-9600. Our website is www.ahtreit.com. The contents of our website are not a part of this prospectus supplement or the accompanying prospectus. Shares of our common stock are traded on the New York Stock Exchange (the "NYSE") under the symbol "AHT."

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RECENT DEVELOPMENTS

Development of a Select-Service Hotel Platform

We have formed Ashford Hospitality Select, Inc. ("Ashford Select"), a new privately-held company dedicated to investing primarily in existing premium branded, upscale and upper-midscale, select-service hotels, including extended stay hotels, in the United States. Ashford Select is expected to launch in the first half of 2015. Upon launch, we intend to contribute to Ashford Select a high-quality, geographically diverse portfolio of 16 hotels, located in ten states, comprised of 2,560 total guestrooms and operated under upscale premium brands affiliated with Marriott International, Inc. (the "Initial Ashford Select Properties"). We expect that Ashford Select will be externally advised by our advisor, Ashford Inc.

We intend to contribute (the "Contribution") the Initial Ashford Select Properties to Ashford Select pursuant to a contribution agreement. The estimated valuation of the Initial Ashford Select Properties, based solely on preliminary broker opinions of value from two nationally recognized hotel brokerage firms, is approximately $331 million. This estimated valuation is subject to change. We expect the consideration for our contribution of the Initial Ashford Select Properties to be determined based on two or more final broker opinions of value and other factors deemed relevant by a special committee of our independent directors, which will negotiate and approve the final transaction terms and contribution consideration. We expect the consideration to be payable through Ashford Select's assumption of approximately $232.6 million of aggregate non-recourse property level debt related to the Initial Ashford Select Properties (net of the balance attributable to the 15% ownership in two properties by our joint venture partner), with the balance of the consideration payable in a combination of cash and/or equity interests in Ashford Select. We do not intend to make any cash contributions to Ashford Select, although in the future we may contribute additional select-service hotels, as described below, in exchange for cash, equity interests in Ashford Select, assumption of debt or a combination of such consideration. We cannot assure you that the Contribution will occur because it is subject to the negotiation of definitive agreements (including the contribution agreement), Ashford Select's ability to obtain adequate debt or equity financing the receipt of all necessary third-party consents (including lender consents), the final approval of the special committee of our independent directors and other customary closing conditions.

The Initial Ashford Select Properties that we intend to contribute to Ashford Select are as follows:

Hotel	Location	Manager	Number of Rooms	% Owned
Courtyard	Palm Desert, CA	Remington	151	100%
Residence Inn	Palm Desert, CA	Remington	130	100%
Residence Inn	Manchester, CT	Interstate	96	85%
Courtyard	Manchester, CT	Interstate	90	85%
Residence Inn	Jacksonville, FL	Remington	120	100%
Residence Inn	Lake Buena Vista, FL	Remington	210	100%
Courtyard	Ft. Lauderdale, FL	Marriott	174	100%
Residence Inn	Orlando (Sea World), FL	Marriott	350	100%
Courtyard	Columbus, IN	Remington	90	100%
Courtyard	Overland Park, KS	Marriott	168	100%
Courtyard	Louisville, KY	Remington	150	100%
SpringHill Suites	Gaithersburg, MD	Marriott	162	100%
SpringHill Suites	Linthicum (BWI Airport), MD	Remington	133	100%
Residence Inn	Las Vegas, NV	Marriott	256	100%
Residence Inn	Salt Lake City, UT	Marriott	144	100%
SpringHill Suites	Centreville, VA	Marriott	136	100%
Total			**2,560**	

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We also expect to enter into a right of first offer and option agreement with Ashford Select for the following 41 hotels currently owned by us:

Hotel	Location	Manager	Number of Rooms	% Owned
Alpharetta Courtyard Atlanta	GA	Marriott	154	100%
Arlington Courtyard Crystal City Reagan Airport	VA	Marriott	272	100%
Atlanta Residence Inn Buckhead Lenox Park	GA	Remington	150	100%
Austin Hilton Garden Inn Downtown	TX	Remington	254	72%*
Basking Ridge Courtyard	NJ	Marriott	235	100%
Bloomington Courtyard	IN	Remington	117	100%
Buford Hampton Inn I Mall of Georgia	GA	Remington	92	100%
Buford SpringHill Suites II Mall of Georgia	GA	Remington	96	100%
BWI Airport Hilton Garden Inn Linthicum	MD	Remington	158	72%*
Charlotte SpringHill Suites Univ Research Pk	NC	Marriott	136	100%
Denver Courtyard Airport	CO	Marriott	202	72%*
Durham SpringHill Suites Raleigh Airport	NC	Marriott	120	100%
Edison Courtyard Woodbridge	NJ	Remington	146	100%
Evansville Hampton Inn I	IN	Remington	141	100%
Evansville Residence Inn III East	IN	Remington	78	100%
Falls Church Residence Inn Merrifield	VA	Marriott	159	100%
Foothill Ranch Courtyard Irvine Spectrum	CA	Marriott	156	100%
Gaithersburg Courtyard Washingtonian Center	MD	Marriott	210	72%*
Glen Allen SpringHill Suites Richmond Virginia Center	VA	Remington	136	100%
Hawthorne SpringHill Suites LAX Manhattan Beach	CA	Marriott	164	100%
Hawthorne TownePlace Suites LAX Manhattan Beach	CA	Marriott	144	100%
Jacksonville Hilton Garden Inn I Dearwood Park	FL	Remington	119	100%
Jacksonville SpringHill Suites II	FL	Remington	102	100%
Kennesaw Fairfield Inn I Atlanta	GA	Remington	87	100%
Kennesaw SpringHill Suites II Atlanta	GA	Remington	90	100%
Lawrenceville Hampton Inn	GA	Remington	86	100%
Newark Courtyard Silicon Valley	CA	Remington	181	100%
Newark Residence Inn Silicon Valley San Jose	CA	Remington	168	100%
Oakland Courtyard Airport	CA	Remington	156	100%
Orlando Courtyard Lake Buena Vista Marriott Village	FL	Marriott	312	100%
Orlando Fairfield Inn Lake Buena Vista	FL	Marriott	388	100%
Orlando SpringHill Suites Lake Buena Vista Marriott Village	FL	Marriott	400	100%
Phoenix Residence Inn Airport	AZ	Remington	200	100%
Plano Courtyard Legacy Park Dallas	TX	Marriott	153	100%
Plano Residence Inn Dallas	TX	Marriott	126	100%
Plymouth Meeting SpringHill Suites Philadelphia	PA	Marriott	199	100%
San Diego Residence Inn Sorrento Mesa/Valley	CA	Marriott	150	100%
Savannah Courtyard Downtown Historic District	GA	Remington	156	72%*
Scottsdale Courtyard Old Town	AZ	Marriott	180	100%
Tampa Residence Inn Downtown	FL	Remington	109	72%*
Virginia Beach Hilton Garden Inn Town Center	VA	Remington	176	72%*
Total			**6,858**	

*

These hotels are owned by the PIM Highland JV, but as discussed below under "PIM Highland JV Acquisition", we have agreed to purchase our joint venture partner's interest in these hotels with a portion of

the net proceeds of this offering. To the extent we do so or to the extent we otherwise control the right to sell these hotels, the right of first offer and option agreement between us and Ashford Select will extend to those properties.

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Pursuant to the right of first offer and option agreement, we expect to grant Ashford Select an option to acquire one or more of these hotels, subject to certain conditions, beginning nine months after the completion of the Contribution. Ashford Inc., in its capacity as our advisor and as advisor to Ashford Select, will identify the specific hotels recommended for Ashford Select to acquire pursuant to this option, subject to the approval of the independent members of our board of directors and the independent members of the board of directors of Ashford Select. The purchase price for any hotels that Ashford Select acquires from us pursuant to this option will be determined utilizing broker opinions of value ("BOV") from any two of the top five hotel brokerage firms selected by our board of directors and the board of directors of Ashford Select. If the values are within 5% of each other, the simple average of the two BOVs will be used. If there is greater than a 5% difference, a third broker will be hired and the average of the three BOVs will be used to determine the sales price, which will be adjusted for any property-level debt assumed by Ashford Select in connection with the option hotel.

In addition, we expect to grant Ashford Select a right of first offer to acquire any of those hotels or other select-service hotels that we may own and decide to sell in the future, subject to any prior rights of the managers of the hotels or other third parties.

Because of the creation of this new select-service platform, our board of directors has approved a change in our investment focus to be effective upon the successful launch of Ashford Select. Upon the successful launch of Ashford Select, we will focus on full-service, premium branded upscale and upper-upscale hotels primarily located in major markets with RevPAR less than twice the national average.

The contribution agreement, the right of first offer and option agreement and the launch of Ashford Select's select-service hotel platform are contingent upon, among other factors, the negotiation of definitive agreements (including the contribution agreement), the availability of acceptable financing, the receipt of all necessary third-party consents (including lender consents) and other customary closing conditions.

Acquisitions

On January 20, 2015, we announced that we had signed a definitive agreement to acquire the 232-room Memphis Marriott East hotel in Memphis, Tennessee for total consideration of $43.5 million ($187,500 per key). The acquisition is expected to close by late February, subject to certain closing conditions.

On January 12, 2015, we announced that we had signed a definitive agreement to acquire the 168-room Lakeway Resort & Spa in Austin, Texas for total consideration of $33.5 million ($199,000 per key). The acquisition is expected to close by mid-February 2015, subject to certain closing conditions.

We may use the net proceeds from this offering to fund a portion of the aggregate purchase price for these pending acquisitions, but we are currently exploring various other financing options. We cannot assure you, however, that we will acquire either hotel property because our acquisition of each hotel is subject to our completion of satisfactory due diligence and other customary closing conditions. See "Risk Factors."

Mortgage Refinancings

On January 5, 2015, we announced that we had successfully refinanced a $211 million loan with a final maturity date in November 2017 and a $143 million loan with a final maturity date in July 2015. The new loans total $478 million and resulted in excess net proceeds of approximately $107 million after closing costs and reserves. The two previous mortgage loans were refinanced with four new non-recourse mortgage loans, each secured by multiple hotel properties. The first mortgage loan has an initial principal balance of approximately $377 million with a two-year initial term and three one-year extension options, with a floating interest rate of LIBOR plus 4.95%. The other three mortgage loans have initial principal balances of approximately $55 million, $25 million and $21 million, respectively, each with a 10-year term and each with a fixed interest rate of 4.45%.

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Dividend Information

On December 15, 2014, our board of directors declared a regular quarterly dividend on our common stock of $0.12 per diluted share, which was paid on January 15, 2014 to our stockholders of record on December 31, 2014.

PIM Highland JV Acquisition

We executed a letter agreement dated December 14, 2014, with PRISA III Investments, LLC, a Delaware limited liability company, as the seller. The letter agreement was approved by the investment committee of Prudential Real Estate Investors, the investment manager of the seller, and fully executed and delivered to us on December 15, 2014. Pursuant to the letter agreement, we have agreed to purchase, and the seller has agreed to sell, all of its right, title and interest in and to the approximately 28.26% equity interest in PIM Highland JV that we do not currently own, for approximately $250.1 million. Following the consummation of this acquisition, we will own and consolidate 100% of PIM Highland JV. The transaction is expected to close no later than March 30, 2015. We may terminate the letter agreement by written notice to the seller if we are unable to refinance the existing indebtedness of PIM Highland JV and its subsidiaries. We are currently exploring various financing options. We also may use a portion of the net proceeds from this offering to fund a portion of the purchase price for this pending acquisition.

Investment Management Agreement

On December 10, 2014, AHT SMA, LP, a Delaware limited partnership and our wholly owned subsidiary, entered into an investment management agreement with Ashford Investment Management LLC ("AIM"), a Delaware limited liability company and an indirect subsidiary of Ashford Inc., a Delaware corporation and our external advisor. Pursuant to the management agreement, our subsidiary retained and appointed AIM to serve as investment manager of our securities portfolio. The management agreement governs the relationship between our subsidiary and AIM and grants AIM certain rights, powers and duties to act on behalf of our subsidiary.

Completion of Ashford Inc. Spin-off and Advisory Agreement

On November 12, 2014, we completed the previously announced spin-off of Ashford Inc. On November 13, 2014, Ashford Inc. began trading, regular way, on the NYSE MKT LLC under the ticker symbol "AINC." Ashford Inc. is now an independent publicly traded corporation that provides asset management and advisory services to other entities, initially within the hospitality industry. Ashford Inc. conducts its business and owns substantially all of its assets through an operating entity, Ashford Hospitality Advisors LLC (together, our "advisor").

In connection with the spin-off, we entered into, among other definitive agreements, an advisory agreement with our advisor and our operating partnership, which, among other things, provides for the day-to-day management of us by our advisor. Our advisory agreement requires our advisor to manage our, and our affiliates', day-to-day operations in conformity with our investment guidelines, which may be modified or supplemented by our board of directors from time to time, except that our investment guidelines cannot be revised in a manner that is directly competitive with Ashford Hospitality Prime, Inc., a Maryland corporation and another client of Ashford Inc. ("Ashford Prime").

Our advisor may not act as an external advisor for an entity with investment guidelines substantially similar to ours, as initially set forth in our advisory agreement. However, our advisor will be permitted to have other advisory clients, which may include other REITs operating in the real estate industry. Our advisory agreement has an initial 20-year term and will be automatically renewed for one-year terms thereafter unless terminated either by us or our advisor.

We are required to pay our advisor, quarterly, a base fee equal to 0.70% per annum of our "total market capitalization" (as defined in our advisory agreement), subject to a minimum quarterly base fee, as payment for managing our day-to-day operations in conformity with our investment guidelines. The minimum base fee (on an annual basis) through December 31, 2015 will be equal to the greater of 0.70% or the "G&A ratio," multiplied by our total market capitalization as of November 13, 2014 (the first day of trading immediately following the effective date of our

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advisory agreement). The minimum base management fee for each quarter beginning on or after January 1, 2016, will be equal to the greater of (i) 90% of the base fee paid for the same quarter in the prior year, and (ii) the "G&A ratio" multiplied by our total market capitalization for such quarter. The "G&A ratio" will be calculated as the simple average of the ratios of total general and administrative expenses paid in the applicable quarter by each member of a select peer group, divided by the total market capitalization of such peer group member. We are also required to pay our advisor an incentive fee that is based on our performance as compared to our peer group. In addition, we are obligated to pay directly or reimburse our advisor, on a monthly basis, for all expenses our advisor or its affiliates pay or incur on our behalf or in connection with the services provided to us by our advisor pursuant to our advisory agreement, exclusive of certain costs, including wages, salaries, cash bonus payments and benefits related to certain employees of the advisor.

Upon termination of our advisory agreement without cause (including termination for unsatisfactory performance of our advisor or unfair fees or upon a change in control of our company), our advisor is entitled to receive a termination fee from us equal to (a) 1.1 multiplied by the greater of (i) 12 times our advisor's net earnings attributable to the advisory agreement for the 12 months preceding the termination of our advisory agreement; (ii) the earnings multiple (based on net earnings after taxes) for Ashford Inc.'s common stock for the 12 months preceding the termination of our advisory agreement multiplied by our advisor's net earnings attributable to our advisory agreement for the same 12 month period; or (iii) the simple average of the earnings multiples (based on net earnings after taxes) for Ashford Inc.'s common stock for each of the three fiscal years preceding the termination of our advisory agreement, multiplied by our advisor's net earnings attributable to our advisory agreement for the 12 months preceding the termination of our advisory agreement; plus (b) a gross-up amount for assumed federal and state tax liability, based on an assumed tax rate of 40%. The termination fee will not be subject to any maximum amount or other limitation.

Our advisor's personnel will continue to advise Ashford Prime and may also advise other businesses in the future, and will not be required to present us with investment opportunities that our advisor determines are outside of our initial investment guidelines and within the investment guidelines of another business advised by our advisor. To the extent our advisor deems an investment opportunity suitable for recommendation, it must present us with any such investment opportunity that satisfies our initial investment guidelines, but will have discretion to determine which investment opportunities satisfy our initial investment guidelines. Any new individual investment opportunities that satisfy our investment guidelines will be presented to our board, which will have up to 10 business days to accept any such opportunity prior to it being available to Ashford Prime or any other business advised by our advisor. However, if our board materially changes our investment guidelines without the written consent of our advisor, our advisor will not have an obligation to present investment opportunities to us at any time thereafter, regardless of any subsequent modifications by us to our investment guidelines. Instead, our advisor will be obligated to use its best judgment to allocate investment opportunities to us and other entities it advises, taking into account such factors as our advisor deem relevant, in its discretion, subject to any then-existing obligations of our advisor to such other entities.

In connection with the creation of Ashford Select, our advisor has consented to the change in our investment guidelines to focus on full-service, premium branded upscale and upper-upscale hotels primarily located in major markets, with RevPAR less than twice the national average. We expect that Ashford Inc. will also serve as the external advisor to Ashford Select.

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THE OFFERING

Common stock offered	9,500,000 shares[(1)]
Common stock to be outstanding after the offering	99,078,718 shares[(2)]
Use of proceeds	We estimate that the net proceeds from this offering will be approximately $100.0 million (or $115.0 million if the underwriter exercises its option to purchase additional shares of our common stock in full), after deducting the underwriting discount and the estimated expenses of this offering. We intend to use the net proceeds of this offering to fund a portion of the cost of our pending acquisitions of the Memphis Marriott East hotel, the Lakeway Resort & Spa and our joint venture partner's interest in the PIM Highland JV, and any remaining funds, for general corporate purposes, including, without limitation, hotel-related investments, capital expenditures, working capital and repayment of debt or other obligations.
Risk factors	Investing in our common stock involves risks, including those described under the heading "Risk Factors" beginning on page S-9 of this prospectus supplement and on page 11 of our Annual Report on Form 10-K, as updated by our subsequent Quarterly Reports on Form 10-Q.
NYSE symbol	"AHT"

(1) Excludes up to 1,425,000 shares of our common stock that we may issue and sell upon the exercise of the underwriter's option to purchase additional shares.

(2) Based on 89,578,718 shares outstanding on January 30, 2015. Excludes up to 1,425,000 shares of our common stock that we may issue and sell upon the exercise of the underwriter's option to purchase additional shares. Also excludes 19,685,909 shares of common stock potentially issuable, at our option, upon the redemption of outstanding units of limited partnership interest in our operating partnership, some of which remain subject to further vesting or earn-up requirements.

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RISK FACTORS

An investment in our common stock involves various risks, including those described below and those disclosed beginning on page 11 of our Annual Report on Form 10-K for the year ended December 31, 2013, as updated in our subsequent Quarterly Reports on Form 10-Q . Prospective investors should carefully consider such risk factors, together with all of the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus, in determining whether to purchase the common stock offered hereby. The risks and uncertainties we discuss in this prospectus supplement and in the documents incorporated by reference in this prospectus supplement are those that we currently believe may materially affect our company. Additional risks not currently known to us or that we currently deem to be immaterial to us also could have a material adverse effect on our operations, financial condition, results of operations, cash flows and prospects. In addition to the risks identified in our Annual Report on Form 10-K, as updated in our subsequent Quarterly Reports on Form 10-Q, each as referred to above, we are also subject to the risks discussed below.

Risks Related to our Management and our Relationships with our Advisor

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

We depend on our advisor's key personnel and their long-standing 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.

Our board of directors has approved very broad investment guidelines for our advisor and will not review and approve each investment and financing decision made by our advisor unless required by our investment guidelines.

Our advisor is authorized to follow very broad investment guidelines established by our board of directors. Our board of directors will periodically review our investment guidelines and our portfolio of assets but will not, and will not be required to, review all of our proposed investments, except in limited circumstances as set forth in our investment policies. In addition, in conducting periodic reviews, our board of directors may rely primarily on information provided to them by our advisor. Furthermore, transactions entered into by our advisor may be costly, difficult or impossible to unwind by the time they are reviewed by our board of directors. Our advisor has great latitude within the broad parameters of our investment guidelines in determining the types and amounts of assets in which to invest on our behalf, including making investments that may result in returns that are substantially below expectations or result in losses, which would materially and adversely affect our business and results of operations, or may otherwise not be in the best interests of our stockholders.

Our advisor may not be successful in identifying and consummating suitable investment opportunities.

Our investment strategy requires us, through our advisor, to identify suitable investment opportunities compatible with our investment criteria. Our advisor may not be successful in identifying suitable opportunities that meet our criteria or in consummating investments, including those identified as part of our investment guidelines, on satisfactory terms or at all. Our ability to make investments on favorable terms may be constrained by several factors including, but not

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limited to, competition from other investors with significant capital, including other publicly-traded REITs and institutional investment funds, which may significantly increase investment costs, and/or the inability to finance an investment on favorable terms or at all. The failure to identify or consummate investments on satisfactory terms, or at all, may impede our growth and negatively affect our cash available for distribution to our stockholders.

Our advisor may direct attractive investment opportunities to Ashford Prime or Ashford Select and away from us.

Each of our executive officers and one of our directors also serve as key employees and as officers of our advisor and Ashford Prime, and will continue to do so. We also expect each of our executive officers and one or more of our directors to serve as key employees and as officers of Ashford Select. Furthermore, Mr. Monty J. Bennett, our chief executive officer and chairman, is also the chief executive officer and chairman of our advisor and Ashford Prime and is expected to serve as the chief executive officer and chairman of the board of directors of Ashford Select. Our advisory agreement requires our advisor to present investments that satisfy our investment guidelines to us before presenting them to any client of our advisor, except that our advisor is required to give Ashford Prime the initial opportunity to acquire hotels that satisfy both our and Ashford Prime's investment guidelines. 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 Ashford Prime or Ashford Select 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, Ashford Prime or other entities advised by our advisor (including Ashford Select) in a fair and equitable manner, consistent with each such entity's 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 has agreed that any new investment opportunities that satisfy our investment guidelines will be presented to our board of directors; however, our board will have only 10 business days to make a determination with respect to such opportunity prior to it being available to other entities advised by our advisor. 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 others.

Our advisor and its key employees, who are 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. Each of the key employees of our advisor are our executive officers and Ashford Prime's executive officers. Because our advisor's key employees have duties to us, our advisor and Ashford Prime, we do not have their undivided attention and they face conflicts in allocating their time and resources. Our advisor may also manage other entities in the future, including Ashford Select. 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 may likewise require greater focus and attention, placing competing high levels of demand on the limited time and resources of our advisor's key employees. 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.

The aggregate amount of fees and expense reimbursements paid to our advisor will exceed the average of internalized expenses of our industry peers (as identified in our advisory agreement), as a percentage of total market capitalization.

Pursuant to the advisory agreement between us and our advisor, we will pay our advisor a quarterly base fee (subject to a minimum fee described below), an annual incentive fee that will be based on our achievement of certain

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minimum performance thresholds and certain expense reimbursements. The minimum base management fee is currently equal to the greater of 0.70% or the G&A Ratio, multiplied by our total market capitalization as of the first trading day immediately following the effective day of the advisory agreement. The minimum base management fee for each quarter beginning after November 12, 2015 (one year from the effective date of our advisory agreement) will be equal to the greater of (i) 90% of the base fee paid for the same quarter in the prior year and (ii) the G&A Ratio multiplied by our total market capitalization for such quarter. The "G&A Ratio" will be calculated as the simple average of the ratios of total general and administrative expenses paid in the applicable quarter by each member of a select peer group, divided by the total market capitalization of such peer group member. Since the base management fee is subject to this minimum amount and because a portion of such fees are contingent on our performance, the fees we pay to our advisor may fluctuate over time. However, regardless of our advisor's performance, the total amount of fees and reimbursements paid to our advisor as a percentage of total market capitalization will never be less than the average of internalized expenses of our industry peers (as identified in our advisory agreement), and there may be times when the total amount of fees and incentives paid to our advisor greatly exceeds the average of internalized expenses of our industry peers.

Our advisor's entitlement to nonperformance-based compensation, including the minimum base management fee, might reduce its incentive to devote its time and effort to seeking investments that provide attractive risk-adjusted returns for our portfolio. Further, our incentive fee structure may induce our advisor to encourage us to acquire certain assets, including speculative or high risk assets, or to acquire assets with increased leverage, which could increase the risk to our portfolio.

Termination by us of our advisory agreement with our advisor without cause is difficult and costly.

The initial term of our advisory agreement with our advisor is 20 years from the effective date of the advisory agreement, with automatic one-year renewal terms on each anniversary date thereafter unless previously terminated.

Upon termination of our advisory agreement without cause (including termination for unsatisfactory performance of our advisor or unfair fees or upon a change in control of our company), our advisor is entitled to receive a termination fee from us equal to (a) 1.1 multiplied by the greater of (i) 12 times our advisor's net earnings attributable to the advisory agreement for the 12 months preceding the termination of our advisory agreement; (ii) the earnings multiple (based on net earnings after taxes) for Ashford Inc.'s common stock for the 12 months preceding the termination of our advisory agreement multiplied by our advisor's net earnings attributable to our advisory agreement for the same 12 month period; or (iii) the simple average of the earnings multiples (based on net earnings after taxes) for Ashford Inc.'s common stock for each of the three fiscal years preceding the termination of our advisory agreement, multiplied by our advisor's net earnings attributable to our advisory agreement for the 12 months preceding the termination of our advisory agreement; plus (b) a gross-up amount for assumed federal and state tax liability, based on an assumed tax rate of 40%. The termination fee will not be subject to any maximum amount or other limitation. See "Recent Developments Completion of Ashford Inc. Spin-off and Advisory Agreement."

Any such termination fee will be payable on or before the termination date. The termination fee makes it more difficult for us to terminate our advisory agreement even if our board determines that there has been unsatisfactory performance or unfair fees. These provisions significantly increase the cost to us of terminating our advisory agreement, thereby effectively eliminating our ability to terminate our advisor without cause.

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Risks Related to Conflicts of Interest

Our advisory agreement, the investment management agreement and other contractual arrangements including those between us and our affiliates were not negotiated on an arm's-length basis, and the contribution agreement that will govern the pending Contribution to Ashford Select will also not be negotiated on an arm's-length basis. As a result, we may pursue less vigorous enforcement of the terms of such agreements because of conflicts of interest with certain of our executive officers and directors and key employees of our advisor.

We may enter into contractual arrangements, including the contribution agreement that will govern the pending Contribution to Ashford Select, with any of our affiliates. The agreements, contracts or arrangements between us, on the one hand, and any of our affiliates, on the other hand, have not been, and may not be in the future, the result 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 our affiliates.

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

Pursuant to the terms of our mutual exclusivity agreement with Remington, if investment opportunities that satisfy our investment criteria are identified by Remington or its affiliates, Remington 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 may then pursue such investment opportunity, subject to a right of first refusal in favor of Ashford Prime or Ashford Inc., pursuant to existing agreements between Remington and such entities. We expect that Ashford Select will have similar rights of first refusal from Remington. As a result of these agreements with Remington, if we were to reject an investment opportunity presented by Remington, Ashford Prime, Ashford Select, Ashford Inc. or Remington could pursue the opportunity and compete with us. In such a case, Mr. Monty J. Bennett, our chief executive officer and chairman, in his capacity as chairman and chief executive officer of Ashford Prime, Ashford Select, Ashford Inc. or Remington could be in a position of directly competing with us.

Risks Related to this Offering and Our Business Combinations

This offering may be dilutive, and there may be future dilution of our shares of common stock.

After giving effect to the issuance of shares of common stock in this offering, the receipt of the expected net proceeds and the use of those proceeds as described under "Use of Proceeds," this offering may have a dilutive effect on our estimated earnings per share and funds from operations per share. The actual amount of dilution cannot be determined at this time and will be based on numerous factors. Additionally, subject to the 60-day lock-up restrictions described in "Underwriting No Sales of Similar Securities," we are not restricted from issuing additional shares of common or preferred stock, including securities that are convertible into or exchangeable or exercisable for, or that represent the right to receive, shares of common or preferred stock or any substantially similar securities in the future. The market price of our common stock could decline as a result of sales of a large number of shares of common stock in the market after this offering or the perception that such sales could occur.

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Any business combinations, including the Contribution and the pending acquisitions of the Memphis Marriott East hotel, the Lakeway Resort & Spa and the pending acquisition of our joint venture partner's interest in the PIM Highland JV, are subject to substantial risks that could adversely affect our financial condition and results of operations and reduce our ability to make distributions to our stockholders.

Any business combinations, including the Contribution, the pending acquisitions of the Memphis Marriott East hotel, the Lakeway Resort & Spa and the pending acquisition of our joint venture partner's interest in the PIM Highland JV, involve potential risks, including, among other things:

- the validity of our assumptions about revenues, capital expenditures and operating costs of the acquired or contributed business or assets, as well as assumptions about achieving synergies with our existing business;
- the validity of our assessment of environmental and other liabilities;
- the costs associated with additional debt or equity capital, which may result in a significant increase in our interest expense and financial leverage resulting from any additional debt incurred to finance the business combination, or the issuance of additional shares on which we will make distributions, either of which could exacerbated by volatility in the equity or debt capital markets;
- a failure to realize anticipated benefits, such as enhanced competitive position, revised investment guidelines or new customer relationships;
- a decrease in our liquidity as a result of financing the business combination; and
- the incurrence of other significant charges, such as impairment of goodwill or other intangible assets, asset devaluation or restructuring charges.

The launch of the Ashford Select platform and the Contribution may not be completed on anticipated terms or consummated at all, which could have an adverse impact on our ability to make distributions to our stockholders.

The launch of the Ashford Select platform and the Contribution are subject to a number of closing conditions that, if not satisfied or waived, would result in the pending Contribution being completed on terms not initially anticipated by us or failing to be consummated at all. These conditions include, but are not limited to, the negotiation of definitive agreements (including the contribution agreement), the accuracy of each party's representations and warranties expected to be contained in the contribution agreement, the performance by each party of its respective obligations under the contribution agreement, the ability to obtain adequate financing to pay the cash portion of the consideration due to us and the receipt of all necessary third-party consents, including lender consents.

Satisfaction of many of these closing conditions is beyond our control and, as a result, we cannot assure you that all of the closing conditions will be satisfied or that the pending Contribution will be consummated. Our failure to complete the pending Contribution or any delays in completing the pending Contribution could have an adverse impact on our operations, prospects and ability to make distributions to our stockholders and could negatively impact the price of our shares. If you decide to purchase our shares, you should be willing to do so whether or not we complete the pending Contribution.

We may not acquire any of our acquisition properties or our joint venture partner's interest in the PIM Highland JV.

We currently intend to use a portion of the net proceeds from this offering to acquire the Memphis Marriott East hotel, the Lakeway Resort & Spa and our joint venture partner's interest in the PIM Highland JV. We cannot assure you

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that we will acquire either of the properties or the joint venture interest because the acquisition of each hotel property and joint venture interest may be subject to:

- our ability to negotiate and execute a new management agreement or assume the existing agreement for the hotel property;
- our completion of satisfactory due diligence with respect to the hotel property;
- satisfaction of customary closing conditions, including the receipt of third-party consents and approvals; and
- our ability to obtain financing or refinance existing indebtedness.

There can be no assurance that we will be able to negotiate and execute new management agreements (or assume the existing agreements), that our due diligence will be satisfactory, that the conditions to closing will be satisfied or that we will be able to obtain appropriate financing.

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USE OF PROCEEDS

We estimate that the net proceeds from this offering will be approximately $100.0 million (or $115.0 million if the underwriter exercises its option to purchase additional shares of our common stock in full), after deducting the underwriting discount and the estimated expenses of this offering. We intend to use the net proceeds from this offering to fund a portion of the cost of our pending acquisitions of the Memphis Marriott East hotel, the Lakeway Resort & Spa and our joint venture partner's interest in PIM Highland JV, and any remaining funds for general corporate purposes, including, without limitation, hotel-related investments, capital expenditures, working capital and repayment of debt or other obligations.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This prospectus supplement and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus contain certain forward looking statements that are subject to various risks and uncertainties. These forward looking statements include information about possible, estimated or assumed future results of our business, financial condition and liquidity, results of operations, plans and objectives. Forward looking statements are generally identifiable by use of forward looking terminology such as "may," "will," "should," "potential," "intend," "expect," "outlook," "seek," "anticipate," "estimate," "approximately," "believe," "could," "project," "predict," or other similar words or expressions. Additionally, statements regarding the following subjects are forward-looking by their nature:

- our ability to complete, on the terms we anticipate, or at all, business combinations described in this prospectus supplement, including the Contribution to Ashford Select and the acquisition of our joint venture partner's interest in the PIM Highland JV;
- the expected benefits of proposed business combinations to our company and our stockholders;
- our business and investment strategy;
- anticipated or expected purchases or sales of assets;
- our projected operating results, including cash available for distribution, and distribution rates;
- completion of any pending transactions;
- our ability to obtain future financing arrangements;
- our understanding of our competition;
- market trends;
- projected capital expenditures; and
- the impact of technology on our operations and business.

Forward looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain financial and operating projections or state other forward looking information. Our ability to predict results or the actual effect of future events, actions, plans or strategies is inherently uncertain. Although we believe that the expectations reflected in our forward looking statements are based on reasonable assumptions, taking into account all information currently available to us, our actual results and performance could differ materially from those set forth in our forward looking statements. Factors that could have a material adverse effect on our forward looking statements include, but are not limited to:

- the factors referenced in this prospectus supplement, including those set forth under the section captioned "Risk Factors," and the factors set forth under the sections titled "Business," "Risk Factors," "Properties," and

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"Management's Discussion and Analysis of Financial Conditions and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2013, as updated in our subsequent Quarterly Reports on Form 10-Q;

general and economic business conditions affecting the lodging and travel industry;

general volatility of the capital markets and the market price of our common stock;

changes in our business or investment strategy;

availability, terms and deployment of capital;

availability of qualified personnel to our advisor;

changes in our industry and the market in which we operate, interest rates, or general or local economic conditions;

the degree and nature of our competition;

actual and potential conflicts of interest with our advisor, Remington Lodging & Hospitality, LLC, our executive officers and our non-independent directors;

changes in governmental regulations, accounting rules, tax rates and similar matters;

legislative and regulatory changes, including changes to the Internal Revenue Code of 1986, as amended (the "Code"), and related rules, regulations and interpretations governing the taxation of REITs; and

limitations imposed on our business and our ability to satisfy complex rules in order for us to qualify as a REIT for federal income tax purposes.

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

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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma condensed consolidated financial information as of and for the nine months ended September 30, 2014 and for the year ended December 31, 2013 have been derived from (i) our historical consolidated financial statements, (ii) the combined consolidated financial statements of the 16 initial hotels of Ashford Select, known as The Ashford Hospitality Select Hotels (the "Ashford Select Portfolio"), and (iii) the consolidated financial statements of PIM Highland Holding LLC and subsidiaries ("PIM Highland JV Portfolio"). These unaudited pro forma condensed consolidated financial statements should be read in conjunction with the other information contained in or incorporated by reference into this prospectus supplement or the accompanying prospectus, the related notes to these financial statements and with (i) our historical consolidated financial statements and the related notes included in our previous filings with the SEC that are incorporated by reference into this prospectus supplement and the accompanying prospectus, (ii) the Ashford Select Portfolio historical combined consolidated financial statements as of September 30, 2014 and December 31, 2013, and for the nine months ended September 30, 2014 and 2013 and the years ended December 31, 2013 and 2012 that are incorporated by reference into this prospectus supplement, and (iii) the PIM Highland JV Portfolio historical consolidated financial statements as of September 30, 2014 and December 31, 2013, and for the nine months ended September 30, 2014 and 2013 and the years ended December 31, 2013 and 2012 that are incorporated by reference into this prospectus supplement.

The unaudited pro forma information set forth below reflects our historical information, as adjusted to give effect to the following transactions, which are described in more detail elsewhere in this prospectus supplement:

- the consummation of the offering contemplated by this prospectus supplement and the receipt by us of net proceeds of $100.0 million from the offering (net of expenses);

- the contribution of the Ashford Select Portfolio to Ashford Select, based on the following assumptions: (i) an estimated valuation of the Ashford Select Portfolio of approximately $331.0 million, net of the portion attributable to the 15% ownership in two properties owned by our joint venture partner, based on preliminary broker opinions of value from two nationally recognized hotel brokerage firms (see "Prospectus Supplement Summary-Recent Developments-Development of a Select-Service Hotel Platform"), and (ii) the consideration for the Ashford Select Portfolio is payable through Ashford Select's assumption of approximately $232.6 million of aggregate property level debt related to the Ashford Select Portfolio, net of the balance attributable to the 15% ownership in two properties by our joint venture partner, with the balance of the consideration payable in cash (while we expect the balance to be payable in a combination of cash and equity interests in Ashford Select, the portion payable in cash as compared to equity interests in Ashford Select is not determinable at this time, so the consideration is shown in the pro forma information as cash); and

- our acquisition of the remaining ownership in the PIM Highland JV Portfolio for approximately $250.1 million in cash.

The unaudited pro forma condensed consolidated balance sheet as of September 30, 2014 is presented to reflect adjustments to our consolidated balance sheet as if the consummation of this offering, the contribution of the Ashford Select Portfolio to Ashford Select and our acquisition of the remaining ownership in the PIM Highland JV Portfolio were completed on September 30, 2014. The unaudited pro forma condensed consolidated statements of operations for the nine months ended September 30, 2014 and the year ended December 31, 2013 are presented to reflect adjustments to our consolidated statements of operations as if the contribution of the Ashford Select Portfolio to Ashford Select and our acquisition of the remaining ownership in the PIM Highland JV Portfolio had occurred on January 1, 2013.

Our historical statements of operations presented in the unaudited pro forma condensed consolidated financial information are for the nine months ended September 30, 2014 and the year ended December 31, 2013, and are derived from our Quarterly Report on Form 10-Q for the nine months ended September 30, 2014, filed on November 7, 2014, and our Annual Report on Form 10-K for the year ended December 31, 2013, filed on March 3, 2014, as amended by the Form 10-K/A filed on March 31, 2014, each of which is incorporated by reference into this prospectus supplement. Our historical balance sheet presented in the unaudited pro forma condensed consolidated financial

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information is as of September 30, 2014 as presented in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, which is incorporated by reference into this prospectus supplement.

The historical statements of operations of the Ashford Select Portfolio presented in the unaudited pro forma condensed consolidated financial information are for the nine months ended September 30, 2014, and the year ended December 31, 2013, and are derived from financial statements included in our Current Report on Form 8-K, filed on January 29, 2015, which is incorporated by reference into this prospectus supplement. The historical balance sheet presented in the unaudited pro forma condensed consolidated financial information is as of September 30, 2014 and is derived from financial statements included in our Current Report on Form 8-K, filed on January 29, 2015, which is incorporated by reference into this prospectus supplement.

The historical statements of operations of the PIM Highland JV Portfolio presented in the unaudited pro forma condensed consolidated financial information are for the nine months ended September 30, 2014 and the year ended December 31, 2013, and are derived from financial statements included in our Current Report on Form 8-K, filed on January 29, 2015 and our Form 10-K/A filed on March 31, 2014, each of which is incorporated by reference into this prospectus supplement. The historical balance sheet presented in the unaudited pro forma condensed consolidated financial information is as of September 30, 2014, and is derived from financial statements included in our Current Report on Form 8-K, filed on January 29, 2015, which is incorporated by reference into this prospectus supplement.

In the opinion of management, all adjustments necessary to reflect the effects of the potential transactions described in the notes to the unaudited pro forma condensed consolidated financial statements have been included and are based upon available information and assumptions that we believe are reasonable. Further, the historical financial information presented herein has been adjusted to give pro forma effect to events that we believe are factually supportable and which are expected to have a continuing impact on our results. However, such adjustments are estimates and may not prove to be accurate. Information regarding these adjustments is subject to risks and uncertainties that could cause actual results to differ materially from those anticipated. See "Risk Factors" and "Cautionary Statement Regarding Forward Looking Statements" in this prospectus supplement. In particular, the definitive terms for our contribution of the Ashford Select Portfolio have not been determined. We have assumed a valuation and consideration for our contribution of the Ashford Select Portfolio and the terms of the actual consideration may differ from the terms we assumed in preparing the unaudited pro forma condensed consolidated financial statements.

These unaudited pro forma condensed consolidated financial statements are provided for information purposes only. The unaudited pro forma condensed consolidated statements of operations and the unaudited pro forma condensed consolidated balance sheet do not purport to represent what our results of operations would have been had such transactions been consummated on the dates indicated, nor do they represent our financial position or results of operations for any future date or period.

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ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEETS

AS OF SEPTEMBER 30, 2014

(IN THOUSANDS, EXCEPT SHARE AMOUNTS)

	Ashford Trust Consolidated Historical (A)	Capital Raise (B)	Ashford Select Portfolio (C)	Adjustments (D)	Sub-total	PIM Highland JV Portfolio (E)	Adjustments (F)	Ashford Trust Consolidated Pro Forma
Assets								
Cash and cash equivalents	$ 280,574	$ 99,978	$ (4,767)	$ 98,382(D)(i)	$ 474,167	$ 27,980	$ (250,055)(F)(i)	$ 252,092
Marketable securities	44,273				44,273			44,273
Total cash, cash equivalents and marketable securities	**324,847**	**99,978**	**(4,767)**	**98,382**	**518,440**	**27,980**	**(250,055)**	**296,365**
Investment in hotel properties, net	2,143,642		(281,532)		1,862,110	1,201,756	533,244(F)(ii)	3,597,110
Restricted cash	107,356		(19,425)		87,931	105,425		193,356
Accounts receivable, net of allowance	29,153		(2,409)		26,744	19,315		46,059
Inventories	2,118		(68)		2,050	1,959		4,009
Notes receivable, net of allowance	3,509				3,509			3,509
Investment in unconsolidated entities	200,994				200,994		(145,405)(F)(iii)	55,589
Deferred costs, net	14,453		(2,722)		11,731	1,901	(1,901)(F)(iv)	11,731
Prepaid expenses	11,151		(1,212)		9,939	8,877		18,816
Derivative assets, net	413		(40)		373			373
Other assets	4,674		(110)		4,564	9,911		14,475
Due from Ashford Prime OP, net	3,815				3,815			3,815
Due from affiliates	1,748				1,748		(1,748)(F)(v)	
Due from related parties	1,200				1,200			1,200
Due from third-party hotel managers	14,635		(1,796)		12,839	23,560		36,399
Total assets	**$ 2,863,708**	**$ 99,978**	**$ (314,081)**	**$ 98,382**	**$ 2,747,987**	**$ 1,400,684**	**$ 134,135**	**$ 4,282,806**
Liabilities and Equity								
Liabilities:								
Indebtedness	$ 1,959,608	$	$ (155,336)	$ (79,400)(D)(ii)	$ 1,724,872	$ 1,117,895	$ 4,452(F)(vi)	$ 2,847,219
Accounts payable and accrued expenses	93,536		(5,724)		87,812	42,850		130,662
Dividends payable	21,889				21,889			21,889
Unfavorable management contract liabilities	5,824		(297)		5,527			5,527

Due to related party, net	1,461	(191)		1,270	2,336	(1,748)(F)(v)	1,858
Due to third-party hotel managers	1,629	(51)		1,578	217		1,795
Liabilities associated with marketable securities	4,302			4,302			4,302
Other liabilities	5,103	(2,036)		3,067	9,338		12,405
Total liabilities	**$ 2,093,352**	**$ $ (163,635)**	**$ (79,400)**	**$ 1,850,317**	**$ 1,172,636**	**$ 2,704**	**$ 3,025,657**
Redeemable noncontrolling interests in operating partnership	177,743			177,743		47,433(F)(vii)	225,176

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ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEETS

AS OF SEPTEMBER 30, 2014

(IN THOUSANDS, EXCEPT SHARE AMOUNTS)

	Ashford Trust Consolidated Historical (A)	Capital Raise (B)	Ashford Select Portfolio (C)	Adjustments (D)	Sub-total	PIM Highland JV Portfolio (E)	Adjustments (F)	Ashford Trust Consolidated Pro Forma
Equity:								
Preferred stock, $0.01 par value, 50,000,000 shares authorized:								
Series A Cumulative Preferred Stock, 1,657,206 shares issued and outstanding at September 30, 2014	17				17			17
Series D Cumulative Preferred Stock, 9,468,706 shares issued and outstanding at September 30, 2014	95				95			95
Series E Cumulative Preferred Stock, 4,630,000 shares issued and outstanding at September 30, 2014	46				46			46
Common stock, $0.01 par value, 200,000,000 shares authorized, 124,896,765 shares issued, 89,449,342 shares outstanding at September 30, 2014	1,249	95			1,344			1,344
Additional paid-in capital	1,729,338	99,883	(149,646)	98,382(D)(i)	1,857,357	228,048	(250,055)(F)(i)	1,852,246
				79,400(D)(ii)			533,244(F)(ii)	
							(145,405)(F)(iii)	
							(1,901)(F)(iv)	
							(4,452)(F)(vi)	
							(364,590)(F)(vii)	
Accumulated other comprehensive loss	(110)				(110)			(110)
Accumulated deficit	(1,013,529)				(1,013,529)		317,157(F)(vii)	(696,372)
Treasury stock, at cost (35,447,423 shares at September 30, 2014)	(125,700)				(125,700)			(125,700)
Total stockholders' equity of the Company	**591,406**	**99,978**	**(149,646)**	**177,782**	**719,520**	**228,048**	**83,998**	**1,031,566**
	1,207		**(800)**		**407**			**407**

Noncontrolling interests in consolidated entities								
Total equity	**592,613**	**99,978**	**(150,446)**	**177,782**	**719,927**	**228,048**	**83,998**	**1,031,973**
Total liabilities and equity	**$ 2,863,708**	**$ 99,978**	**$ (314,081)**	**$ 98,382**	**$ 2,747,987**	**$ 1,400,684**	**$ 134,135**	**$ 4,282,806**

See accompanying notes.

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ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEETS

(A)

Represents our historical consolidated balance sheet as of September 30, 2014 as reported in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2014.

(B)

Represents gross cash proceeds of $101.2 million less the underwriter discount of approximately $0.9 million and approximately $250,000 of estimated offering expenses with respect to the shares issued in this offering (assuming no exercise of the underwriter's option to purchase additional shares occurs), common stock issued and additional paid-in capital from the issuance of 9,500,000 shares of common stock at a price to the public of $10.65 per share in this offering.

(C)

Represents the historical combined consolidated financial position of the Ashford Select Portfolio as of September 30, 2014, included in our Current Report on Form 8-K filed on January 29, 2015.

(D)

Represents adjustments for our contribution of the Ashford Select Portfolio as of September 30, 2014, which includes; (i) cash consideration to be received and (ii) the assumption of approximately $79.4 million of additional debt by Ashford Select not reflected in the Ashford Select Portfolio balance sheet at September 30, 2014.

(E)

Represents the historical consolidated financial position of the PIM Highland JV Portfolio as of September 30, 2014, included in our Current Report on Form 8-K filed on January 29, 2015.

(F)

Represents adjustments for our purchase of the remaining ownership interest in the PIM Highland JV Portfolio as of September 30, 2014, which includes; (i) the cash consideration to be paid; (ii) the remeasurement of investment in hotel properties, net to fair value upon acquiring a controlling interest; (iii) the elimination of investment in unconsolidated entities as a result of consolidating the PIM Highland JV Portfolio; (iv) the removal of deferred costs that would not have any fair value assigned upon acquisition; (v) the elimination of due to/from affiliates between us and the PIM Highland JV Portfolio upon consolidation; (vi) the remeasurement of indebtedness to fair value upon acquiring a controlling interest; and (vii) the gain of $364.6 million attributable to acquiring a controlling interest in the PIM Highland JV Portfolio, allocated between "accumulated deficit" and "redeemable noncontrolling interests in operating partnership" based on the noncontrolling ownership interest of 13.01%.

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ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

NINE MONTHS ENDED SEPTEMBER 30, 2014

(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	Ashford Trust Consolidated Historical (A)	Ashford Select Portfolio (B)	Adjustments (C)	Sub-total	PIM Highland JV Portfolio	Adjustments (E)	Ashford Trust Consolidated Pro Forma
Revenue							
Rooms	$ 491,542	$ (60,598)	$	$ 430,944	$ 260,105	$	$ 691,049
Food and beverage	82,521	(1,916)		80,605	81,078		161,683
Other	20,088	(1,311)		18,777	12,063		30,840
Total hotel revenue	**594,151**	**(63,825)**		**530,326**	**353,246**		**883,572**
Advisory services revenue	9,266			9,266			9,266
Other	3,213			3,213	316	(2,867)(E)(i)	662
Total Revenue	**606,630**	**(63,825)**		**542,805**	**353,562**	**(2,867)**	**893,500**
Expenses							
Hotel operating expenses:							
Rooms	108,640	(15,216)		93,424	55,581		149,005
Food and beverage	57,330	(1,456)		55,874	53,112		108,986
Other expenses	195,469	(18,462)		177,007	107,370		284,377
Management fees	23,734	(3,467)		20,267	11,475		31,742
Total hotel operating expenses	**385,173**	**(38,601)**		**346,572**	**227,538**		**574,110**
Property taxes, insurance and other	29,052	(3,364)		25,688	18,191		43,879
Depreciation and amortization	81,262	(9,796)		71,466	45,724	7,581(E)(ii)	124,771
Impairment charges	(310)			(310)			(310)
Transaction costs	616			616			616
Corporate general and administrative	47,290	(4,261)	4,261	47,290	3,281	(2,867)(E)(i)	47,704
Total Operating Expenses	**543,083**	**(56,022)**	**4,261**	**491,322**	**294,734**	**4,714**	**790,770**
Operating income (loss)	**63,547**	**(7,803)**	**(4,261)**	**51,483**	**58,828**	**(7,581)**	**102,730**
Equity in earnings (loss) of unconsolidated entities	6,794			6,794		(6,102)(E)(iii)	692
Interest income	45	(6)		39	43		82
Other income	5,841			5,841			5,841
Interest expense and amortization of loan costs	(85,896)	10,031		(75,865)	(44,904)	667(E)(iv)	(120,102)
Write-off of loan costs and exit fees	(10,353)	3,415		(6,938)			(6,938)
Unrealized loss on marketable securities	(3,818)			(3,818)			(3,818)
Unrealized loss on derivatives	(680)	29		(651)	(44)		(695)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	**(24,520)**	**5,666**	**(4,261)**	**(23,115)**	**13,923**	**(13,016)**	**(22,208)**
Income tax (expense) benefit	(820)	307	(288)(F)	(801)	(2,816)	(F)	(3,617)
	(25,340)	**5,973**	**(4,549)**	**(23,916)**	**11,107**	**(13,016)**	**(25,825)**

INCOME (LOSS) FROM CONTINUING OPERATIONS

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ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (CONTINUED)

NINE MONTHS ENDED SEPTEMBER 30, 2014

(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	Ashford Trust Consolidated Historical (A)	Ashford Select Portfolio (B)	Adjustments (C)	Sub-total	PIM Highland JV Portfolio	Adjustments (E)	Ashford Trust Consolidated Pro Forma
Gain on sale of hotel property, net of tax	3,491			3,491			3,491
NET INCOME (LOSS)	(21,849)	5,973	(4,549)	(20,425)	11,107	(13,016)	(22,334)
Loss from consolidated entities attributable to noncontrolling interests	146	8		154			154
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	4,234		(185)(G)	4,049		248 (G)	4,297
NET INCOME (LOSS) ATTRIBUTABLE TO THE COMPANY	**(17,469)**	**5,981**	**(4,734)**	**(16,222)**	**11,107**	**(12,768)**	**(17,883)**
Preferred dividends	(25,471)			(25,471)			(25,471)
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS	**$ (42,940)**	**$ 5,981**	**$ (4,734)**	**$ (41,693)**	**$ 11,107**	**$ (12,768)**	**$ (43,354)**
LOSS PER SHARE BASIC AND DILUTED:							
Basic:							
Loss attributable to common stockholders	$ (0.50)						
Weighted average common shares outstanding basic	86,961						
Diluted:							
Loss attributable to common stockholders	$ (0.50)						
Weighted average common shares outstanding diluted	86,961						
Dividends declared per common share	$ 0.36						

Amounts attributable to common stockholders:								
Net Income (loss)	$ (17,469)	$ 5,981	$ (4,734)	$ (16,222)	$ 11,107	$ (12,768)	$ (17,883)	
Preferred dividends	(25,471)			(25,471)			(25,471)	
Net income (loss) attributable to common stockholders	**$ (42,940)**	**$ 5,981**	**$ (4,734)**	**$ (41,693)**	**$ 11,107**	**$ (12,768)**	**$ (43,354)**	

See accompanying notes.

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ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

YEAR ENDED DECEMBER 31, 2013

(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	Ashford Trust Consolidated Historical (A)	Ashford Select Portfolio (B)	Adjustments (C)	Sub-total	PIM Highland JV Portfolio (D)	Adjustments (E)	Ashford Trust Consolidated Pro Forma
Revenue							
Rooms	$ 749,270	$ (72,940)	$	$ 676,330	$ 305,906	$	$ 982,236
Food and beverage	153,602	(2,556)		151,046	105,291		256,337
Other	37,815	(1,749)		36,066	15,186		51,252
Total hotel revenue	**940,687**	**(77,245)**		**863,442**	**426,383**		**1,289,825**
Advisory services revenue	1,047			1,047			1,047
Other	526			526	377		903
Total Revenue	**942,260**	**(77,245)**		**865,015**	**426,760**		**1,291,775**
Expenses							
Hotel operating expenses:							
Rooms	171,006	(18,778)		152,228	67,926		220,154
Food and beverage	104,536	(1,778)		102,758	69,500		172,258
Other expenses	281,826	(22,400)		259,426	132,183		391,609
Management fees	38,945	(4,418)		34,527	13,611		48,138
Total hotel operating expenses	596,313	(47,374)		548,939	283,220		832,159
Property taxes, insurance and other	47,075	(4,476)		42,599	22,909		65,508
Depreciation and amortization	127,990	(12,255)		115,735	68,712	9,911(E)(ii)	194,358
Impairment charges	(396)			(396)	6,158		5,762
Gain on insurance settlement	(270)			(270)			(270)
Transaction costs	1,324			1,324	16		1,340
Corporate general and administrative	52,821	(5,167)	5,167	52,821	4,118	(E)(i)	56,939
Total Operating Expenses	**824,857**	**(69,272)**	**5,167**	**760,752**	**385,133**	**9,911**	**1,155,796**
Operating income (loss)	**117,403**	**(7,973)**	**(5,167)**	**104,263**	**41,627**	**(9,911)**	**135,979**
Equity in earnings (loss) of unconsolidated joint ventures	(23,404)			(23,404)		19,392(E)(iii)	(4,012)
Interest income	71	(7)		64	69		133
Other income	5,650			5,650			5,650
Interest expense and amortization of loan costs	(141,469)	13,245		(128,224)	(64,316)	892(E)(iv)	(191,648)
Write-off of loan costs and exit fees	(2,098)	127		(1,971)			(1,971)
Unrealized gain on marketable securities	5,115			5,115			5,115
Unrealized loss on derivatives	(8,315)			(8,315)			(8,315)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	**(47,047)**	**5,392**	**(5,167)**	**(46,822)**	**(22,620)**	**10,373**	**(59,069)**
Income tax (expense) benefit	(1,511)	524	(500)(F)	(1,487)	(1,345)	(F)	(2,832)

NET INCOME (LOSS)	**(48,558)**	**5,916**	**(5,667)**	**(48,309)**	**(23,965)**	**10,373**	**(61,901)**
(Income) loss from consolidated entities attributable to noncontrolling interests	(908)	14		(894)			(894)

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ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (CONTINUED)

YEAR ENDED DECEMBER 31, 2013

(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	Ashford Trust Consolidated Historical (A)	Ashford Select Portfolio (B)	Adjustments (C)	Sub-total	PIM Highland JV Portfolio (D)	Adjustments (E)	Ashford Trust Consolidated Pro Forma
Net loss attributable to redeemable noncontrolling interests in operating partnership	8,183		(32)(G)	8,151		1,729(G)	9,880
NET INCOME (LOSS) ATTRIBUTABLE TO THE COMPANY	**(41,283)**	**5,930**	**(5,699)**	**(41,052)**	**(23,965)**	**12,102**	**(52,915)**
Preferred dividends	(33,962)			(33,962)			(33,962)
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS	**$ (75,245)**	**$ 5,930**	**$ (5,699)**	**$ (75,014)**	**$ (23,965)**	**$ 12,102**	**$ (86,877)**
LOSS PER SHARE BASIC AND DILUTED:							
Basic:							
Loss attributable to common stockholders	$ (1.00)						
Weighted average common shares outstanding basic	75,155						
Diluted:							
Loss attributable to common stockholders	$ (1.00)						
Weighted average common shares outstanding diluted	75,155						
Dividends declared per common share	$ 0.48						
Amounts attributable to common stockholders:							

Income (loss) from continuing operations, net of tax	$ (41,283)	$ 5,930	$ (5,699)	$ (41,052)	$ (23,965)	$ 12,102	$ (52,915)
Preferred dividends	(33,962)			(33,962)			(33,962)
Net income (loss) attributable to common stockholders	**$ (75,245)**	**$ 5,930**	**$ (5,699)**	**$ (75,014)**	**$ (23,965)**	**$ 12,102**	**$ (86,877)**

See accompanying notes.

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ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(A)

Represents the historical consolidated statements of operations of Ashford Trust as reported by Ashford Trust in its Quarterly Report on Form 10-Q for the nine months ended September 30, 2014 and in its Annual Report on Form 10-K for the year ended December 31, 2013.

(B)

Represents the historical combined consolidated statements of operations of the Ashford Select Portfolio for the nine months ended September 30, 2014 and the year ended December 31, 2013, included in our Current Report on Form 8-K filed on January 29, 2015.

(C)

Represents adjustments to the Ashford Select Portfolio for the nine months ended September 30, 2014 and the year ended December 31, 2013, which includes; (i) removal of corporate general and administrative expenses that represented "carved-out" expenses of Ashford Trust and (ii) and adjustments related to footnotes (F) and (G) below.

(D)

Represents the historical consolidated statements of operations of the PIM Highland JV Portfolio for the nine months ended September 30, 2014 and the year ended December 31, 2013, as included in our Current Report on Form 8-K filed on January 29, 2015 and our Form 10-K/A filed on March 31, 2014.

(E)

Represents adjustments for the PIM Highland JV Portfolio for the nine months ended September 30, 2014 and the year ended December 31, 2013; which includes; (i) the elimination of corporate general and administrative expenses of the PIM Highland JV Portfolio and other revenue of Ashford Trust related to services provided by Ashford Trust for the nine months ended September 30, 2014, as a result of the consolidation of the PIM Highland JV Portfolio. These amounts were all included in corporate general and administrative expense for the year ended December 31, 2013; (ii) additional depreciation expense as a result of the remeasurement of investment in hotel properties, net to fair value upon acquiring a controlling interest; (iii) the removal of equity in earnings (loss) as a result of consolidation; (iv) adjustment to interest expense as a result of the remeasurement of indebtedness to fair value upon acquiring a controlling interest; and (v) adjustments related to footnotes (F) and (G) below. The adjustments do not reflect the estimated gain of $364.6 million resulting from acquiring a controlling interest.

(F)

Reflects the adjustment to income tax expense as if the consolidated group filed without the Ashford Select Portfolio and with the PIM Highland JV Portfolio. The change in income tax expense from the Ashford Select Portfolio was calculated by multiplying the hotel operating income for the Ashford Select Portfolio by the combined consolidated group's effective tax rate, which was 2% for the nine months ended September 30, 2014 and 2% for the year ended December 31, 2013. No adjustments were required for the PIM Highland JV Portfolio.

(G)

Reflects adjustments to income/loss attributable to redeemable noncontrolling interests in operating partnership for the operating results of the Ashford Select Portfolio and the incremental operating results of the PIM Highland JV Portfolio based on ownership interests of 13.01% for the nine months ended September 30, 2014 and 12.72% for the year ended December 31, 2013.

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ADDITIONAL INFORMATION REGARDING MATERIAL PROVISIONS OF MARYLAND LAW AND OF OUR CHARTER AND BYLAWS

The last paragraph in the section of the accompanying prospectus entitled "Material Provisions of Maryland Law and of Our Charter and Bylaws Business Combinations" is superseded and replaced in its entirety by the following paragraph:

Our charter includes a provision excluding the corporation from these provisions of the MGCL and, consequently, the five-year prohibition and the super-majority vote requirements will not apply to business combinations between us and any interested stockholder of ours unless we later amend our charter, with stockholder approval, to modify or eliminate this provision. We believe that our ownership restrictions will substantially reduce the risk that a stockholder would become an "interested stockholder" within the meaning of the Maryland business combination statute.

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ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

Tax Legislation

Revised Federal Income Tax Rates. Pursuant to enacted legislation, as of January 1, 2013, (1) the maximum federal income tax rate on "qualified dividend income" received by U.S. holders (as defined in the accompanying prospectus) taxed at individual rates is 20%, (2) the maximum federal income tax rate on long-term capital gain applicable to U.S. holders taxed at individual rates is 20%, and (3) the highest marginal individual federal income tax rate is 39.6%.

Pursuant to such legislation, the backup withholding rate remains at 28%. Such legislation also makes permanent certain federal income tax provisions that were scheduled to expire on December 31, 2012. Also as of January 1, 2013, U.S. holders that are individuals, trusts and estates whose income exceeds certain thresholds are subject to a 3.8% Medicare tax on their net investment income, which would include dividends on our stock and any gain from the disposition of our stock. We urge you to consult your tax advisors regarding the impact of this legislation on the purchase, ownership and sale of our stock.

Withholding Foreign Account Tax Compliance Act. As described in "Federal Income Tax Consequences of Our Status as a REIT Additional U.S. Federal Income Tax Withholding Rules" in the accompanying prospectus, a U.S. withholding tax at a 30% rate will be imposed on dividends and proceeds of sale in respect of our stock held by or through certain foreign financial institutions (including investment funds), unless various information reporting requirements are satisfied. These reporting requirements include such institution entering into an agreement with the Treasury to report, on an annual basis, information with respect to shares in the institution held by certain U.S. persons and by certain non-U.S. entities that are wholly or partially owned by U.S. persons and to withhold on certain payments. An intergovernmental agreement between the United States and an applicable foreign country, or future Treasury regulations or other guidance, may modify these requirements. Accordingly, the entity through which our stock is held will affect the determination of whether such withholding is required. Similarly, dividends in respect of, and gross proceeds from the sale of, our stock held by an investor that is a nonfinancial non-U.S. entity will be subject to withholding at a rate of 30%, unless such entity either: (i) certifies to the applicable withholding agent that such entity does not have any "substantial United States owners" or (ii) provides certain information regarding the entity's "substantial United States owners," which will in turn be provided to the Secretary of the Treasury. Applicable Treasury regulations and IRS administrative guidance defer this withholding tax until after December 31, 2016 for gross proceeds from dispositions of our stock. We will not pay additional amounts in respect of amounts withheld. Prospective investors should consult their tax advisors regarding these withholding provisions.

The second paragraph in the section of the accompanying prospectus entitled "Federal Income Tax Consequences of Our Status as a REIT Taxation of Our Company" is superseded and replaced in its entirety by the following paragraph:

Andrews Kurth LLP has acted as our counsel in connection with the filing of the registration statement of which this prospectus is a part. In the opinion of Andrews Kurth LLP for the taxable years ended December 31, 2003 through 2014, we qualified to be taxed as a REIT pursuant to sections 856 through 860 of the Code, and our organization and present and proposed method of operation will enable us to continue to meet the requirements for qualification and taxation as a REIT under the Code. Investors should be aware that Andrews Kurth LLP's opinion is based upon customary assumptions, is conditioned upon the accuracy of certain representations made by us as to factual matters, including representations regarding the nature of our properties and the future conduct of our business, is conditioned upon the accuracy of certain representations made by Ashford Prime as to factual matters, including representations regarding its organization and operation, for its taxable year ended December 31, 2013, and is not binding upon the IRS or any court. In addition, Andrews Kurth LLP's opinion is based on existing federal income tax law governing qualification as a REIT as of the date of the opinion, which is subject to change either prospectively or retroactively. Moreover, our continued qualification and taxation as a REIT depend upon our ability to meet on a continuing basis, through actual annual operating results, certain qualification tests set forth in the federal tax laws. Those qualification

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tests include the percentage of income that we earn from specified sources, the percentage of our assets that falls within specified categories, the diversity of our share ownership, and the percentage of our earnings that we distribute. While Andrews Kurth LLP has reviewed those matters in connection with the foregoing opinion, Andrews Kurth LLP will not review our compliance with those tests on a continuing basis. Accordingly, no assurance can be given that the actual results of our operation for any particular taxable year will satisfy such requirements. For a discussion of the tax consequences of our failure to qualify as a REIT, see " Failure to Qualify."

Taxation of Non-U.S. Holders

The second paragraph in the section of the accompanying prospectus entitled "Federal Income Tax Consequences of Our Status as a REIT Taxation of Non-U.S. Holders" is superseded and replaced in its entirety by the following paragraph:

The portion of a distribution that is received by a non-U.S. holder that we cannot designate as a capital gain dividend and that is payable out of our current or accumulated earnings and profits will be subject to U.S. income tax withholding at the rate of 30% on the gross amount of any such distribution paid unless either:

- a lower treaty rate applies and the non-U.S. holder files an IRS Form W-8BEN or W-8BEN-E evidencing eligibility for that reduced rate with us; or

- the non-U.S. holder files an IRS Form W-8ECI with us claiming that the distribution is effectively connected income.

The fifth and sixth paragraphs in the section of the accompanying prospectus entitled "Federal Income Tax Consequences of Our Status as a REIT Taxation of Non-U.S. Holders" are superseded and replaced in their entirety by the following two paragraphs:

If our stock constitutes a United States real property interest, as defined in the next paragraph, unless we are a "domestically-controlled REIT," as defined below or the distribution is with respect to a class of our stock regularly traded on an established securities market located in the United States the distribution will give rise to gain from the sale or exchange of such stock, the tax treatment of which is described below, and we must withhold 10% of any distribution that exceeds our current and accumulated earnings and profits. Consequently, although we intend to withhold at a rate of 30% on the entire amount of any distribution, to the extent that we do not do so, we may withhold at a rate of 10% on any portion of a distribution not subject to withholding at a rate of 30%.

For any year in which we qualify as a REIT, a non-U.S. holder may incur tax on distributions that are attributable (or deemed so attributable pursuant to applicable Treasury regulations) to gain from our sale or exchange of "United States real property interests" under special provisions of the federal income tax laws referred to as "FIRPTA." The term "United States real property interests" includes certain interests in real property and stock in corporations at least 50% of whose assets consists of interests in real property. Under those rules, a non-U.S. holder is taxed on distributions attributable (or deemed attributable) to gain from sales of United States real property interests as if such gain were effectively connected with a United States business of the non-U.S. holder. A non-U.S. holder thus would be taxed on such a distribution at the normal rates, including applicable capital gains rates, applicable to U.S. holders, subject to applicable alternative minimum tax and a special alternative minimum tax in the case of a nonresident alien individual. A non-U.S. corporate holder not entitled to treaty relief or exemption also may be subject to the 30% branch profits tax on such a distribution. Except as described below with respect to regularly traded stock, we must withhold 35% of any distribution that we could designate as a capital gain dividend. A non-U.S. holder may receive a credit against its tax liability for the amount we withhold. Any distribution with respect to any class of stock which is regularly traded on an established securities market located in the United States, will not be treated as gain recognized from the sale or exchange of a United States real property interest if the non-U.S. holder did not own more than 5% of such class of stock at any time during the one-year period preceding the distribution. As a result, non-U.S. holders generally will be subject to withholding tax on such capital gain distributions in the same manner as they are subject to withholding tax on ordinary dividends. We anticipate that each class of our stock will be regularly traded on an

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established securities market in the United States following this offering. If a class of our stock is not regularly traded on an established securities market in the United States or the non-U.S. holder owned more than 5% of such class of stock at any time during the one-year period preceding the distribution, capital gain distributions with respect to that class of stock that are attributable to our sale of real property would be subject to tax under FIRPTA, as described above. Moreover, if a non-U.S. holder disposes of shares of a class of our stock during the 30-day period preceding the ex-dividend date of a dividend, and such non-U.S. holder (or a person related to such non-U.S. holder) acquires or enters into a contract or option to acquire shares of such class of stock within 61 days of the first day of the 30-day period described above, and any portion of such dividend payment would, but for the disposition, be treated as a United States real property interest capital gain to such non-U.S. holder, then such non-U.S. holder will be treated as having United States real property interest capital gain in an amount that, but for the disposition, would have been treated as United States real property interest capital gain.

The eighth paragraph in the section of the accompanying prospectus entitled "Federal Income Tax Consequences of Our Status as a REIT Taxation of Non-U.S. Holders" is superseded and replaced in its entirety by the following paragraph:

A non-U.S. holder generally will not incur tax under FIRPTA with respect to gain realized upon a disposition shares of a class of our stock as long as we are a "domestically-controlled REIT." A domestically-controlled REIT is a REIT in which, at all times during a specified testing period, less than 50% in value of its shares are held directly or indirectly by non-U.S. holders. We cannot assure you that that test will be met. However, a non-U.S. holder that owned, actually or constructively, 5% or less of a class of our stock at all times during a specified testing period will not incur tax under FIRPTA with respect to any such gain if the class of stock is "regularly traded" on an established securities market. To the extent that a class of our stock is regularly traded on an established securities market, a non-U.S. holder will not incur tax under FIRPTA unless it owns more than 5% of such class of our stock. If the gain on the sale of the stock were taxed under FIRPTA, a non-U.S. holder would be taxed in the same manner as U.S. holders with respect to such gain, subject to applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals. Furthermore, a non-U.S. holder generally will incur tax on gain not subject to FIRPTA if (1) the gain is effectively connected with the non-U.S. holder's U.S. trade or business, in which case the non-U.S. holder will be subject to the same treatment as U.S. holders with respect to such gain, or (2) the non-U.S. holder is a nonresident alien individual who was present in the U.S. for 183 days or more during the taxable year and has a "tax home" in the United States, in which case the non-U.S. holder will incur a 30% tax on his capital gains.

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UNDERWRITING

Subject to the terms and conditions set forth in an underwriting agreement among us and Robert W. Baird & Co. Incorporated, we have agreed to sell to the underwriter, and the underwriter has agreed to purchase from us, at the public offering price less the underwriting discount set forth on the cover page of this prospectus, 9,500,000 shares of common stock.

We have agreed to indemnify the underwriter against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the underwriter may be required to make in respect of those liabilities.

Commissions and Discounts

The underwriter proposes initially to offer the shares of common stock directly to the public at the public offering price set forth on the cover page of this prospectus supplement and to certain dealers at that price less a concession not in excess of $0.06 per share. After the initial offering of the shares, the offering price and other selling terms may be changed by the underwriter. The offering of the shares by the underwriter is subject to receipt and acceptance and subject to the underwriter's right to reject any order in whole or in part.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriter of its option to purchase additional shares.

	Per Share	Without Option	With Option
Public offering price	$ 10.6500	$ 101,175,000	$ 116,351,250
Underwriting discount	$ 0.0997	$ 947,150	$ 1,089,223
Proceeds, before expenses, to us	$ 10.5503	$ 100,227,850	$ 115,262,027

The expenses of the offering, not including the underwriting discount, are estimated at approximately $250,000 and are payable by us.

Option to Purchase Additional Shares

We have granted an option to the underwriter, exercisable for 30 days after the date of this prospectus supplement, to purchase up to 1,425,000 additional shares at the public offering price, less the underwriting discount.

No Sales of Similar Securities

We, our executive officers and directors have agreed not to sell or transfer any common stock or securities convertible into, exchangeable for, exercisable for, or repayable with common stock, including common units, for 60 days after the date of this prospectus supplement without first obtaining the written consent of the underwriter, except to the extent of any currently existing 10b5-1 plans previously established by our executive officers or directors. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly:

offer, pledge, sell or contract to sell any common stock,

sell any option or contract to purchase any common stock,

purchase any option or contract to sell any common stock,

grant any option, right or warrant for the purchase or sale of any common stock,

otherwise dispose of or transfer any common stock,

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request or demand that we file a registration statement related to the common stock, or

enter into any swap or any other agreement or any transaction that transfers, in whole or in part, the economic consequence of ownership of any common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

This lock-up provision applies to common stock and to securities convertible into or exchangeable or exercisable for or repayable with common stock, including common units. It also applies to common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition. In the event that either (x) during the last 17 days of the lock-up period referred to above, we issue an earnings release or material news or a material event relating to us occurs or (y) prior to the expiration of the lock-up period, we announce that we will release earnings results or become aware that material news or a material event will occur during the 16-day period beginning on the last day of the lock-up period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

New York Stock Exchange Listing

The shares are listed on the NYSE under the symbol "AHT."

Price Stabilization, Short Positions

Until the distribution of the shares is completed, SEC rules may limit underwriter and selling group members from bidding for and purchasing our common stock. However, the underwriter may engage in transactions that stabilize the price of the common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriter may purchase and sell our common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriter of a greater number of shares than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the underwriter's option to purchase additional shares described above. The underwriter may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriter will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option granted to them. "Naked" short sales are sales in excess of such option. The underwriter must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriter is concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriter in the open market prior to the completion of the offering.

Similar to other purchase transactions, the underwriter's purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. The underwriter may conduct these transactions on the NYSE, in the over-the-counter market or otherwise.

Neither we nor the underwriter make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor the underwriter make any representation that the underwriter will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

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Electronic Distribution

In connection with the offering, the underwriter or securities dealers may distribute prospectuses by electronic means, such as e-mail.

Other Relationships

The underwriter and its affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriter and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Notice to Prospective Investors in Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus supplement relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This prospectus supplement is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for the prospectus supplement. The shares to which this prospectus supplement relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus supplement you should consult an authorized financial advisor.

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Notice to Prospective Investors in Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission ("ASIC"), in relation to the offering. This prospectus supplement does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the "Corporations Act"), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (the "Exempt Investors") who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional investors" (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus supplement contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus supplement is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Notice to Prospective Investors in Hong Kong

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

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LEGAL MATTERS

Certain legal matters in connection with this offering will be passed upon for us by Andrews Kurth LLP, Dallas, Texas. In addition, the description of federal income tax consequences contained in the section of this prospectus supplement entitled "Additional Federal Income Tax Consequences" and the section in the accompanying prospectus entitled "Federal Income Tax Consequences of Our Status as a REIT" is based on the opinion of Andrews Kurth LLP. Certain legal matters related to the offering will be passed upon for the underwriter by Hunton & Williams LLP. Certain Maryland law matters in connection with this offering will be passed upon for us by Hogan Lovells US LLP. Andrews Kurth LLP and Hunton & Williams LLP will rely on the opinion of Hogan Lovells US LLP as to certain matters of Maryland law.

EXPERTS

The consolidated financial statements of Ashford Hospitality Trust, Inc. and subsidiaries appearing in its Annual Report (Form 10-K) for the year ended December 31, 2013 (including schedules appearing therein), and the effectiveness of Ashford Hospitality Trust, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2013, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements and schedules are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

The combined consolidated financial statements of The Ashford Hospitality Select Hotels as of December 31, 2013 and 2012 for each of the two years in the period ended December 31, 2013 appearing in Ashford Hospitality Trust, Inc. and subsidiaries' Current Report (Form 8-K) dated January 29, 2015, have been audited by Ernst & Young, independent auditors, as set forth in their report thereon, included therein, and incorporated herein by reference. Such combined consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of PIM Highland Holding LLC and subsidiaries appearing in Ashford Hospitality Trust, Inc. and subsidiaries' Annual Report (Form 10-K) for the year ended December 31, 2013, as amended by the Form 10-K/A filed with the SEC on March 31, 2014, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

INCORPORATION OF INFORMATION BY REFERENCE

The SEC allows us to "incorporate by reference" the information we file with them, which means that we can disclose important information to you by referring you to other documents that we file with the SEC. These incorporated documents contain important business and financial information about us that is not included in or delivered with this prospectus supplement or the accompanying prospectus. The information incorporated by reference is considered to be part of this prospectus supplement, and later information filed with the SEC will update and supersede this information.

We incorporate by reference the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (other than information furnished rather than filed), until the offering of securities covered by this prospectus is complete:

- our annual report on Form 10-K for the year ended December 31, 2013, filed with the SEC on March 3, 2014, as amended by Form 10-K/A, filed with the SEC on March 31, 2014;

- our quarterly reports on Form 10-Q for each of the quarterly periods ended March 31, 2014, June 30, 2014 and September 30, 2014, filed with the SEC on May 12, 2014, August 11, 2014 and November 7, 2014, respectively;

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the information specifically incorporated by reference into our annual report on Form 10-K for the year ended December 31, 2013 from our definitive proxy statement on Schedule 14A filed with the SEC on April 14, 2014; and

our current reports on Form 8-K filed with the SEC on February 28, 2014 (with respect to Items 1.01, 5.03, 5.05 and 9.01), March 4, 2014 (with respect to Item 5.02), April 1, 2014, April 14, 2014, April 29, 2014, May 14, 2014, May 19, 2014 (two reports), June 19, 2014, September 10, 2014 (two reports), October 15, 2014, October 29, 2014, November 6, 2014 (two reports), November 18, 2014, December 17, 2014, December 19, 2014 (with respect to Items 1.01 and 9.01) and January 29, 2015 (with respect to Items 8.01 and 9.01).

You may obtain copies of these documents at no cost by writing or telephoning us at the following address:

Investor Relations
Ashford Hospitality Trust, Inc.
14185 Dallas Parkway, Suite 1100
Dallas, Texas 75254
(972) 490-9600

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PROSPECTUS

COMMON STOCK
PREFERRED STOCK
DEBT SECURITIES
WARRANTS
RIGHTS

Under this prospectus, we may offer, from time to time, in one or more series or classes, the securities described in this prospectus.

We will provide the specific terms of any securities we may offer in a supplement to this prospectus. You should carefully read this prospectus and any applicable prospectus supplement before deciding to invest in these securities. Our common stock is listed on the New York Stock Exchange under the symbol "AHT."

We may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis. The prospectus describes some of the general terms that may apply to these securities. The specific terms of any securities to be offered will be described in a supplement to this prospectus.

Investing in our securities involves risks. See "Risk Factors" on page 2 for information regarding risks associated with an investment in our securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is May 17, 2012.

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You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone else to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. An offer to sell these securities will not be made in any jurisdiction where the offer and sale is not permitted. You should assume that the information appearing in this prospectus, as well as information we previously filed with the Securities and Exchange Commission and incorporated by reference, is accurate as of the date on the front cover of this prospectus only. Our business, financial condition, results of operations and prospects may have changed since that date.

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OUR COMPANY

We are a Maryland corporation that was formed in May 2003 to invest in the hospitality industry at all levels of the capital structure. As of March 31, 2012, our hotel portfolio includes 92 directly owned hotel properties and four hotel properties that we own through majority-owned equity investments in joint ventures. Our hotels are generally upscale and upper-upscale properties under the widely recognized family of brands associated with Hilton, Marriott, Starwood and Intercontinental. Currently, all of our hotels are located in the United States.

In March 2011, we acquired 96 hotel condominium units at WorldQuest Resort in Orlando, Florida (of which two have since been sold), and we also converted our interest in a joint venture that held a mezzanine loan into a 71.74% common equity interest and a $25.0 million preferred equity interest in a new joint venture that holds 28 high quality full and select service hotel properties. At March 31, 2012, we also wholly owned a mezzanine loan receivable with a carrying value of $3.1 million and one note receivable of $8.1 million in connection with a joint venture restructuring. Beginning in March 2008, we have entered into various derivative transactions with financial institutions to hedge our debt, to improve cash flows, and to capitalize on the historical correlation between changes in LIBOR and RevPAR (Revenue Per Available Room).

Our investment strategies focus on the upscale and upper-upscale segments within the lodging industry. We believe that as hotel supply and demand and capital market cycles change, we will be able to shift our investment strategies to take advantage of newly created lodging-related investment opportunities as they develop. As the business cycle changes and the hotel markets improve, we intend to continue to invest in a variety of lodging-related assets based upon our evaluation of diverse market conditions including our cost of capital and the expected returns from those investments.

We are self-advised and own our lodging investments and conduct our business through Ashford Hospitality Limited Partnership, our operating partnership. We are the sole general partner of our operating partnership.

We have elected to be treated as a real estate investment trust, or REIT, for federal income tax purposes. Because of limitations imposed on REITs in operating hotel properties, third-party managers manage each of our hotel properties. Our employees perform, directly through our operating partnership, various acquisition, development, redevelopment, asset management, accounting and corporate management functions. All persons employed in the day-to-day operations of our hotels are employees of the management companies engaged by our lessees, and are not our employees.

Our principal executive offices are located at 14185 Dallas Parkway, Suite 1100, Dallas, Texas 75254. Our telephone number is (972) 490-9600. Our website is http://www.ahtreit.com. The contents of our website are not a part of this prospectus. Our shares of common stock are traded on the New York Stock Exchange, or the "NYSE," under the symbol "AHT."

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RISK FACTORS

An investment in our securities involves various risks. You should carefully consider the risk factors incorporated by reference to our most recent Annual Report on Form 10-K and the other information contained in this prospectus, as updated by our subsequent filings under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the risk factors and other information contained in the applicable prospectus supplement before acquiring any of our securities.

ABOUT THIS PROSPECTUS

This prospectus is part of a shelf registration statement. We may sell, from time to time, in one or more offerings, any combinations of the securities described in this prospectus. This prospectus only provides you with a general description of the securities we may offer. Each time we sell securities under this prospectus, we will provide a prospectus supplement that contains specific information about the terms of the securities. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with the additional information described below under the heading "Where You Can Find More Information."

FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated herein by reference, together with other statements and information publicly disseminated by us, contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Exchange Act, that are subject to risks and uncertainties. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and include this statement for purposes of complying with these safe harbor provisions. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. Statements regarding the following subjects are forward-looking by their nature:

our business and investment strategy;

our projected operating results;

our entry into (including the terms and conditions of) any proposed transactions or completion of any pending transactions;

our ability to obtain future financing arrangements;

our understanding of our competition;

market and industry trends;

projected capital expenditures; and

the impact of technology on our operations and business.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently known to us. These beliefs, assumptions and expectations can change as a result of many potential events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity, results of operations, plans and objectives may vary

materially from those expressed in our forward-looking statements. You should carefully consider this risk when you make an investment decision concerning

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our securities. Additionally, the following factors could cause actual results to vary from our forward-looking statements:

- the factors discussed in this prospectus, and in the information incorporated by reference into it, including those set forth in our Annual Report on Form 10-K under the section titled "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and "Properties;"
- general volatility of the capital markets and the market price of our securities;
- changes in our business or investment strategy;
- availability, terms and deployment of capital;
- availability of qualified personnel;
- changes in our industry and the market in which we operate, interest rates or the general economy; and
- the degree and nature of our competition.

When we use words or phrases such as "will likely result," "may," "anticipate," "estimate," "should," "expect," "believe," "intend," or similar expressions, we intend to identify forward-looking statements. You should not place undue reliance on these forward-looking statements. Our forward-looking statements speak only as of the date of this prospectus or as of the date they are made, as applicable, and except as otherwise required by federal securities laws, we are not obligated to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

USE OF PROCEEDS

Unless otherwise indicated in a prospectus supplement, we expect to use the net proceeds from the sale of these securities for general corporate purposes, which may include acquisitions of additional properties or hospitality-related securities, as suitable opportunities arise, the origination or acquisition of hotel debt, the joint venture of hotel investments, the repayment of outstanding indebtedness, capital expenditures, the expansion, redevelopment or improvement of properties in our portfolio, working capital and other general purposes. Further details regarding the use of the net proceeds of a specific series or class of the securities will be set forth in the applicable prospectus supplement.

RATIO OF EARNINGS TO FIXED CHARGES AND EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

The following table sets forth our historical ratio of earnings to fixed charges, as adjusted for discontinued operations, for each of the periods indicated and our ratio of earnings to combined fixed charges and preferred stock dividends, as adjusted for discontinued operations, for each of the periods indicated:

	Three Months Ended March 31,	Year Ended December 31,				
	2012	2011	2010	2009	2008	2007
Ratio of earnings to fixed charges	*	*	*	*	1.61	1.01
Ratio of earnings to combined fixed charges and preferred stock dividends	**	**	**	**	1.39	**

*

For these periods, earnings were less than fixed charges, and the coverage deficiency was approximately $11,862,000, $53,645,000 and $191,325,000 for the years ended December 31, 2011, 2010 and 2009, respectively, and $14,106,000 for the three months ended March 31, 2012.

**

For these periods, earnings were less than combined fixed charges and preferred stock dividends, and the coverage deficiency was approximately $41,375,000, $74,839,000, $210,647,000 and $22,020,000 for the years ended December 31, 2011, 2010, 2009 and 2007, respectively, and $22,437,000 for the three months ended March 31, 2012.

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For purposes of computing the ratios of earnings to fixed charges and of earnings to combined fixed charges and preferred stock dividends and the amount of coverage deficiency, earnings is computed as pre-tax income from continuing operations before equity method earnings or losses from equity investees plus: (a) fixed charges less preferred unit distribution requirements included in fixed charges but not deducted in the determination of earnings and (b) distributed income of equity investees. Fixed charges consist of (a) interest expenses as no interest was capitalized in the periods presented, (b) amortization of debt issuance costs, discount or premium, (c) the interest component of rent expense, and (d) preferred dividend requirements of a majority-owned subsidiary, excluding a non-recurring non-cash dividend paid for the redemption of the Series B-1 preferred stock.

DESCRIPTION OF OUR CAPITAL STOCK

General

We were formed under the laws of the State of Maryland. Rights of our stockholders are governed by the Maryland General Corporation Law, or MGCL, our charter and our bylaws. The following is a summary of the material provisions of our capital stock. Copies of our charter and bylaws are filed as exhibits to the registration statement of which this prospectus is a part. See "Where You Can Find More Information."

Authorized Stock

Our charter provides that we may issue up to 200 million shares of voting common stock, par value $.01 per share, and 50 million shares of preferred stock, par value $.01 per share.

Power to Issue Additional Shares of Our Common Stock and Preferred Stock

We believe that the power of our board of directors, without stockholder approval, to issue additional authorized but unissued shares of our common stock or preferred stock and to classify or reclassify unissued shares of our common stock or preferred stock and thereafter to cause us to issue such classified or reclassified shares of stock provides us with flexibility in structuring possible future financings and acquisitions and in meeting other needs which might arise. The additional classes or series, as well as the common stock, will be available for issuance without further action by our stockholders, unless stockholder consent is required by applicable law or the rules of any stock exchange or automated quotation system on which our securities may be listed or traded. Although our board of directors does not currently intend to do so, it could authorize us to issue an additional class or series of stock that could, depending upon the terms of the particular class or series, delay, defer or prevent a transaction or a change of control of our company, even if such transaction or change of control involves a premium price for our stockholders or stockholders believe that such transaction or change of control may be in their best interests.

Restrictions on Ownership and Transfer

In order for us to qualify as a REIT under the Internal Revenue Code or "Code," not more than 50% of the value of the outstanding shares of our stock may be owned, actually or constructively, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year (other than the first year for which an election to be a REIT has been made by us). In addition, if we, or one or more owners (actually or constructively) of 10% or more of us, actually or constructively owns 10% or more of a tenant of ours (or a tenant of any partnership in which we are a partner), the rent received by us (either directly or through any such partnership) from such tenant will not be qualifying income for purposes of the REIT gross income tests of the Code. Our stock must also be beneficially owned by 100 or more persons during at least 335 days of a taxable year of

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12 months or during a proportionate part of a shorter taxable year (other than the first year for which an election to be a REIT has been made by us).

Our charter contains restrictions on the ownership and transfer of our capital stock that are intended to assist us in complying with these requirements and continuing to qualify as a REIT. The relevant sections of our charter provide that, subject to the exceptions described below, no person or persons acting as a group may own, or be deemed to own by virtue of the attribution provisions of the Code, more than (i) 9.8% of the lesser of the number or value of shares of our common stock outstanding or (ii) 9.8% of the lesser of the number or value of the issued and outstanding preferred or other shares of any class or series of our stock. We refer to this restriction as the "ownership limit."

The ownership attribution rules under the Code are complex and may cause stock owned actually or constructively by a group of related individuals and/or entities to be owned constructively by one individual or entity. As a result, the acquisition of less than 9.8% of our common stock (or the acquisition of an interest in an entity that owns, actually or constructively, our common stock) by an individual or entity, could, nevertheless cause that individual or entity, or another individual or entity, to own constructively in excess of 9.8% of our outstanding common stock and thereby subject the common stock to the ownership limit.

Our board of directors may, in its sole discretion, waive the ownership limit with respect to one or more stockholders who would not be treated as "individuals" for purposes of the Code if it determines that such ownership will not cause any "individual's" beneficial ownership of shares of our capital stock to jeopardize our status as a REIT (for example, by causing any tenant of ours to be considered a "related party tenant" for purposes of the REIT qualification rules).

As a condition of our waiver, our board of directors may require an opinion of counsel or IRS ruling satisfactory to our board of directors, and/or representations or undertakings from the applicant with respect to preserving our REIT status.

In connection with the waiver of the ownership limit or at any other time, our board of directors may decrease the ownership limit for all other persons and entities; provided, however, that the decreased ownership limit will not be effective for any person or entity whose percentage ownership in our capital stock is in excess of such decreased ownership limit until such time as such person or entity's percentage of our capital stock equals or falls below the decreased ownership limit, but any further acquisition of our capital stock in excess of such percentage ownership of our capital stock will be in violation of the ownership limit. Additionally, the new ownership limit may not allow five or fewer "individuals" (as defined for purposes of the REIT ownership restrictions under the Code) to beneficially own more than 49.0% of the value of our outstanding capital stock.

Our charter provisions further prohibit:

- any person from actually or constructively owning shares of our capital stock that would result in us being "closely held" under Section 856(h) of the Code or otherwise cause us to fail to qualify as a REIT; and

- any person from transferring shares of our capital stock if such transfer would result in shares of our stock being beneficially owned by fewer than 100 persons (determined without reference to any rules of attribution).

Any person who acquires or attempts or intends to acquire beneficial or constructive ownership of shares of our common stock that will or may violate any of the foregoing restrictions on transferability and ownership will be required to give notice immediately to us and provide us with such other information as we may request in order to determine the effect of such transfer on our status as a REIT. The foregoing provisions on transferability and ownership will not apply if our board of directors determines that it is no longer in our best interests to qualify, or to continue to qualify, as a REIT.

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Pursuant to our charter, if any purported transfer of our capital stock or any other event would otherwise result in any person violating the ownership limits or the other restrictions in our charter, then any such purported transfer will be void and of no force or effect with respect to the purported transferee or owner (collectively referred to hereinafter as the "purported owner") as to that number of shares in excess of the ownership limit (rounded up to the nearest whole share). The number of shares in excess of the ownership limit will be automatically transferred to, and held by, a trust for the exclusive benefit of one or more charitable organizations selected by us. The trustee of the trust will be designated by us and must be unaffiliated with us and with any purported owner. The automatic transfer will be effective as of the close of business on the business day prior to the date of the violative transfer or other event that results in a transfer to the trust. Any dividend or other distribution paid to the purported owner, prior to our discovery that the shares had been automatically transferred to a trust as described above, must be repaid to the trustee upon demand for distribution to the beneficiary of the trust and all dividends and other distributions paid by us with respect to such "excess" shares prior to the sale by the trustee of such shares shall be paid to the trustee for the beneficiary. If the transfer to the trust as described above is not automatically effective, for any reason, to prevent violation of the applicable ownership limit, then our charter provides that the transfer of the excess shares will be void. Subject to Maryland law, effective as of the date that such excess shares have been transferred to the trust, the trustee shall have the authority (at the trustee's sole discretion and subject to applicable law) (i) to rescind as void any vote cast by a purported owner prior to our discovery that such shares have been transferred to the trust and (ii) to recast such vote in accordance with the desires of the trustee acting for the benefit of the beneficiary of the trust, provided that if we have already taken irreversible action, then the trustee shall not have the authority to rescind and recast such vote.

Shares of our capital stock transferred to the trustee are deemed offered for sale to us, or our designee, at a price per share equal to the lesser of (i) the price paid by the purported owner for the shares (or, if the event which resulted in the transfer to the trust did not involve a purchase of such shares of our capital stock at market price, the market price on the day of the event which resulted in the transfer of such shares of our capital stock to the trust) and (ii) the market price on the date we, or our designee, accepts such offer. We have the right to accept such offer until the trustee has sold the shares of our capital stock held in the trust pursuant to the clauses discussed below. Upon a sale to us, the interest of the charitable beneficiary in the shares sold terminates and the trustee must distribute the net proceeds of the sale to the purported owner and any dividends or other distributions held by the trustee with respect to such capital stock will be paid to the charitable beneficiary.

If we do not buy the shares, the trustee must, within 20 days of receiving notice from us of the transfer of shares to the trust, sell the shares to a person or entity designated by the trustee who could own the shares without violating the ownership limits. After that, the trustee must distribute to the purported owner an amount equal to the lesser of (i) the net price paid by the purported owner for the shares (or, if the event which resulted in the transfer to the trust did not involve a purchase of such shares at market price, the market price on the day of the event which resulted in the transfer of such shares of our capital stock to the trust) and (ii) the net sales proceeds received by the trust for the shares. Any proceeds in excess of the amount distributable to the purported owner will be distributed to the beneficiary.

Our charter also provides that "Benefit Plan Investors" (as defined in our charter) may not hold, individually or in the aggregate, 25% or more of the value of any class or series of shares of our capital stock to the extent such class or series does not constitute "Publicly Offered Securities" (as defined in our charter).

All persons who own, directly or by virtue of the attribution provisions of the Code, more than 5% (or such other percentage as provided in the regulations promulgated under the Code) of the lesser of the number or value of the shares of our outstanding capital stock must give written notice to us within

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30 days after the end of each calendar year. In addition, each stockholder will, upon demand, be required to disclose to us in writing such information with respect to the direct, indirect and constructive ownership of shares of our stock as our board of directors deems reasonably necessary to comply with the provisions of the Code applicable to a REIT, to comply with the requirements or any taxing authority or governmental agency or to determine any such compliance.

All certificates representing shares of our capital stock bear a legend referring to the restrictions described above.

These ownership limits could delay, defer or prevent a transaction or a change of control of our company that might involve a premium price over the then prevailing market price for the holders of some, or a majority, of our outstanding shares of common stock or which such holders might believe to be otherwise in their best interest.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock and preferred stock is Computershare Trust Company, N.A.

DESCRIPTION OF OUR COMMON STOCK

The following description of our common stock sets forth certain general terms and provisions of our common stock to which any prospectus supplement may relate, including a prospectus supplement providing that common stock will be issuable upon conversion or exchange of our debt securities or preferred stock or upon the exercise of warrants or rights to purchase our common stock.

All shares of our common stock covered by this prospectus will be duly authorized, fully paid and nonassessable. Subject to the preferential rights of any other class or series of stock and to the provisions of the charter regarding the restrictions on transfer of stock, holders of shares of our common stock are entitled to receive dividends on such stock when, as and if authorized by our board of directors out of funds legally available therefor and declared by us and to share ratably in the assets of our company legally available for distribution to our stockholders in the event of our liquidation, dissolution or winding up after payment of or adequate provision for all known debts and liabilities of our company, including the preferential rights on dissolution of any class or classes of preferred stock.

Subject to the provisions of our charter regarding the restrictions on transfer of stock, each outstanding share of our common stock entitles the holder to one vote on all matters submitted to a vote of stockholders, including the election of directors and, except as provided with respect to any other class or series of stock, the holders of such shares will possess the exclusive voting power. There is no cumulative voting in the election of our board of directors, which means that the holders of a plurality of the outstanding shares of our common stock can elect all of the directors then standing for election and the holders of the remaining shares will not be able to elect any directors.

Holders of shares of our common stock have no preference, conversion, exchange, sinking fund, redemption or appraisal rights and have no preemptive rights to subscribe for any securities of our company. Subject to the provisions of the charter regarding the restrictions on transfer of stock, shares of our common stock will have equal dividend, liquidation and other rights.

Under the MGCL, a Maryland corporation generally cannot dissolve, amend its charter, merge, consolidate, transfer all or substantially all of its assets, engage in a statutory share exchange or engage in similar transactions outside the ordinary course of business unless declared advisable by the board of directors and approved by the affirmative vote of stockholders holding at least two-thirds of the shares entitled to vote on the matter unless a lesser percentage (but not less than a majority of all of the votes entitled to be cast on the matter) is set forth in the corporation's charter. Our charter does not provide for a lesser percentage for these matters. However, Maryland law permits a corporation to transfer all

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or substantially all of its assets without the approval of the stockholders of the corporation to one or more persons if all of the equity interests of the person or persons are owned, directly or indirectly, by the corporation. Because operating assets may be held by a corporation's subsidiaries, as in our situation, this may mean that a subsidiary of a corporation can transfer all of its assets without a vote of the corporation's stockholders.

Our charter authorizes our board of directors to reclassify any unissued shares of our common stock into other classes or series of classes of stock and to establish the number of shares in each class or series and to set the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption for each such class or series.

DESCRIPTION OF OUR PREFERRED STOCK

Our charter authorizes our board of directors to classify any unissued shares of preferred stock and to reclassify any previously classified but unissued shares of any series. Prior to issuance of shares of each series, our board of directors is required by the MGCL and our charter to set the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for each such series. Thus, our board of directors could authorize the issuance of shares of preferred stock with terms and conditions that could have the effect of delaying, deferring or preventing a transaction or a change of control of our company that might involve a premium price for holders of our common stock or that stockholders believe may be in their best interests. As of March 31, 2012, 1,608,631 shares of Series A Preferred Stock, 9,216,479 shares of our Series D Preferred Stock and 4,630,000 shares of our Series E Preferred Stock are outstanding. Our preferred stock will, when issued, be fully paid and nonassessable and will not have, or be subject to, any preemptive or similar rights.

The prospectus supplement relating to the series of preferred stock offered by that supplement will describe the specific terms of those securities, including:

- the title and stated value of that preferred stock;
- the number of shares of that preferred stock offered, the liquidation preference per share and the offering price of that preferred stock;
- the dividend rate(s), period(s) and payment date(s) or method(s) of calculation thereof applicable to that preferred stock;
- whether dividends will be cumulative or non-cumulative and, if cumulative, the date from which dividends on that preferred stock will accumulate;
- the voting rights applicable to that preferred stock;
- the procedures for any auction and remarketing, if any, for that preferred stock;
- the provisions for a sinking fund, if any, for that preferred stock;
- the provisions for redemption including any restriction thereon, if applicable, of that preferred stock;
- any listing of that preferred stock on any securities exchange;
- the terms and conditions, if applicable, upon which that preferred stock will be convertible into shares of our common stock, including the conversion price (or manner of calculation of the conversion price) and conversion period;

a discussion of federal income tax considerations applicable to that preferred stock;

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any limitations on issuance of any series of preferred stock ranking senior to or on a parity with that series of preferred stock as to dividend rights and rights upon liquidation, dissolution or winding up of our affairs;

in addition to those limitations described above under "DESCRIPTION OF CAPITAL STOCK Restrictions on Ownership and Transfer," any other limitations on actual and constructive ownership and restrictions on transfer, in each case as may be appropriate to preserve our status as a REIT; and

any other specific terms, preferences, rights, limitations or restrictions of that preferred stock.

Rank

Unless otherwise specified in the applicable prospectus supplement, the preferred stock will, with respect to dividend rights and rights upon liquidation, dissolution or winding up of our affairs rank:

senior to all classes or series of common stock and to all equity securities ranking junior to the preferred stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of our affairs;

on a parity with all equity securities issued by us the terms of which specifically provide that those equity securities rank on a parity with the preferred stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of our affairs; and

junior to all equity securities issued by us the terms of which specifically provide that those equity securities rank senior to the preferred stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of our affairs.

The term "equity securities" does not include convertible debt securities.

Dividends

Subject to the preferential rights of any other class or series of stock and to the provisions of the charter regarding the restrictions on transfer of stock, holders of shares of our preferred stock will be entitled to receive dividends on such stock when, as and if authorized by our board of directors out of funds legally available therefor and declared by us, at rates and on dates as will be set forth in the applicable prospectus supplement.

Dividends on any series or class of our preferred stock may be cumulative or noncumulative, as provided in the applicable prospectus supplement. Dividends, if cumulative, will be cumulative from and after the date set forth in the applicable prospectus supplement. If our board of directors fails to authorize a dividend payable on a dividend payment date on any series or class of preferred stock for which dividends are noncumulative, then the holders of that series or class of preferred stock will have no right to receive a dividend in respect of the dividend period ending on that dividend payment date, and we will have no obligation to pay the dividend accrued for that period, whether or not dividends on such series or class are declared or paid for any future period.

If any shares of preferred stock of any series or class are outstanding, no dividends may be authorized or paid or set apart for payment on the preferred stock of any other series or class ranking, as to dividends, on a parity with or junior to the preferred stock of that series or class for any period unless:

the series or class of preferred stock has a cumulative dividend, and full cumulative dividends have been or contemporaneously are authorized and paid or authorized and a sum sufficient for the payment of those dividends is set apart for payment on the preferred stock of that series or class for all past dividend periods and the then current dividend period; or

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the series or class of preferred stock does not have a cumulative dividend, and full dividends for the then current dividend period have been or contemporaneously are authorized and paid or authorized and a sum sufficient for the payment of those dividends is set apart for the payment on the preferred stock of that series or class.

When dividends are not paid in full (or a sum sufficient for the full payment is not set apart) upon the shares of preferred stock of any series or class and the shares of any other series or class of preferred stock ranking on a parity as to dividends with the preferred stock of that series or class, then all dividends authorized on shares of preferred stock of that series or class and any other series or class of preferred stock ranking on a parity as to dividends with that preferred stock shall be authorized pro rata so that the amount of dividends authorized per share on the preferred stock of that series or class and other series or class of preferred stock will in all cases bear to each other the same ratio that accrued dividends per share on the shares of preferred stock of that series or class (which will not include any accumulation in respect of unpaid dividends for prior dividend periods if the preferred stock does not have a cumulative dividend) and that other series or class of preferred stock bear to each other. No interest, or sum of money in lieu of interest, will be payable in respect of any dividend payment or payments on preferred stock of that series or class that may be in arrears.

Redemption

We may have the right or may be required to redeem one or more series of preferred stock, in whole or in part, in each case upon the terms, if any, and at the time and at the redemption prices set forth in the applicable prospectus supplement.

If a series of preferred stock is subject to mandatory redemption, we will specify in the applicable articles supplementary and prospectus supplement the number of shares we are required to redeem, when those redemptions start, the redemption price, and any other terms and conditions affecting the redemption. The redemption price will include all accrued and unpaid dividends, except in the case of noncumulative preferred stock. The redemption price may be payable in cash or other property, as specified in the applicable prospectus supplement. If the redemption price for preferred stock of any series or class is payable only from the net proceeds of the issuance of our stock, the terms of that preferred stock may provide that, if no such stock shall have been issued or to the extent the net proceeds from any issuance are insufficient to pay in full the aggregate redemption price then due, that preferred stock shall automatically and mandatorily be converted into shares of our applicable stock pursuant to conversion provisions specified in the applicable prospectus supplement.

Liquidation Preference

Upon any voluntary or involuntary liquidation or dissolution of us or winding up of our affairs, then, before any distribution or payment will be made to the holders of common stock or any other series or class of stock ranking junior to any series or class of the preferred stock in the distribution of assets upon any liquidation, dissolution or winding up of our affairs, the holders of that series or class of preferred stock will be entitled to receive out of our assets legally available for distribution to shareholders liquidating distributions in the amount of the liquidation preference per share (set forth in the applicable prospectus supplement), plus an amount equal to all dividends accrued and unpaid on the preferred stock (which will not include any accumulation in respect of unpaid dividends for prior dividend periods if the preferred stock does not have a cumulative dividend). After payment of the full amount of the liquidating distributions to which they are entitled, the holders of preferred stock will have no right or claim to any of our remaining assets.

If, upon any voluntary or involuntary liquidation, dissolution or winding up, the legally available assets are insufficient to pay the amount of the liquidating distributions on all outstanding shares of any series or class of preferred stock and the corresponding amounts payable on all shares of other classes

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or series of our stock of ranking on a parity with that series or class of preferred stock in the distribution of assets upon liquidation, dissolution or winding up, then the holders of that series or class of preferred stock and all other classes or series of capital stock will share ratably in any distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

If liquidating distributions have been made in full to all holders of any series or class of preferred stock, our remaining assets will be distributed among the holders of any other classes or series of stock ranking junior to that series or class of preferred stock upon liquidation, dissolution or winding up, according to their respective rights and preferences and in each case according to their respective number of shares. For these purposes, the consolidation or merger of us with or into any other entity, or the sale, lease, transfer or conveyance of all or substantially all of our property or business, will not be deemed to constitute a liquidation, dissolution or winding up of our affairs.

Voting Rights

Holders of preferred stock will not have any voting rights, except as set forth below or as indicated in the applicable prospectus supplement.

Unless provided otherwise for any series or class of preferred stock, so long as any shares of preferred stock of a series or class remain outstanding, we will not, without the affirmative vote or consent of the holders of at least a majority of the shares of that series or class of preferred stock outstanding at the time, given in person or by proxy, either in writing or at a meeting (such series or class voting separately as a class):

- authorize or create, or increase the authorized or issued amount of, any class or series of stock ranking prior to that series or class of preferred stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up or reclassify any authorized stock into any of those shares, or create, authorize or issue any obligation or security convertible into or evidencing the right to purchase any of those shares; or

- amend, alter or repeal the provisions of our charter (including articles supplementary establishing any class or series of preferred stock), whether by merger, consolidation or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of that series or class of preferred stock or the holders of the preferred stock.

However, any increase in the amount of the authorized preferred stock or the creation or issuance of any other series or class of preferred stock, or any increase in the amount of authorized shares of such series or class or any other series or class of preferred stock, in each case ranking on a parity with or junior to the preferred stock of that series or class with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up, will not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers.

These voting provisions will not apply if, at or prior to the time when the act with respect to which that vote would otherwise be required will be effected, all outstanding shares of that series or class of preferred stock have been redeemed or called for redemption upon proper notice and sufficient funds have been deposited in trust to effect that redemption.

Conversion Rights

The terms and conditions, if any, upon which shares of any series or class of preferred stock are convertible into shares of common stock will be set forth in the applicable prospectus supplement. The terms will include:

- the number of shares of common stock into which the preferred stock is convertible;

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the conversion price (or manner of calculation of the conversion price);

the conversion period;

provisions as to whether conversion will be at the option of the holders of the preferred stock or us,

the events requiring an adjustment of the conversion price; and

provisions affecting conversion in the event of the redemption of the preferred stock.

Series A Preferred Stock

Our board of directors has classified and designated 3,000,000 shares of Series A Preferred Stock, of which 1,608,631 shares were outstanding as of March 31, 2012. The Series A Preferred Stock generally provides for the following rights, preferences and obligations.

Dividend Rights. The Series A Preferred Stock accrues a cumulative cash dividend at an annual rate of 8.55% on the $25.00 per share liquidation preference.

Liquidation Rights. Upon any voluntary or involuntary liquidation, dissolution or winding up of our company, the holders of Series A Preferred Stock will be entitled to receive a liquidation preference of $25.00 per share, plus any accumulated, accrued and unpaid dividends (whether or not earned or declared), before any payment or distribution will be made or set aside for holders of any junior stock.

Redemption Provisions. We may redeem Series A Preferred Stock, in whole or from time to time in part, at a cash redemption price equal to 100% of the liquidation preference plus all accrued and unpaid dividends to the date fixed for redemption. The Series A Preferred Stock has no stated maturity and is not subject to any sinking fund or mandatory redemption provisions.

Voting Rights. Holders of Series A Preferred Stock generally have no voting rights, except that if six or more quarterly dividend payments have not been made, our board of directors will be expanded by two seats and the holders of Series A Preferred Stock, voting together as a single class with the holders of all other series of preferred stock that has been granted similar voting rights and is considered parity stock with the Series A Preferred Stock, will be entitled to elect these two directors. In addition, the issuance of senior shares or certain changes to the terms of the Series A Preferred Stock that would be materially adverse to the rights of holders of Series A Preferred Stock cannot be made without the affirmative vote of holders of at least $66^{2}/_{3}\%$ of the outstanding Series A Preferred Stock and shares of any class or series of shares ranking on a parity with the Series A Preferred Stock which are entitled to similar voting rights, if any, voting as a single class.

Conversion and Preemptive Rights. The Series A Preferred Stock is not convertible or exchangeable for any of our other securities or property, and holders of shares of our Series A Preferred Stock have no preemptive rights to subscribe for any securities of our company.

Series D Preferred Stock

Our board of directors has classified and designated 9,666,797 shares of Series D Preferred Stock, of which 9,216,479 shares were outstanding as of March 31, 2012. The Series D Preferred Stock generally provides for the following rights, preferences and obligations.

Dividend Rights. The Series D Preferred Stock accrues a cumulative cash dividend at an annual rate of 8.45% on the $25.00 per share liquidation preference; provided, however, that during any period of time that both (i) the Series D Preferred Stock is not listed on either the NYSE, AMEX, or NASDAQ, or on a successor exchange and (ii) we are not subject to the reporting requirements of the Exchange Act, the Series D Preferred Stock will accrue a cumulative cash dividend at an annual rate of 9.45% on the $25.00 per share liquidation preference (equivalent to an annual dividend rate of $2.3625 per share), which we refer to as a special distribution.

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Liquidation Rights. Upon any voluntary or involuntary liquidation, dissolution or winding up of our company, the holders of Series D Preferred Stock will be entitled to receive a liquidation preference of $25.00 per share, plus an amount equal to all accumulated, accrued and unpaid dividends (whether or not earned or declared) to the date of liquidation, dissolution or winding up of the affairs of our company, before any payment or distribution will be made to or set apart for the holders of any junior stock.

Redemption Provisions. If at any time both, (i) the Series D Preferred Stock ceases to be listed on either the NYSE, AMEX or NASDAQ, or listed on a successor exchange and (ii) we cease to be subject to the reporting requirement of the Exchange Act, then the Series D Preferred Stock will be redeemable at our option, in whole but not in part, within 90 days of the date upon which the shares cease to be listed or quoted and we cease to be subject to the reporting requirements of the Exchange Act. In such event, the shares of Series D Preferred Stock will be redeemable for a cash redemption price equal to the liquidation value of $25.00 per share, plus accrued and unpaid dividends, whether or not earned or declared, if any, to the redemption date. In addition, during any period in which we are required to pay a special distribution, holders of the Series D Preferred Stock will become entitled to certain information rights related thereto.

Except with respect to the special optional redemption described above and in certain limited circumstances relating to maintaining our ability to qualify as a REIT, we cannot redeem the Series D Preferred Stock prior to July 18, 2012. On and after July 18, 2012, we may redeem the Series D Preferred Stock, in whole or from time to time in part, at a cash redemption price equal to 100% of the $25.00 per share liquidation preference plus all accrued and unpaid dividends to the date fixed for redemption. The Series D Preferred Stock has no stated maturity and is not subject to any sinking fund or mandatory redemption provisions.

Voting Rights. Holders of Series D Preferred Stock generally have no voting rights, except that if six or more quarterly dividend payments have not been made, our board of directors will be expanded by two seats and the holders of Series D Preferred Stock, voting together as a single class with the holders of all other series of preferred stock that has been granted similar voting rights and is considered parity stock with the Series D Preferred Stock, will be entitled to elect these two directors. In addition, the issuance of senior shares or certain changes to the terms of the Series D Preferred Stock that would be materially adverse to the rights of holders of Series D Preferred Stock cannot be made without the affirmative vote of holders of at least $66^{2}/_{3}\%$ of the outstanding Series D Preferred Stock and shares of any class or series of shares ranking on a parity with the Series D Preferred Stock which are entitled to similar voting rights, if any, voting as a single class.

Conversion and Preemptive Rights. The Series D Preferred Stock is not convertible or exchangeable for any of our other securities or property, and holders of shares of our Series D Preferred Stock have no preemptive rights to subscribe for any securities of our company.

Series E Preferred Stock

Our board of directors has classified and designated 4,822,000 shares of Series E Preferred Stock, of which 4,630,000 shares were outstanding as of March 31, 2012. The Series E Preferred Stock generally provides for the following rights, preferences and obligations.

Dividend Rights. The Series E Preferred Stock accrues a cumulative cash dividend at an annual rate of 9.00% on the $25.00 per share liquidation preference.

Liquidation Rights. Upon any voluntary or involuntary liquidation, dissolution or winding up of our company, the holders of Series E Preferred Stock will be entitled to receive a liquidation preference of $25.00 per share, plus an amount equal to all accumulated, accrued and unpaid dividends (whether or not earned or declared) to the date of liquidation, dissolution or winding up of the affairs

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of our company, before any payment or distribution will be made to or set apart for the holders of any junior stock.

Redemption Provisions. Upon the occurrence of a Change of Control (as defined below), we may, at our option, redeem the Series E Preferred Stock, in whole or in part within 120 days after the first date on which such Change of Control occurred, by paying $25.00 per share, plus any accrued and unpaid dividends to, but not including, the date of redemption. If, prior to the Change of Control Conversion Date, we exercise any of our redemption rights relating to the Series E Preferred Stock (whether our optional redemption right or our special optional redemption right), the holders of Series E Preferred Stock will not have the conversion right described below.

A "Change of Control" is when, after the original issuance of the Series E Preferred Stock, the following have occurred and are continuing:

- the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of our company entitling that person to exercise more than 50% of the total voting power of all shares of our company entitled to vote generally in elections of directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

- following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or ADRs representing such securities) listed on the NYSE, the NYSE Amex or NASDAQ or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE Amex or NASDAQ.

Except with respect to the special optional redemption described above and in certain limited circumstances relating to maintaining our ability to qualify as a REIT, we cannot redeem the Series E Preferred Stock prior to April 18, 2016. On and after April 18, 2016, we may redeem the Series E Preferred Stock, in whole or from time to time in part, at a cash redemption price equal to 100% of the $25.00 per share liquidation preference plus all accrued and unpaid dividends to the date fixed for redemption. The Series E Preferred Stock has no stated maturity and is not subject to any sinking fund or mandatory redemption provisions.

Conversion Rights. Upon the occurrence of a Change of Control, each holder of Series E Preferred Stock will have the right (unless, prior to the change of control conversion date, we have provided or provide notice of our election to redeem the Series E Preferred Stock) to convert some or all of the Series E Preferred Stock held by such holder on the change of control conversion date into a number of shares of our common stock per share of Series E Preferred Stock to be converted equal to the lesser of:

- the quotient obtained by dividing (i) the sum of the $25.00 liquidation preference plus the amount of any accrued and unpaid dividends to, but not including, the change of control conversion date (unless the change of control conversion date is after a record date for a Series E Preferred Stock dividend payment and prior to the corresponding Series E Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividend will be included in this sum) by (ii) the Common Stock Price (as defined below); and

- 9.0909 (the "Share Cap"), subject to certain adjustments;

subject, in each case, to provisions for the receipt of alternative consideration. The "Common Stock Price" will be (i) the amount of cash consideration per share of common stock, if the consideration to be received in the Change of Control by the holders of our common stock is solely cash; or (ii) the

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average of the closing prices for our common stock on the NYSE for the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control, if the consideration to be received in the Change of Control by the holders of our common stock is other than solely cash.

If, prior to the change of control conversion date, we have provided or provide a redemption notice, whether pursuant to our special optional redemption right in connection with a Change of Control or our optional redemption right, holders of Series E Preferred Stock will not have any right to convert the Series E Preferred Stock in connection with the change of control conversion right and any shares of Series E Preferred Stock selected for redemption that have been tendered for conversion will be redeemed on the related date of redemption instead of converted on the change of control conversion date.

Except as provided above in connection with a Change of Control, the Series E Preferred Stock is not convertible into or exchangeable for any other securities or property.

Voting Rights. Holders of Series E Preferred Stock generally have no voting rights, except that if six or more quarterly dividend payments have not been made, our board of directors will be expanded by two seats and the holders of Series E Preferred Stock, voting together as a single class with the holders of all other series of preferred stock that has been granted similar voting rights and is considered parity stock with the Series E Preferred Stock, will be entitled to elect these two directors. In addition, the issuance of senior shares or certain changes to the terms of the Series E Preferred Stock that would be materially adverse to the rights of holders of Series E Preferred Stock cannot be made without the affirmative vote of holders of at least 66$^{2}/_{3}$% of the outstanding Series E Preferred Stock and shares of any class or series of shares ranking on a parity with the Series E Preferred Stock which are entitled to similar voting rights, if any, voting as a single class.

Preemptive Rights. Holders of shares of our Series E Preferred Stock have no preemptive rights to subscribe for any securities of our company.

DESCRIPTION OF OUR DEBT SECURITIES

The following description, together with the additional information we include in any applicable prospectus supplements, summarizes the material terms and provisions of the debt securities that we may offer under this prospectus. While the terms we have summarized below will apply generally to any future debt securities we may offer, we will describe the particular terms of any debt securities that we may offer in more detail in the applicable prospectus supplement. If we indicate in a prospectus supplement, the terms of any debt securities we offer under that prospectus supplement may differ from the terms we describe below.

The debt securities will be our direct unsecured general obligations and may include debentures, notes, bonds or other evidences of indebtedness. The debt securities will be either senior debt securities or subordinated debt securities. The debt securities will be issued under one or more separate indentures. Senior debt securities will be issued under a senior indenture, and subordinated debt securities will be issued under a subordinated indenture. We use the term "indentures" to refer to both the senior indenture and the subordinated indenture. The indentures will be qualified under the Trust Indenture Act. We use the term "trustee" to refer to either the senior trustee or the subordinated trustee, as applicable.

The following summaries of material provisions of the debt securities and indentures are subject to, and qualified in their entirety by reference to, all the provisions of the indenture applicable to a particular series of debt securities.

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General

We will describe in each prospectus supplement the following terms relating to a series of debt securities:

- the title;
- any limit on the amount that may be issued;
- whether or not we will issue the series of debt securities in global form, the terms and who the depository will be;
- the maturity date;
- the annual interest rate, which may be fixed or variable, or the method for determining the rate and the date interest will begin to accrue, the dates interest will be payable and the regular record dates for interest payment dates or the method for determining such dates;
- whether or not the debt securities will be secured or unsecured, and the terms of any secured debt;
- the terms of the subordination of any series of subordinated debt;
- the place where payments will be payable;
- our right, if any, to defer payment of interest and the maximum length of any such deferral period;
- the date, if any, after which, and the price at which, we may, at our option, redeem the series of debt securities pursuant to any optional redemption provisions;
- the date, if any, on which, and the price at which we are obligated, pursuant to any mandatory sinking fund provisions or otherwise, to redeem, or at the holder's option to purchase, the series of debt securities;
- whether the indenture will restrict our ability to pay dividends, or will require us to maintain any asset ratios or reserves;
- whether we will be restricted from incurring any additional indebtedness;
- a discussion on any material or special United States federal income tax considerations applicable to the debt securities;
- the denominations in which we will issue the series of debt securities, if other than denominations of $1,000 and any integral multiple thereof; and
- any other specific terms, preferences, rights or limitations of, or restrictions on, the debt securities.

Conversion or Exchange Rights

We will set forth in the prospectus supplement the terms on which a series of debt securities may be convertible into or exchangeable for shares of common stock or other securities of ours. We will include provisions as to whether conversion or exchange is mandatory, at the option of the holder or at our option. We may include provisions pursuant to which the number of shares of common stock or other securities of ours that the holders of the series of debt securities receive would be subject to adjustment.

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Consolidation, Merger or Sale

The indentures do not contain any covenant which restricts our ability to merge or consolidate, or sell, convey, transfer or otherwise dispose of all or substantially all of our assets. However, any successor to or acquirer of such assets must assume all of our obligations under the indentures or the debt securities, as appropriate.

Events of Default Under the Indenture

Subject to the terms of the indentures, the following are events of default under the indentures with respect to any series of debt securities that we may issue:

- if we fail to pay interest when due and our failure continues for a number of days to be stated in the indenture and the time for payment has not been extended or deferred;
- if we fail to pay the principal, or premium, if any, when due and the time for payment has not been extended or delayed;
- if we fail to observe or perform any other covenant contained in the debt securities or the indentures, other than a covenant specifically relating to another series of debt securities, and our failure continues for a number of days to be stated in the indenture after we receive notice from the trustee or holders of at least 25% in aggregate principal amount of the outstanding debt securities of the applicable series; and
- if specified events of bankruptcy, insolvency or reorganization occur as to us.

If an event of default with respect to debt securities of any series occurs and is continuing, the trustee or the holders of at least 25% in aggregate principal amount of the outstanding debt securities of that series, by notice to us in writing, and to the trustee if notice is given by such holders, may declare the unpaid principal of, premium, if any, and accrued interest, if any, due and payable immediately.

The holders of a majority in principal amount of the outstanding debt securities of an affected series may waive any default or event of default with respect to the series and its consequences, except defaults or events of default regarding payment of principal, premium, if any, or interest, unless we have cured the default or event of default in accordance with the indenture. Any waiver shall cure the default or event of default.

Subject to the terms of the indentures, if an event of default under an indenture shall occur and be continuing, the trustee will be under no obligation to exercise any of its rights or powers under such indenture at the request or direction of any of the holders of the applicable series of debt securities, unless such holders have offered the trustee reasonable indemnity. The holders of a majority in principal amount of the outstanding debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, with respect to the debt securities of that series, provided that:

- the direction so given by the holder is not in conflict with any law or the applicable indenture; and
- subject to its duties under the Trust Indenture Act, the trustee need not take any action that might involve it in personal liability or might be unduly prejudicial to the holders not involved in the proceeding.

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Subject to the terms of the indentures, a holder of the debt securities of any series will only have the right to institute a proceeding under the indentures or to appoint a receiver or trustee, or to seek other remedies if:

- the holder has given written notice to the trustee of a continuing event of default with respect to that series;
- the holders of at least 25% in aggregate principal amount of the outstanding debt securities of that series have made written request, and such holders have offered reasonable indemnity to the trustee to institute the proceeding as trustee; and
- the trustee does not institute the proceeding, and does not receive from the holders of a majority in aggregate principal amount of the outstanding debt securities of that series other conflicting directions within 60 days after the notice, request and offer.

These limitations do not apply to a suit instituted by a holder of debt securities if we default in the payment of the principal, premium, if any, or interest on, the debt securities.

We will periodically file statements with the trustee regarding our compliance with specified covenants in the indentures.

Modification of Indenture; Waiver

We and the trustee may change an indenture without the consent of any holders with respect to specific matters, including:

- to fix any ambiguity, defect or inconsistency in the indenture; and
- to change anything that does not materially adversely affect the interests of any holder of debt securities of any series.

In addition, under the indentures, the rights of holders of a series of debt securities may be changed by us and the trustee with the written consent of the holders of at least a majority in aggregate principal amount of the outstanding debt securities of each series that is affected. However, we and the trustee may only make the following changes with the consent of each holder of any outstanding debt securities affected:

- extending the fixed maturity of the series of debt securities;
- reducing the principal amount, reducing the rate of or extending the time of payment of interest, or any premium payable upon the redemption of any debt securities; or
- reducing the percentage of debt securities, the holders of which are required to consent to any amendment.

Discharge

Each indenture provides that we can elect to be discharged from our obligations with respect to one or more series of debt securities, except for obligations to:

- register the transfer or exchange of debt securities of the series;
- replace stolen, lost or mutilated debt securities of the series;

maintain paying agencies;

hold monies for payment in trust;

compensate and indemnify the trustee; and

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appoint any successor trustee.

In order to exercise our rights to be discharged, we must deposit with the trustee money or government obligations sufficient to pay all the principal of, any premium, if any, and interest on, the debt securities of the series on the dates payments are due.

Form, Exchange and Transfer

We will issue the debt securities of each series only in fully registered form without coupons and, unless we otherwise specify in the applicable prospectus supplement, in denominations of $1,000 and any integral multiple thereof. The indentures provide that we may issue debt securities of a series in temporary or permanent global form and as book-entry securities that will be deposited with, or on behalf of, The Depository Trust Company or another depository named by us and identified in a prospectus supplement with respect to that series.

At the option of the holder, subject to the terms of the indentures and the limitations applicable to global securities described in the applicable prospectus supplement, the holder of the debt securities of any series can exchange the debt securities for other debt securities of the same series, in any authorized denomination and of like tenor and aggregate principal amount.

Subject to the terms of the indentures and the limitations applicable to global securities set forth in the applicable prospectus supplement, holders of the debt securities may present the debt securities for exchange or for registration of transfer, duly endorsed or with the form of transfer endorsed thereon duly executed if so required by us or the security registrar, at the office of the security registrar or at the office of any transfer agent designated by us for this purpose. Unless otherwise provided in the debt securities that the holder presents for transfer or exchange, we will make no service charge for any registration of transfer or exchange, but we may require payment of any taxes or other governmental charges.

We will name in the applicable prospectus supplement the security registrar, and any transfer agent in addition to the security registrar, that we initially designate for any debt securities. We may at any time designate additional transfer agents or rescind the designation of any transfer agent or approve a change in the office through which any transfer agent acts, except that we will be required to maintain a transfer agent in each place of payment for the debt securities of each series.

If we elect to redeem the debt securities of any series, we will not be required to:

issue, register the transfer of, or exchange any debt securities of that series during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of any debt securities that may be selected for redemption and ending at the close of business on the day of the mailing; or

register the transfer of or exchange any debt securities so selected for redemption, in whole or in part, except the unredeemed portion of any debt securities we are redeeming in part.

Information Concerning the Trustee

The trustee, other than during the occurrence and continuance of an event of default under an indenture, undertakes to perform only those duties as are specifically set forth in the applicable indenture. Upon an event of default under an indenture, the trustee must use the same degree of care as a prudent person would exercise or use in the conduct of his or her own affairs. Subject to this provision, the trustee is under no obligation to exercise any of the powers given it by the indentures at the request of any holder of debt securities unless it is offered reasonable security and indemnity against the costs, expenses and liabilities that it might incur.

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Payment and Paying Agents

Unless we otherwise indicate in the applicable prospectus supplement, we will make payment of the interest on any debt securities on any interest payment date to the person in whose name the debt securities, or one or more predecessor securities, are registered at the close of business on the regular record date for the interest.

We will pay principal of and any premium and interest on the debt securities of a particular series at the office of the paying agents designated by us, except that unless we otherwise indicate in the applicable prospectus supplement, we will make interest payments by check which we will mail to the holder. Unless we otherwise indicate in a prospectus supplement, we will designate the corporate trust office of the trustee in the City of New York as our sole paying agent for payments with respect to debt securities of each series. We will name in the applicable prospectus supplement any other paying agents that we initially designate for the debt securities of a particular series. We will maintain a paying agent in each place of payment for the debt securities of a particular series.

All money we pay to a paying agent or the trustee for the payment of the principal of or any premium or interest on any debt securities which remains unclaimed at the end of two years after such principal, premium or interest has become due and payable will be repaid to us, and the holder of the security thereafter may look only to us for payment thereof.

Governing Law

The indentures and the debt securities will be governed by and construed in accordance with the laws of the State of New York, except to the extent that the Trust Indenture Act is applicable.

Subordination of Subordinated Notes

The subordinated notes will be unsecured and will be subordinate and junior in priority of payment to certain of our other indebtedness to the extent described in a prospectus supplement. The subordinated indenture does not limit the amount of subordinated notes which we may issue. It also does not limit us from issuing any other secured or unsecured debt.

DESCRIPTION OF OUR WARRANTS

This section describes the general terms and provisions of our securities warrants. The applicable prospectus supplement will describe the specific terms of the securities warrants offered through that prospectus supplement as well as any general terms described in this section that will not apply to those securities warrants.

We may issue securities warrants for the purchase of our debt securities, preferred stock, or common stock. We may issue warrants independently or together with other securities, and they may be attached to or separate from the other securities. Each series of securities warrants will be issued under a separate warrant agreement that we will enter into with a bank or trust company, as warrant agent, as detailed in the applicable prospectus supplement. The warrant agent will act solely as our agent in connection with the securities warrants and will not assume any obligation, or agency or trust relationship, with you.

The prospectus supplement relating to a particular issue of securities warrants will describe the terms of those securities warrants, including, where applicable:

- the aggregate number of the securities covered by the warrant;
- the designation, amount and terms of the securities purchasable upon exercise of the warrant;

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the exercise price for our debt securities, the amount of debt securities upon exercise you will receive, and a description of that series of debt securities;

the exercise price for shares of our preferred stock, the number of shares of preferred stock to be received upon exercise, and a description of that series of our preferred stock;

the exercise price for shares of our common stock and the number of shares of common stock to be received upon exercise;

the expiration date for exercising the warrant;

the minimum or maximum amount of warrants that may be exercised at any time;

a discussion of U.S. federal income tax consequences; and

any other material terms of the securities warrants.

After the warrants expire they will become void. The prospectus supplement will describe how to exercise securities warrants. A holder must exercise warrants for our preferred stock or common stock through payment in U.S. dollars. All securities warrants will be issued in registered form. The prospectus supplement may provide for the adjustment of the exercise price of the securities warrants.

Until a holder exercises warrants to purchase our debt securities, preferred stock, or common stock, that holder will not have any rights as a holder of our debt securities, preferred stock, or common stock by virtue of ownership of warrants.

DESCRIPTION OF OUR RIGHTS

We may issue rights to purchase our debt securities, common stock or preferred stock. The following description of rights to purchase such securities provides certain general terms and provisions of such rights that we may offer. Our rights may be issued independently or together with any other security offered hereby and may or may not be transferable by the person receiving the rights in such offering. In connection with any offering of rights, we may enter into a standby arrangement with one or more underwriters or other purchasers pursuant to which the underwriters or other purchasers may be required to purchase all or a portion of any securities remaining unsubscribed for after such offering. Certain other terms of any rights will be described in the applicable prospectus supplement. To the extent that any particular terms of any rights described in a prospectus supplement differ from any of the terms described in this prospectus, then those particular terms described in this prospectus shall be deemed to have been superseded by that prospectus supplement. The description in the applicable prospectus supplement of any rights we offer will not necessarily be complete and will be qualified in its entirety by reference to the applicable rights certificate, which will be filed as an exhibit to the registration statement of which this prospectus is a part or to a document that is incorporated or deemed to be incorporated by reference in this prospectus. For more information on how you may obtain copies of the rights certificate applicable to any rights we may offer, see "Where You Can Find More Information." We urge you to read the applicable rights certificate and any applicable prospectus supplement in their entirety.

The prospectus supplement relating to any rights that we may offer will include specific terms relating to the offering, including, among other matters:

the date of determining the security holders entitled to the rights distribution;

the aggregate number of rights issued and the aggregate amount of debt securities or the number of shares of common stock or preferred stock purchasable upon exercise of the rights;

the exercise price;

the conditions to completion of the rights offering;

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the date on which the right to exercise the rights will commence and the date on which the rights will expire; and

a discussion of U.S. federal income tax consequences related to the rights; and

any other material terms of the rights.

Each right would entitle the holder of the rights to purchase for cash the principal amount of debt securities or the number of shares of common stock or preferred stock at the exercise price set forth in the applicable prospectus supplement. Rights may be exercised at any time up to the close of business on the expiration date for such rights as provided in the applicable prospectus supplement. After the close of business on the expiration date, all unexercised rights will become void.

BOOK-ENTRY SECURITIES

The securities offered by means of this prospectus may be issued in whole or in part in book-entry form, meaning that beneficial owners of the securities will not receive certificates representing their ownership interests in the securities, except in the event the book-entry system for the securities is discontinued. Securities issued in book entry form will be evidenced by one or more global securities that will be deposited with, or on behalf of, a depositary identified in the applicable prospectus supplement relating to the securities. We expect that The Depository Trust Company will serve as depository. Unless and until it is exchanged in whole or in part for the individual securities represented by that security, a global security may not be transferred except as a whole by the depository for the global security to a nominee of that depository or by a nominee of that depository to that depository or another nominee of that depository or by the depository or any nominee of that depository to a successor depository or a nominee of that successor. Global securities may be issued in either registered or bearer form and in either temporary or permanent form. The specific terms of the depositary arrangement with respect to a class or series of securities that differ from the terms described here will be described in the applicable prospectus supplement.

Unless otherwise indicated in the applicable prospectus supplement, we anticipate that the provisions described below will apply to depository arrangements.

Upon the issuance of a global security, the depository for the global security or its nominee will credit on its book-entry registration and transfer system the respective principal amounts of the individual securities represented by that global security to the accounts of persons that have accounts with such depository, who are called "participants." Those accounts will be designated by the underwriters, dealers or agents with respect to the securities or by us if the securities are offered and sold directly by us. Ownership of beneficial interests in a global security will be limited to the depository's participants or persons that may hold interests through those participants. Ownership of beneficial interests in the global security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the applicable depository or its nominee (with respect to beneficial interests of participants) and records of the participants (with respect to beneficial interests of persons who hold through participants). The laws of some states require that certain purchasers of securities take physical delivery of such securities in definitive form. These limits and laws may impair the ability to own, pledge or transfer beneficial interest in a global security.

So long as the depository for a global security or its nominee is the registered owner of such global security, that depository or nominee, as the case may be, will be considered the sole owner or holder of the securities represented by that global security for all purposes under the applicable indenture or other instrument defining the rights of a holder of the securities. Except as provided below or in the applicable prospectus supplement, owners of beneficial interest in a global security will not be entitled to have any of the individual securities of the series represented by that global security registered in their names, will not receive or be entitled to receive physical delivery of any such securities in

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definitive form and will not be considered the owners or holders of that security under the applicable indenture or other instrument defining the rights of the holders of the securities.

Payments of amounts payable with respect to individual securities represented by a global security registered in the name of a depository or its nominee will be made to the depository or its nominee, as the case may be, as the registered owner of the global security representing those securities. None of us, our officers and directors or any trustee, paying agent or security registrar for an individual series of securities will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the global security for such securities or for maintaining, supervising or reviewing any records relating to those beneficial ownership interests.

We expect that the depository for a series of securities offered by means of this prospectus or its nominee, upon receipt of any payment of principal, premium, interest, dividend or other amount in respect of a permanent global security representing any of those securities, will immediately credit its participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of that global security for those securities as shown on the records of that depository or its nominee. We also expect that payments by participants to owners of beneficial interests in that global security held through those participants will be governed by standing instructions and customary practices, as is the case with securities held for the account of customers in bearer form or registered in "street name." Those payments will be the responsibility of these participants.

If a depository for a series of securities is at any time unwilling, unable or ineligible to continue as depository and a successor depository is not appointed by us within 90 days, we will issue individual securities of that series in exchange for the global security representing that series of securities. In addition, we may, at any time and in our sole discretion, subject to any limitations described in the applicable prospectus supplement relating to those securities, determine not to have any securities of that series represented by one or more global securities and, in that event, will issue individual securities of that series in exchange for the global security or securities representing that series of securities.

MATERIAL PROVISIONS OF MARYLAND LAW AND OF OUR CHARTER AND BYLAWS

The following is a summary of certain provisions of Maryland law and of our charter and bylaws. Copies of our charter and bylaws are filed as exhibits to the registration statement of which this prospectus is a part. See "Where You Can Find More Information."

The Board of Directors

Our bylaws provide that the number of directors of our company may be established by our board of directors but may not be fewer than the minimum number permitted under the MGCL nor more than 15. Any vacancy will be filled, at any regular meeting or at any special meeting called for that purpose, by a majority of the remaining directors.

Pursuant to our charter, each member of our board of directors will serve one year terms and until their successors are elected and qualified. Holders of shares of our common stock will have no right to cumulative voting in the election of directors. Consequently, at each annual meeting of stockholders at which our board of directors is elected, the holders of a plurality of the shares of our common stock will be able to elect all of the members of our board of directors.

Business Combinations

Maryland law prohibits "business combinations" between a corporation and an interested stockholder or an affiliate of an interested stockholder for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations

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include a merger, consolidation, statutory share exchange, or, in circumstances specified in the statute, certain transfers of assets, certain stock issuances and transfers, liquidation plans and reclassifications involving interested stockholders and their affiliates as asset transfer or issuance or reclassification of equity securities. Maryland law defines an interested stockholder as:

- any person who beneficially owns 10% or more of the voting power of our voting stock; or
- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then-outstanding voting stock of the corporation.

A person is not an interested stockholder if the board of directors approves in advance the transaction by which the person otherwise would have become an interested stockholder. However, in approving the transaction, the board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the board of directors.

After the five year prohibition, any business combination between a corporation and an interested stockholder generally must be recommended by the board of directors and approved by the affirmative vote of at least:

- 80% of the votes entitled to be cast by holders of the then outstanding shares of common stock; and
- two-thirds of the votes entitled to be cast by holders of the common stock other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or shares held by an affiliate or associate of the interested stockholder.

These super-majority vote requirements do not apply if certain fair price requirements set forth in the MGCL are satisfied.

The statute permits various exemptions from its provisions, including business combinations that are approved by the board of directors before the time that the interested stockholder becomes an interested stockholder.

Our charter includes a provision excluding the corporation from these provisions of the MGCL and, consequently, the five-year prohibition and the super-majority vote requirements will not apply to business combinations between us and any interested stockholder of ours unless we later amend our charter, with stockholder approval, to modify or eliminate this provision. Any such amendment may not be effective until 18 months after the stockholder vote and may not apply to any business combination involving us and an interested stockholder (or affiliate) who became an interested stockholder on or before the date of the vote. We believe that our ownership restrictions will substantially reduce the risk that a stockholder would become an "interested stockholder" within the meaning of the Maryland business combination statute.

Control Share Acquisitions

The MGCL provides that "control shares" of a Maryland corporation acquired in a "control share acquisition" have no voting rights except to the extent approved at a special meeting by the affirmative vote of two-thirds of the votes entitled to be cast on the matter, excluding shares of stock in a corporation in respect of which any of the following persons is entitled to exercise or direct the exercise of the voting power of shares of stock of the corporation in the election of directors: (i) a person who makes or proposes to make a control share acquisition, (ii) an officer of the corporation or (iii) an employee of the corporation who is also a director of the corporation. "Control shares" are voting shares of stock which, if aggregated with all other such shares of stock previously acquired by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in

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electing directors within one of the following ranges of voting power: (i) one-tenth or more but less than one-third, (ii) one-third or more but less than a majority, or (iii) a majority or more of all voting power. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A "control share acquisition" means the acquisition, directly or indirectly, by any person of ownership, or the power to direct the exercise of voting power with respect to, issued and outstanding control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition, upon satisfaction of certain conditions (including an undertaking to pay expenses), may compel our board of directors to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. If no request for a meeting is made, the corporation may itself present the question at any stockholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then, subject to certain conditions and limitations, the corporation may redeem any or all of the control shares (except those for which voting rights have previously been approved) for fair value determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquiror or of any meeting of stockholders at which the voting rights of such shares are considered and not approved. If voting rights for control shares are approved at a stockholders meeting and the acquiror becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares as determined for purposes of such appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition.

The control share acquisition statute does not apply to (i) shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction or (ii) acquisitions approved or exempted by the charter or bylaws of the corporation at any time prior to the acquisition of the shares.

Our charter contains a provision exempting from the control share acquisition statute any and all acquisitions by any person of our common stock and, consequently, the applicability of the control share acquisitions unless we later amend our charter, with stockholder approval, to modify or eliminate this provision.

Amendment to Our Charter

Our charter may be amended only if declared advisable by the board of directors and approved by the affirmative vote of the holders of at least two-thirds of all of the votes entitled to be cast on the matter.

Dissolution of Our Company

The dissolution of our company must be declared advisable by the board of directors and approved by the affirmative vote of the holders of not less than two-thirds of all of the votes entitled to be cast on the matter.

Advance Notice of Director Nominations and New Business

Our bylaws provide that:

with respect to an annual meeting of stockholders, the only business to be considered and the only proposals to be acted upon will be those properly brought before the annual meeting:

pursuant to our notice of the meeting;

by, or at the direction of, a majority of our board of directors; or

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by a stockholder who is entitled to vote at the meeting and has complied with the advance notice procedures set forth in our bylaws;

with respect to special meetings of stockholders, only the business specified in our company's notice of meeting may be brought before the meeting of stockholders unless otherwise provided by law; and

nominations of persons for election to our board of directors at any annual or special meeting of stockholders may be made only:

by, or at the direction of, our board of directors; or

by a stockholder who is entitled to vote at the meeting and has complied with the advance notice provisions set forth in our bylaws.

Anti-Takeover Effect of Certain Provisions of Maryland Law and of Our Charter and Bylaws

The advance notice provisions of our bylaws could delay, defer or prevent a transaction or a change of control of our company that might involve a premium price for holders of our common stock or that stockholders otherwise believe may be in their best interest. Likewise, if our company's charter were to be amended to avail the corporation of the business combination provisions of the MGCL or to remove or modify the provision in the charter opting out of the control share acquisition provisions of the MGCL, these provisions of the MGCL could have similar anti-takeover effects.

Indemnification and Limitation of Directors' and Officers' Liability

Our charter and the partnership agreement provide for indemnification of our officers and directors against liabilities to the fullest extent permitted by the MGCL, as amended from time to time.

The MGCL permits a corporation to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he or she is made a party by reason of his or her service in that capacity. The MGCL permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made a party by reason of their service in those or other capacities unless it is established that:

an act or omission of the director or officer was material to the matter giving rise to the proceeding and:

was committed in bad faith; or

was the result of active and deliberate dishonesty;

the director or officer actually received an improper personal benefit in money, property or services; or

in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful.

However, under the MGCL, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation (other than for expenses incurred in a successful defense of such an action) or for a judgment of liability on the basis that personal benefit was improperly received. In addition, the MGCL permits a corporation to advance reasonable expenses to a director or officer upon the

corporation's receipt of:

a written affirmation by the director or officer of his good faith belief that he has met the standard of conduct necessary for indemnification by the corporation; and

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a written undertaking by the director or on the director's behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the director did not meet the standard of conduct.

The MGCL permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from actual receipt of an improper benefit or profit in money, property or services or active and deliberate dishonesty established by a final judgment as being material to the cause of action. Our charter contains such a provision which eliminates such liability to the maximum extent permitted by Maryland law.

Our bylaws obligate us, to the fullest extent permitted by Maryland law in effect from time to time, to indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, pay or reimburse reasonable expenses in advance of final disposition of a proceeding to:

any present or former director or officer who is made a party to the proceeding by reason of his or her service in that capacity; or

any individual who, while a director or officer of our company and at our request, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or any other enterprise as a director, officer, partner or trustee and who is made a party to the proceeding by reason of his or her service in that capacity.

Our bylaws also obligate us to indemnify and advance expenses to any person who served a predecessor of ours in any of the capacities described in second and third bullet points above and to any employee or agent of our company or a predecessor of our company.

The partnership agreement of our operating partnership provides that we, as general partner, and our officers and directors are indemnified to the fullest extent permitted by law. See "Partnership Agreement Exculpation and Indemnification of the General Partner."

Insofar as the foregoing provisions permit indemnification of directors, officers or persons controlling us for liability arising under the Securities Act, we have been informed that in the opinion of the Securities and Exchange Commission, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

PARTNERSHIP AGREEMENT

Management

Ashford Hospitality Limited Partnership, our operating partnership, has been organized as a Delaware limited partnership. One of our wholly-owned subsidiaries is the sole general partner of this partnership, and one of our subsidiaries holds limited partnership units in this partnership. A majority of the limited partnership units not owned by our company are owned by certain of our directors, executive officers and affiliates of such persons. In the future, we may issue additional interests in our operating partnership to third parties.

Pursuant to the partnership agreement of the operating partnership, we, as the sole general partner, generally have full, exclusive and complete responsibility and discretion in the management, operation and control of the partnership, including the ability to cause the partnership to enter into certain major transactions, including acquisitions, developments and dispositions of properties, borrowings and refinancings of existing indebtedness. No limited partner may take part in the operation, management or control of the business of the operating partnership by virtue of being a holder of limited partnership units.

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Our subsidiary may not be removed as general partner of the partnership. Upon the bankruptcy or dissolution of the general partner, the general partner shall be deemed to be removed automatically.

The limited partners of our operating partnership have agreed that in the event of a conflict in the fiduciary duties owed (i) by us to our stockholders and (ii) by us, as general partner of the operating partnership, to those limited partners, we may act in the best interests of our stockholders without violating our fiduciary duties to the limited partners of the operating partnership or being liable for any resulting breach of our duties to the limited partners.

Transferability of Interests

General Partner. The partnership agreement provides that we may not transfer our interest as a general partner (including by sale, disposition, merger or consolidation) except:

- in connection with a merger of the operating partnership, a sale of substantially all of the assets of the operating partnership or other transaction in which the limited partners receive a certain amount of cash, securities or property; or
- in connection with a merger of us or the general partner into another entity, if the surviving entity contributes substantially all its assets to the operating partnership and assumes the duties of the general partner under the operating partnership agreement.

Limited Partner. The partnership agreement prohibits the sale, assignment, transfer, pledge or disposition of all or any portion of the limited partnership units without our consent, which we may give or withhold in our sole discretion. However, an individual partner may donate his units to his immediate family or a trust wholly owned by his immediate family, without our consent. The partnership agreement contains other restrictions on transfer if, among other things, that transfer:

- would cause us to fail to comply with the REIT rules under the Internal Revenue Code; or
- would cause us to become a publicly-traded partnership under the Internal Revenue Code.

Capital Contributions

The partnership agreement provides that if the partnership requires additional funds at any time in excess of funds available to the partnership from borrowing or capital contributions, we may borrow such funds from a financial institution or other lender and lend such funds to the partnership. Under the partnership agreement, we are obligated to contribute the proceeds of any offering of stock as additional capital to the partnership. The operating partnership is authorized to cause the partnership to issue partnership interests for less than fair market value if we conclude in good faith that such issuance is in both the partnership's and our best interests.

The partnership agreement provides that we may make additional capital contributions, including properties, to the partnership in exchange for additional partnership units. If we contribute additional capital to the partnership and receive additional partnership interests for such capital contribution, our percentage interests will be increased on a proportionate basis based on the amount of such additional capital contributions and the value of the partnership at the time of such contributions. Conversely, the percentage interests of the other limited partners will be decreased on a proportionate basis. In addition, if we contribute additional capital to the partnership and receive additional partnership interests for such capital contribution, the capital accounts of the partners will be adjusted upward or downward to reflect any unrealized gain or loss attributable to our properties as if there were an actual sale of such properties at the fair market value thereof. Limited partners have no preemptive right to make additional capital contributions.

The operating partnership could issue preferred partnership interests in connection with acquisitions of property or otherwise. Any such preferred partnership interests would have priority over

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common partnership interests with respect to distributions from the partnership, including the partnership interests that our wholly-owned subsidiaries own.

Redemption Rights

Under the partnership agreement, we have granted to each limited partner holding common units (other than our subsidiary) the right to redeem its limited partnership units. This right may be exercised at the election of a limited partner by giving us written notice, subject to some limitations. The purchase price for the limited partnership units to be redeemed will equal the fair market value of our common stock. The purchase price for the limited partnership units may be paid in cash, or, in our discretion, by the issuance by us of a number of shares of our common stock equal to the number of limited partnership units with respect to which the rights are being exercised. However, no limited partner will be entitled to exercise its redemption rights to the extent that the issuance of common stock to the redeeming partner would be prohibited under our charter or, if after giving effect to such exercise, would cause any person to own, actually or constructively, more than 9.8% of our common stock, unless such ownership limit is waived by us in our sole discretion.

In all cases, however, no limited partner may exercise the redemption right for fewer than 1,000 partnership units or, if a limited partner holds fewer than 1,000 partnership units, all of the partnership units held by such limited partner.

Certain of our executive officers hold a special class of partnership units in our operating partnership referred to as long term incentive partnership units, or LTIP units. LTIP units vest over a number of years and whether vested or not, generally receive the same treatment as common units of our operating partnership, with the key difference being, at the time of the award, LTIP units do not have full economic parity with common units but can achieve such parity over time. The LTIP units will achieve parity with the common units upon the sale or deemed sale of all or substantially all of the assets of the partnership at a time when our stock is trading at some level in excess of the price it was trading at on the date of the LTIP issuance ($6.26 with respect to LTIP units issued in 2008; $6.91 with respect to LTIP units issued in 2010; $11.38 with respect to LTIP units issued in April 2011; $13.28 with respect to LTIP units issued in May 2011; and $8.70 with respect to LTIP units issued in 2012). More specifically, LTIP units will achieve full economic parity with common units in connection with (i) the actual sale of all or substantially all of the assets of our operating partnership or (ii) the hypothetical sale of such assets, which results from a capital account revaluation, as defined in the partnership agreement, for the operating partnership. A capital account revaluation generally occurs whenever there is an issuance of additional partnership interests or the redemption of partnership interests. If a sale, or deemed sale as a result of a capital account revaluation, occurs at a time when the operating partnership's assets have sufficiently appreciated, the LTIP units will achieve full economic parity with the common units. However, in the absence of sufficient appreciation in the value of the assets of the operating partnership at the time a sale or deemed sale occurs, full economic parity would not be reached. If such parity is reached, vested LTIP units become convertible into an equal number of common units and at that time, the holder will have the redemption rights described above. Until and unless such parity is reached, the LTIP units are not redeemable. All of the LTIP units issued in 2008 and 2010 have reached economic parity with the common units, and 1,054,432 of the 2,222,000 LTIP units issued in 2011 have achieved such parity, but none of the LTIP units issued in 2012 have achieved such parity.

Currently, the aggregate number of shares of common stock issuable upon exercise of the redemption rights by holders of common partnership units is 17,610,498. The number of shares of common stock issuable upon exercise of the redemption rights will be adjusted to account for share splits, mergers, consolidations or similar pro rata share transactions.

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Conversion Rights

The holders of the LTIP units will have the right to convert vested LTIP units into ordinary common units on a one-for-one basis at any time after such LTIP units have achieved economic parity with the common units. No other limited partners have any conversion rights.

Operations

The partnership agreement requires the partnership to be operated in a manner that enables us to satisfy the requirements for being classified as a REIT, to minimize any excise tax liability imposed by the Internal Revenue Code and to ensure that the partnership will not be classified as a "publicly traded partnership" taxable as a corporation under Section 7704 of the Code.

In addition to the administrative and operating costs and expenses incurred by the partnership, the partnership will pay all of our administrative costs and expenses. These expenses will be treated as expenses of the partnership and will generally include:

all expenses relating to our continuity of existence;

all expenses relating to offerings and registration of securities;

all expenses associated with the preparation and filing of any of our periodic reports under federal, state or local laws or regulations;

all expenses associated with our compliance with laws, rules and regulations promulgated by any regulatory body; and

all of our other operating or administrative costs incurred in the ordinary course of its business on behalf of the partnership.

Distributions

The partnership agreement provides that the partnership will make cash distributions in amounts and at such times as determined by us in our sole discretion, to us and other limited partners in accordance with the respective percentage interests of the partners in the partnership, except that the holders of our Class B common partnership units are entitled to receive an aggregate preferred distribution of $735,806 (approximately $0.201631 per unit) each calendar quarter. Distributions to our Class B common unit holders have priority over distributions to other common unit holders (including us and, therefore, including holders of our common stock) but distributions to our preferred unit holders will have priority over distributions to our Class B common unit holders.

Upon liquidation of the partnership, after payment of, or adequate provisions for, debts and obligations of the partnership, including any partner loans, any remaining assets of the partnership will be distributed to us and the other limited partners with positive capital accounts in accordance with the respective positive capital account balances of the partners.

Allocations

Profits and losses of the partnership (including depreciation and amortization deductions) for each fiscal year generally are allocated to us and the other limited partners in accordance with the respective percentage interests of the partners in the partnership. All of the foregoing allocations are subject to compliance with the provisions of Internal Revenue Code sections 704(b) and 704(c) and Treasury Regulations promulgated thereunder. The partnership will use the "traditional method" under Internal Revenue Code section 704(c) for allocating items with respect to which the fair market value at the time of contribution differs from the adjusted tax basis at the time of contribution for a hotel.

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Amendments

Generally, we, as the general partner of the operating partnership, may amend the partnership agreement without the consent of any limited partner to clarify the partnership agreement, to make changes of an inconsequential nature, to reflect the admission, substitution or withdrawal of limited partners, to reflect the issuance of additional partnership interests or if, in the opinion of counsel, necessary or appropriate to satisfy the Code with respect to partnerships or REITs or federal or state securities laws. However, any amendment which alters or changes the distribution or redemption rights of a limited partner (other than a change to reflect the seniority of any distribution or liquidation rights of any preferred units issued in accordance with the partnership agreement), changes the method for allocating profits and losses, imposes any obligation on the limited partners to make additional capital contributions or adversely affects the limited liability of the limited partners requires the consent of holders of $66^{2}/_{3}\%$ of the limited partnership units, excluding our indirect ownership of limited partnership units. Other amendments require approval of the general partner and holders of 50% of the limited partnership units.

In addition, the operating partnership may be amended, without the consent of any limited partner, in the event that we or any of our subsidiaries engages in a merger or consolidation with another entity and immediately after such transaction the surviving entity contributes to the operating partnership substantially all of the assets of such surviving entity and the surviving entity agrees to assume our subsidiary's obligation as general partner of the partnership. In such case, the surviving entity will amend the operating partnership agreement to arrive at a new method for calculating the amount a limited partner is to receive upon redemption or conversion of a partnership unit (such method to approximate the existing method as much as possible).

Exculpation and Indemnification of the General Partner

The partnership agreement of our operating partnership provides that neither the general partner, nor any of its directors and officers will be liable to the partnership or to any of its partners as a result of errors in judgment or mistakes of fact or law or of any act or omission, if the general partner acted in good faith.

In addition, the partnership agreement requires our operating partnership to indemnify and hold the general partner and its directors, officers and any other person it designates, harmless from and against any and all claims arising from operations of the operating partnership in which any such indemnitee may be involved, or is threatened to be involved, as a party or otherwise, unless it is established that:

- the act or omission of the indemnitee was material to the matter giving rise to the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty;
- the indemnitee actually received an improper personal benefit in money, property or services; or
- in the case of any criminal proceeding, the indemnitee had reasonable cause to believe that the act or omission was unlawful.

No indemnitee may subject any partner of our operating partnership to personal liability with respect to this indemnification obligation as this indemnification obligation will be satisfied solely out of the assets of the partnership.

Term

The partnership has a perpetual life, unless dissolved upon:

- the general partner's bankruptcy or dissolution or withdrawal (unless the limited partners elect to continue the partnership);

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the passage of 90 days after the sale or other disposition of all or substantially all the assets of the partnership;

the redemption of all partnership units (other than those held by us, if any); or

an election by us in our capacity as the sole owner of the general partner.

Tax Matters

The general partner is the tax matters partner of the operating partnership. We have the authority to make tax elections under the Internal Revenue Code on behalf of the partnership. The net income or net loss of the operating partnership will generally be allocated to us and the limited partners in accordance with our respective percentage interests in the partnership, subject to compliance with the provisions of the Internal Revenue Code.

FEDERAL INCOME TAX CONSEQUENCES OF OUR STATUS AS A REIT

The following discussion is a summary of the material federal income tax considerations that may be relevant to a prospective holder of securities, and, unless otherwise noted in the following discussion, expresses the opinion of Andrews Kurth LLP insofar as it relates to matters of United States federal income tax law and legal conclusions with respect to those matters. The discussion does not address all aspects of taxation that may be relevant to particular investors in light of their personal investment or tax circumstances, or to certain types of investors that are subject to special treatment under the federal income tax laws, such as insurance companies, financial institutions or broker-dealers, tax-exempt organizations (except to the limited extent discussed in " Taxation of Tax-Exempt Stockholders"), foreign corporations and persons who are not citizens or residents of the United States (except to the limited extent discussed in " Taxation of Non-U.S. Holders"), investors who hold or will hold securities as part of hedging or conversion transactions, investors subject to federal alternative minimum tax, investors that have a principal place of business or "tax home" outside the United States and investors whose functional currency is not the United States dollar. This summary assumes that stockholders will hold the securities as capital assets.

The statements of law in this discussion and the opinion of Andrews Kurth LLP are based on current provisions of the Internal Revenue Code of 1986, as amended, or the "Code," existing temporary and final Treasury regulations thereunder, and current administrative rulings and court decisions. No assurance can be given that future legislative, judicial, or administrative actions or decisions, which may be retroactive in effect, will not affect the accuracy of any statements in this prospectus with respect to the transactions entered into or contemplated prior to the effective date of such changes. No assurance can be given that the Internal Revenue Service ("IRS") would not assert, or that a court would not sustain, a position contrary to any tax consequences described below.

We urge you to consult your own tax advisor regarding the specific tax consequences to you of ownership of our securities and of our election to be taxed as a REIT. Specifically, we urge you to consult your own tax advisor regarding the federal, state, local, foreign, and other tax consequences of such ownership and election and regarding potential changes in applicable tax laws.

Taxation of Our Company

We are currently taxed as a REIT under the federal income tax laws. We believe that we are organized and operate in such a manner as to qualify for taxation as a REIT under the Code, and we intend to continue to operate in such a manner, but no assurance can be given that we will opera