ASHFORD HOSPITALITY TRUST INC
Form 424B5
April 10, 2014

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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	8,625,000	$10.7000	$92,287,500.00	$11,886.63

(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 1,125,000 shares of Common Stock, par value $0.01 per share, that may be purchased by the underwriters upon exercise of the underwriters' 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)

7,500,000 Shares

Common Stock

Ashford Hospitality Trust, Inc. is offering 7,500,000 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 April 8, 2014, the last reported sale price of our common stock was $11.20 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-6 of this prospectus supplement and page 11 of our Annual Report on Form 10-K for the year ended December 31, 2013.

	Per Share	Total[(1)]
Public offering price	$ 10.7000	$ 80,250,000
Underwriting discount	$ 0.4280	$ 3,210,000
Proceeds, before expenses, to us	$ 10.2720	$ 77,040,000

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

The underwriters may also exercise their option to purchase up to an additional 1,125,000 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 April 14, 2014.

Joint Book-Running Managers

BofA Merrill Lynch **Morgan Stanley** **Deutsche Bank Securities**

Senior Co-Managers

Baird **Credit Suisse** **KeyBanc Capital Markets** **Stifel**

Co-Managers

JMP Securities **MLV & Co.** **Cantor Fitzgerald & Co.** **Craig-Hallum Capital Group**

The date of this prospectus supplement is April 9, 2014

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Prospectus Supplement

Prospectus

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 underwriters have 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" and "us" 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-6 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 are focused on investing in the hospitality industry across all segments and in all methods, including direct real estate, equity and debt. As of December 31, 2013, we owned interests in the following hotel properties and notes receivable:

- 87 consolidated hotel properties, including 85 directly owned and two owned through majority-owned investments in consolidated entities, which represent 17,037 total rooms (or 17,009 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, which represent 8,084 total rooms (or 5,800 net rooms excluding those attributable to our joint venture partner);
- 90 hotel condominium units at WorldQuest Resort in Orlando, Florida; and
- a mezzanine loan with a carrying value of $3.4 million.

All of our hotels are located in the United States and are primarily operated under the widely recognized upscale and upper-upscale brands of Hilton, Hyatt, Marriott, Starwood and Intercontinental Hotels Group.

Our investment strategies continue to focus on full-service and select-service hotels in the upscale and upper-upscale segments within the lodging industry that have anticipated revenue per available room ("RevPAR") of less than twice the then-current national average (i.e., anticipated RevPAR of less than $137.38 for the trailing 12 months ended December 31, 2013). Our current key priorities and financial strategies include, among other things, acquisition 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.

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

We have elected to be treated as a real estate investment trust ("REIT") for federal income tax purposes. Because of limitations imposed on REITs in operating hotel properties, third-party

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managers manage each of our hotel properties. Our employees perform, directly through Ashford Trust OP, 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 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."

Recent Developments

Proposed Spin-Off of Asset Management Business

On February 27, 2014, we announced that our board of directors unanimously approved a plan to spin-off our asset management business into a separate publicly-traded company. We intend to accomplish the spin-off by distributing shares of common stock of a newly formed entity, Ashford Inc., to our stockholders in a taxable pro rata special distribution.

Stockholder approval of the proposed spin-off is not required and will not be sought.

In connection with the proposed spin-off, Ashford Hospitality Advisors LLC ("Ashford LLC"), our subsidiary that currently serves as the external advisor to Ashford Hospitality Prime, Inc. ("Ashford Prime"), will become a subsidiary of Ashford Inc. Ashford LLC will continue to externally advise Ashford Prime, and we anticipate entering into a 20-year advisory agreement, pursuant to which Ashford Inc. will also externally advise our company. We expect our advisory agreement with Ashford Inc. to provide for (i) a base fee equal to 0.70% per annum of the total enterprise value of our company, subject to a minimum quarterly base fee, and (ii) incentive fees based on our performance. We expect the incentive fees to be payable for any year in which our total stockholder return ("TSR") exceeds the average TSR of our peer group.

We expect the proposed spin-off of Ashford Inc. to be completed in the third quarter of 2014. However, there can be no assurance that the proposed spin-off will be consummated or completed as anticipated or at all. Our ability to complete the proposed spin-off is subject to, among other things, the effectiveness of Ashford Inc.'s registration statement on Form 10 (the "Form 10") with the SEC, the filing and approval of an application to list Ashford Inc.'s common stock on a national securities exchange, the receipt of all necessary consents and approvals from our lenders, and the formal approval of the proposed spin-off by our board of directors. Failure to complete the proposed spin-off could negatively affect the trading price of our common stock. The Form 10, including the exhibits thereto, does not constitute part of, and is not incorporated by reference into, this prospectus supplement or the accompanying prospectus.

The gain recognized by us in connection with the distribution of Ashford Inc. common stock will not be qualifying income for purposes of the 75% gross income test for federal income tax purposes applicable to a REIT. If the gain is too great, we could lose our REIT status. Accordingly, our board of directors intends to authorize the distribution of only a specified percentage of the equity interest in Ashford Inc. held by us, subject to an upward adjustment (up to and including the business day preceding the distribution date) if our board determines, in its reasonable best judgment, exercising ordinary business care, that distribution of a greater percentage of Ashford Inc. would not jeopardize our REIT status. To the extent the distribution represents less than 100% of the shares of Ashford Inc. common stock held by us, we intend, but are not obligated, to distribute the remaining shares of Ashford Inc. common stock to our stockholders. Any such subsequent distribution may occur in 2014,

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or at any time thereafter that such distribution would not jeopardize our REIT status. Any future distribution would also be a taxable pro rata distribution and would be taxable to us.

The proposed spin-off may not have the full or any strategic and financial benefits that we expect, or the realization of such benefits may be delayed or may not occur at all. The anticipated benefits of the proposed spin-off are based on a number of assumptions, which may prove incorrect. For example, we believe that analysts and investors will regard Ashford Inc.'s focused asset management strategy more favorably as a separate company than as part of our existing portfolio and strategy and thus place a greater value on Ashford Inc. as a stand-alone entity rather than as a business that is a part of our company. If the proposed spin-off does not have these and other expected benefits, the costs associated with the transaction, including an expected increase in general and administrative expenses, could have a negative effect on our financial condition and ability to make distributions to our stockholders. Moreover, the completion of the proposed spin-off could adversely affect the market price of our common stock.

Prior to the special distribution, we intend to enter into a separation and distribution agreement with Ashford Inc., which will set forth the mechanics of the spin-off and provide a framework for our relationship with Ashford Inc. after the spin-off. Such separation and distribution agreement will also provide for the allocation of our assets, liabilities and obligations between us and Ashford Inc.

For more information about the proposed spin-off, including certain risks associated with the proposed spin-off and the advisory agreement we intend to enter into with Ashford Inc., see "Risk Factors" and "Additional Federal Income Tax Consequences" below.

Disposition of Pier House Resort

On March 1, 2014, we closed on the sale of the Pier House Resort to Ashford Prime, pursuant to the terms of the option agreement executed in connection with our spin-off of Ashford Prime in 2013. The sales price was $92.7 million. Ashford Prime assumed the related $69 million mortgage and paid the balance of the purchase price in cash.

Proposed Amendment to 2011 Stock Incentive Plan

Our board of directors intends to propose and recommend that stockholders approve an amendment to our 2011 Stock Incentive Plan. The amendment will increase the number of shares of common stock that may be issued under this plan by 5,750,000 shares. Under this plan, we may grant equity awards to our employees, consultants and non-employee directors as well as the employees, consultants and non-employee directors of our affiliates.

Dividend Information

On March 17, 2014, our board of directors declared a regular quarterly dividend on our common stock of $0.12 per diluted share, payable on April 15, 2014 to our stockholders of record on March 31, 2014. Purchasers of shares in this offering will not receive this dividend, which is payable on April 15, 2014.

Mortgage Refinancings

On April 8, 2014, we signed an indicative term sheet with Morgan Stanley Bank, N.A., an affiliate of Morgan Stanley & Co. LLC, related to the refinancing of three of our existing loans. The new financing will consist of five loans, each secured by multiple hotel properties. The first loan is expected to have a maximum initial principal balance of approximately $301 million and will be secured by seven hotel properties. The second loan is expected to have a maximum initial principal balance of

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approximately $79 million and will also be secured by seven hotel properties. The terms of these two loans provide for an interest rate of 30-day LIBOR plus 435 basis points and a term of two years, with three one-year extension options available in certain instances. The third loan is expected to have a maximum initial principal balance of approximately $70 million and be secured by three hotel properties. The fourth loan is expected to have a maximum initial principal balance of approximately $12 million and be secured by two hotel properties. The fifth loan is expected to have a maximum initial principal balance of approximately $23 million and be secured by three hotel properties. The terms of these three loans provide for a fixed interest rate of the 10-year swap rate plus 250 basis points, 215 basis points, and 220 basis points, respectively and a term of ten years. In no event will the interest rate for these three loans be less than 5.2%, 4.85%, and 4.9%, respectively. These new loans refinance three existing loans with a current outstanding principal balance of approximately $327 million. We expect to have net proceeds from this refinancing after closing costs, reserves, and prepayment penalties of approximately $118 million. These terms are not final and remain subject to satisfactory completion of due diligence and underwriting of the assets by lender and the approval of lender's credit committee.

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The Offering

Common stock offered	7,500,000 shares[1]
Common stock to be outstanding after the offering	88,440,880 shares[2]
Use of proceeds	We estimate that the net proceeds from this offering will be approximately $76.8 million (or $88.3 million if the underwriters exercise their 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 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-6 of this prospectus supplement and on page 11 of our Annual Report on Form 10-K for the year ended December 31, 2013.
NYSE symbol	"AHT"

[1] Excludes up to 1,125,000 shares of our common stock that we may issue and sell upon the exercise of the underwriters' option to purchase additional shares.

[2] Based on 80,940,880 shares outstanding on April 9, 2014. Excludes up to 1,125,000 shares of our common stock that we may issue and sell upon the exercise of the underwriters' option to purchase additional shares. Also excludes 20,635,055 shares of common stock potentially issuable, at our option, upon the redemption of an equal number of outstanding units of limited partnership interest in Ashford Trust OP, 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. 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 referred to above, we are also subject to the risks discussed below.

We may not be able to complete the proposed spin-off described under the caption "Prospectus Supplement Summary Recent Developments Proposed Spin-off of Asset Management Business" above, on the terms we anticipate, or at all.

Our board of directors has unanimously approved a plan to spin-off our asset management business. See "Prospectus Supplement Summary Recent Developments Proposed Spin-off of Asset Management Business." We are targeting completion of the proposed spin-off in the third quarter of 2014. However, there can be no assurance that the proposed spin-off will be completed as anticipated, or at all. Our ability to complete the proposed spin-off and related restructuring transactions is subject to, among other things, the effectiveness of the Form 10 with the SEC, the filing and approval of an application to list the common stock of Ashford Inc. on a national securities exchange, certain third-party consents and approvals, and the final approval and declaration of the proposed distribution by our board of directors which will take into account the board's view of the continued advisability of the proposed spin-off at that time. If we are unable to consummate the proposed spin-off, we may not realize the full expected benefits of the proposed spin-off, and our stock price may decline to below the offering price set forth on the cover of this prospectus supplement.

We have the right not to consummate or complete the proposed spin-off if, at any time, our board of directors determines, in its sole discretion, that the proposed spin-off is not in our best interests or that market conditions are such that it is not advisable to separate our asset management business from us.

The proposed spin-off may not have the benefits we anticipate.

We may not be able to achieve the full or any strategic and financial benefits that we expect will result from the spin-off of our asset management business, or the realization of such benefits may be delayed or may not occur at all. For example, there can be no assurance that analysts and investors will place a greater value on Ashford Inc. as a stand-alone entity than as a business that is a part of our company. In the event that the proposed spin-off does not have these and other expected benefits, the costs associated with the transaction, including an expected increase in general and administrative expenses, could have a negative effect on our financial condition and ability to make distributions to our stockholders. Moreover, the announcement of the proposed spin-off and the completion of the proposed spin-off could adversely affect the market price of our common stock.

Ashford Inc. may not be able to successfully implement its business strategy.

Assuming the spin-off is completed, there can be no assurance that Ashford Inc. will be able to generate sufficient revenues to pay its operating expenses and make satisfactory distributions to its stockholders, or any distributions at all, once it commences operations as an independent company. As an independent, public company, Ashford Inc. will incur legal, accounting, compliance and other costs associated with being a public company with equity securities traded on a national exchange, and such

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expenses will affect its financial condition, results of operations and cash flow. In addition, its results of operations and its ability to make or sustain distributions to its stockholders may depend on the level and volatility of interest rates, the availability of adequate short- and long-term financing, the financial markets and economic conditions, among other factors described in the Form 10. After the spin-off, we would not be required, and we do not expect, to provide Ashford Inc. with funds to finance its working capital or other cash requirements. As a result, Ashford Inc. may need to obtain additional financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements to provide funds for its capital needs, any of which could adversely affect the Ashford Inc. common stock initially received by our stockholders in the spin-off.

The distribution of Ashford Inc. common stock will not qualify for tax-free treatment for federal income tax purposes and may be taxable to you as a dividend, however the tax impact will not be able to be calculated until after the end of the 2014 calendar year.

The distribution of Ashford Inc. common stock will not qualify for tax-free treatment for federal income tax purposes. If the proposed spin-off occurs, an amount equal to the fair market value of the shares of Ashford Inc. common stock received by you on the distribution date, including any fractional shares deemed to be received on the distribution date, will be treated as a taxable dividend to the extent of your share of any of our current or accumulated earnings and profits for the year of the distribution. Any fair market value of the distribution in excess of your share of our current and accumulated earnings and profits is treated first as a non-taxable return of capital to the extent of your adjusted tax basis in our common stock and then as capital gain. The distribution will not include a distribution of cash, except for cash in lieu of fractional shares, and thus you will have to use cash from other sources to pay the income tax on this income. In addition, we or other applicable withholding agents may be required or permitted to withhold at the applicable rate on all or a portion of the distribution payable to non-U.S. stockholders, and any such withholding would be satisfied by us or such withholding agent by selling a portion of the Ashford Inc. common stock otherwise distributable to non-U.S. stockholders. Such non-U.S. stockholders may bear brokerage fees or other costs from this withholding procedure. Your adjusted tax basis in our common stock held at the time of the distribution will be reduced (but not below zero) to the extent the fair market value of the shares of Ashford Inc. common stock distributed by us to you in the distribution exceeds your share of our current and accumulated earnings and profits. Your holding period for your shares of our common stock will not be affected by the distribution. We will not be able to advise you of the amount of our earnings and profits until after the end of the 2014 calendar year.

Although we will be ascribing a value to Ashford Inc.'s shares in the distribution for tax purposes, this valuation is not binding on the Internal Revenue Service (the "IRS") or any other taxing authority. These taxing authorities could ascribe a higher valuation to such shares, particularly if Ashford Inc.'s stock trades at prices significantly above the value ascribed to such shares by us in the period following the distribution. Such a higher valuation may cause a larger reduction in the adjusted tax basis of your shares of us or may cause you to recognize additional dividend or capital gain income. You are urged to consult your tax advisor as to the particular tax consequences of the distribution to you.

If gain we recognize from the proposed spin-off and certain other items of income are significant enough, we may fail to qualify as a REIT for federal income tax purposes.

The gain we recognize as a result of the proposed spin-off will not be qualifying income for purposes of the 75% gross income test for federal income tax purposes applicable to a REIT. The gain we recognize as a result of the proposed spin-off, combined with any other items of income we earn in the year in which the spin-off occurs that are not qualifying income for purposes of the 75% gross income test, could cause us to fail our REIT income tests for that year, which could cause us to lose our REIT status for federal income tax purposes for the year in which the spin-off occurs, and we would be prohibited from electing REIT status for the following four taxable years. If we fail to qualify

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as a REIT, we will be subject to federal and applicable state and local income tax on our taxable income at regular corporate rates. Losing our REIT status would reduce our net income available for investment or distribution to our stockholders because of the additional tax liability. In addition, distributions to our stockholders would no longer qualify for the dividends-paid deduction, and we would no longer be required to make distributions. Losing our REIT status would materially negatively impact our business, financial condition and potentially impair our ability to continue operating in the future.

The proposed spin-off could result in our common stock trading at a lower market price than anticipated.

One of the intended benefits of the proposed spin-off is that the aggregate of the market prices of a share of our common stock and a share of Ashford Inc.'s common stock will be greater than was or would be the market price of our common stock had the proposed spin-off not been effected, although it is understood that most spin-offs will result in the stock price of the company that effects the spin-off being somewhat lower, at least for some period after the spin-off, than it was prior to the spin-off. If investors and analysts were to view the proposed spin-off of Ashford Inc. as adversely affecting our post-spin-off financial condition, results of operations and cash flows in a manner disproportionate to the net value of the current asset management business of Ashford Inc., our common stock could trade at a market price lower than that which would accurately reflect the fair value of our company and result in the aggregate of the market prices of a share of our common stock and a share of Ashford Inc.'s common stock being less than the market price of a share of our common stock immediately prior to the spin-off.

The proposed spin-off could adversely affect our ability to make distributions in future periods.

Our cash flows in future periods would be reduced by the amount of the net cash flows that would have been generated in future periods by the asset management business. As a result, the distributions to our stockholders that we make with respect to future periods could be reduced to amounts less than the distributions otherwise anticipated by our stockholders for such future periods.

If the proposed spin-off occurs, we will rely on Ashford Inc.'s performance under various agreements.

In connection with the proposed spin-off, we expect to enter into an advisory agreement and various other agreements with Ashford Inc. These agreements will govern our relationship with Ashford Inc. and will also provide for the allocation of employee benefits, taxes and certain other liabilities and obligations attributable to periods prior to the proposed spin-off. We and Ashford Inc. may also agree to provide each other with indemnities with respect to liabilities arising out of the asset management businesses we transferred to Ashford Inc. We will rely on Ashford Inc. to perform its obligations under these agreements. If Ashford Inc. were to breach or to be unable to satisfy its material obligations under these agreements, including a failure to furnish advisory services under the advisory agreement, we could suffer operational difficulties or significant losses.

Our agreements with our external advisor may not reflect terms that would have resulted from arm's-length negotiations among unaffiliated third parties.

The terms of the agreements related to the spin-off of our asset management business from us, including an advisory agreement and other agreements with the spun-off entity that will serve as our external advisor, will not be negotiated between unaffiliated third parties. As a result, the terms may be less favorable to us than the terms that would have resulted from arm's-length negotiations among unaffiliated third parties.

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If the proposed spin-off occurs, we will be exposed to a variety of other risks related to the fact that we are externally advised by Ashford Inc.

If the proposed spin-off occurs, we will be exposed to a variety of other risks related to the fact that we are externally advised by Ashford Inc., including the following risks:

- We will be dependent on Ashford Inc. and certain key personnel of Ashford Inc., and we may not find a suitable replacement if Ashford Inc. ceases to perform under the advisory agreement or such key personnel are no longer available to us.
- The base advisory fees that we will be required to pay Ashford Inc. under the advisory agreement between us and Ashford Inc. will be payable regardless of the performance of our portfolio, which may reduce Ashford Inc.'s incentive to devote the time and effort to seeking profitable opportunities for our portfolio.
- Ashford Inc.'s incentive fees may induce Ashford Inc. 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.
- We will compete with the other entities that Ashford Inc. advises, including Ashford Prime, for access to Ashford Inc. and its personnel.
- We will compete with the other entities that Ashford Inc. advises, including Ashford Prime, for opportunities to acquire assets, which will be allocated in accordance with Ashford Inc. investment allocation policies.
- There will be conflicts of interest in our relationships with Ashford Inc., which could result in decisions that are not in the best interests of our stockholders.
- The advisory agreement we intend to enter into with Ashford Inc. will not be negotiated on an arm's-length basis and may not be as favorable to us as if it had been negotiated with an unaffiliated third party.
- Termination of our advisory agreement with Ashford Inc. would be costly and, in many cases, not permitted. See "Recent Developments Proposed Spin-off of Asset Management Business."
- Ashford Inc.'s failure to identify and acquire assets that meet our asset criteria or perform its responsibilities under the advisory agreement could materially adversely affect our business, financial condition and results of operations and our ability to make distributions to our stockholders.

The ownership by our executive officers and some of our directors of shares of common stock, or other equity awards of our external advisor may create, or may create the appearance of, conflicts of interest.

We anticipate that, if the proposed spin-off occurs, certain of our directors and officers will also serve as directors and officers of Ashford Inc. and will own shares of common stock, or other equity interests, of Ashford Inc. as well as shares of our common stock and common units in our operating partnership. If the proposed spin-off occurs, these officers and directors will be eligible for future equity awards from Ashford Inc., the value of which will be tied to the value of the Ashford Inc. common stock. The positions of such directors and officers with both our company and Ashford Inc. and the equity ownership by such persons in us, our operating partnership and Ashford Inc. could create, or create the appearance of, conflicts of interest when those directors and officers are faced with decisions that could have different implications for Ashford Inc. than they do for us.

If the proposed spin-off occurs, Ashford Inc. will be subject to federal income tax.

If the proposed spin-off occurs, Ashford Inc. will be fully taxable as a corporation for federal income tax purposes, which will cause the earnings of Ashford Inc. to be subject to federal income tax. As a result, all of Ashford Inc.'s income will be subject to federal income tax at a 35% rate for the foreseeable future.

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RECENT DEVELOPMENTS PROPOSED SPIN-OFF OF ASSET MANAGEMENT BUSINESS

As discussed above, our board of directors has determined that a spin-off of our asset management business is in the best interests of our company and our stockholders. To accomplish this spin-off, our board of directors intends to authorize the taxable pro rata distribution to our stockholders of only a specified percentage of the equity interest in Ashford Inc. held by us, subject to an upward adjustment (up to and including the business day preceding the distribution date) if our board determines, in its reasonable best judgment, exercising ordinary business care, that distribution of a greater percentage of Ashford Inc. would not jeopardize our REIT status. To the extent the distribution represents less than 100% of the shares of Ashford Inc. common stock held by us, we intend, but are not obligated, to distribute the remaining shares of Ashford Inc. common stock to our stockholders. Any such subsequent distribution may occur in 2014, or at any time thereafter that such distribution would not jeopardize our REIT status. Any future distribution would also be a taxable pro rata distribution and would be taxable to us.

Advisory Agreement with Ashford Inc.

Our advisory agreement with Ashford Inc. will have an initial 20-year term. Such advisory agreement will be automatically renewed for one-year terms after its expiration unless terminated either by us or Ashford Inc.

We will be obligated to pay Ashford Inc. a base fee for managing our day-to-day operations and the day-to-day operations of our subsidiaries in conformity with our investment guidelines. The base fee will be equal to 0.70% per annum of our total enterprise value, payable quarterly, and subject to a minimum quarterly payment. The "total enterprise value" for purposes of determining the base fee will be calculated on a quarterly basis as (i) the average of the volume-weighted average price per share of our common stock for each trading day of the preceding quarter multiplied by the average number of shares of common stock and common units outstanding during such quarter, on a fully-diluted basis (assuming all common units and long term incentive partnership units in our operating partnership which have achieved economic parity with common units in our operating partnership have been redeemed for common stock), plus (ii) the quarterly average of the aggregate principal amount of our consolidated indebtedness (including our proportionate share of debt of any entity that is not consolidated but excluding our joint venture partners' proportionate share of consolidated debt), plus (iii) the quarterly average of the liquidation value of any outstanding preferred equity; provided, however, our "total enterprise value" will be decreased by the aggregate fair market value, on the last day of the applicable quarter, of any equity interests in Ashford Prime and Ashford Inc. held by us. Using this definition, our total enterprise value at December 31, 2013 was approximately $3.8 billion. The minimum base fee each quarter 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 the total enterprise value of such company. The "G&A ratio" will be calculated as the simple average of the ratios of total general and administrative expenses, including any dead deal costs, less any non-cash expenses, paid in the applicable quarter by each member of a select peer group, divided by the total enterprise value of such peer group member. Our peer group may be adjusted from time-to-time by mutual agreement between a majority of our independent directors and Ashford Inc., negotiating in good faith. The base fee will be payable in cash on a quarterly basis.

We will also be obligated to pay Ashford Inc. an incentive fee based on our performance. In each year that our total stockholder return, or "TSR" (defined as the increase in the market price of our common stock, assuming all dividends on our common stock are reinvested into additional shares of our common stock), exceeds the "average TSR of our peer group," we will be required to pay Ashford Inc. an incentive fee. The annual incentive fee will be calculated as (i) 5% of the amount (expressed as a percentage) by which our annual TSR exceeds the average TSR of our peer group, multiplied by (ii) our fully diluted equity value at December 31 of the applicable year. The percentage by which our TSR exceeds the TSR of our peer group will be limited to 25% for purposes of

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calculating the incentive fee payable. Subject to certain limitations, we may pay up to 50% of the incentive fee in shares of our common stock or in common units of our operating partnership. The incentive fee, if any, will be payable in arrears in three equal annual installments, with the first installment being due and payable on or before January 15 following the year for which the incentive fee relates and the remaining two installments being due and payable on or before January 15 of the next two successive years. Notwithstanding the foregoing, each installment of the incentive fee will not be deemed earned by Ashford Inc. or otherwise payable by us unless we, as of the December 31 immediately preceding the due date for the incentive fee installment payment, have a fixed charge coverage ratio of 0.20x or greater.

Our board of directors will also have the authority to make annual equity awards to Ashford Inc. or directly to Ashford Inc.'s employees, officers, consultants and non-employee directors, based on our achievement of certain financial and other hurdles established by our board of directors. In addition, we will be obligated to pay directly or reimburse Ashford Inc., on a monthly basis, for all expenses paid or incurred by Ashford Inc. or its affiliates on our behalf or in connection with the services provided by Ashford Inc. pursuant to our advisory agreement, which will include our pro rata share of office overhead and administrative expenses incurred by Ashford Inc. in providing its duties under our advisory agreement. If we request that Ashford Inc. perform services outside the scope of our advisory agreement, we will be obligated to separately pay for such additional services.

We will also be required to pay a termination fee to Ashford Inc. under certain circumstances, including a change of control transaction conditioned upon the termination of our advisory agreement. Such termination fee will be equal to either:

if Ashford Inc.'s common stock is not publicly traded, 14 times its earnings attributable to our advisory agreement less costs and expenses (the "net earnings") for the 12 months preceding termination of our advisory agreement; or

if at the time of the termination notice, Ashford Inc.'s common stock is publicly traded, 1.1 multiplied by the greater of:

(i) 12 times Ashford Inc.'s net earnings attributable to our 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 Ashford Inc.'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 Ashford Inc.'s net earnings attributable to our advisory agreement for the 12 months preceding the termination of our advisory agreement;

plus, in either case, a gross-up amount for assumed federal and state tax liability, based on an assumed tax rate of 40%.

Following the initial 20-year term, we may terminate the advisory agreement with 180 days' prior written notice, and the payment of the termination fee described above, following the affirmative vote of at least two-thirds of our independent directors, based upon a good faith finding that either (a) there has been unsatisfactory performance by Ashford Inc. that is materially detrimental to our company and our subsidiaries taken as a whole, or (b) the base fee and/or incentive fee is not fair (and Ashford Inc. does not offer to negotiate a lower fee that at least a majority of our independent directors determine is fair). If the reason for non-renewal specified is (b) in the preceding sentence, then Ashford Inc. may, at its option, provide a notice of proposal to renegotiate the base fee and incentive fee not less than 150 days prior to the pending termination date. Thereupon, we and

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Ashford Inc. have agreed to use commercially reasonable efforts to negotiate in good faith to find a resolution on fees within 120 days following our receipt of the renegotiation proposal. If a resolution is achieved between Ashford Inc. and at least a majority of our independent directors within the 120-day period, then the advisory agreement will continue in full force and effect with modification only to the agreed upon base fee and or incentive fee, as applicable.

We may also terminate our advisory agreement at any time, including during the initial term, without the payment of a termination fee under certain limited circumstances, including uncured defaults by Ashford Inc., certain bankruptcy events related to Ashford Inc., the dissolution of Ashford Inc., felony convictions of Ashford Inc. and acts of fraud by Ashford Inc.

Conflicts of Interest

Each of our executive officers and one of our directors will also serve as key employees and as officers of Ashford Inc. Mr. Monty J. Bennett, our chief executive officer and chairman of our board of directors, is also the chief executive officer and on the board of directors of Ashford Inc. Although we are consulting with third-party financial advisors when structuring the terms of our agreements with Ashford Inc., such negotiations are not being conducted on an arm's-length basis. As a result, the principals of Ashford Inc. may have the ability to influence the type and level of benefits that they and our other affiliates will receive. Accordingly, our advisory agreement and other agreements with Ashford Inc., including fees and other amounts payable, may not be as favorable to us as if they had been negotiated on an arm's-length basis with unaffiliated third parties.

Pursuant to our advisory agreement with Ashford Inc., we will acknowledge that Ashford Inc.'s personnel will advise us and Ashford Prime, and may also advise other businesses in the future. Ashford Inc. will not be required to present us with investment opportunities that it determines are outside of our initial investment guidelines and within the investment guidelines of another business Ashford Inc. advises. To the extent Ashford Inc. deems an investment opportunity suitable for recommendation, it must present us with any such investment opportunity that satisfies our initial investment guidelines, but Ashford Inc. will have discretion to determine which investment opportunities satisfy our initial investment guidelines. If, however, we materially change our investment guidelines without Ashford Inc.'s express consent, Ashford Inc. will be required to use its best judgment to allocate investment opportunities to us, Ashford Prime and other entities Ashford Inc. advises, taking into account such factors as it deems relevant, in its discretion, subject to any then-existing obligations Ashford Inc. may have to such other entities. Any new individual investment opportunities that satisfy our investment guidelines will be presented to our board of directors, who will have up to 10 business days to accept any such opportunity prior to it being available to Ashford Prime or another business advised by Ashford Inc. Portfolio investment opportunities (the acquisition of two or more properties in the same transaction) will be treated differently. Some portfolio investment opportunities may include hotels that satisfy the investment objectives of both us and Ashford Prime or of another business Ashford Inc. advises. If the portfolio cannot be equitably divided by asset type and acquired on the basis of such asset types in satisfaction of each such entity's investment guidelines, Ashford Inc. will be required to allocate investment opportunities between us, Ashford Prime and any other businesses it advises in a fair and equitable manner, consistent with such entities' investment objectives. In making this determination, using substantial discretion, Ashford Inc. will be required to consider the investment strategy and guidelines of each entity with respect to acquisition of properties, portfolio concentrations, tax consequences, regulatory restrictions, liquidity requirements, financing and other factors it deems appropriate. Ashford Inc. may utilize options, rights of first offer or other arrangements to subsequently reallocate assets. In making the allocation determination, Ashford Inc. has no obligation to make any investment opportunity available to us.

From time to time, as may be determined by our independent directors and the independent directors of Ashford Inc., either we or Ashford Inc. may provide financial accommodations, guaranties, back-stop guaranties, and other forms of financial assistance to the other on terms that the respective independent directors determine to be fair and reasonable.

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USE OF PROCEEDS

We estimate that the net proceeds from this offering will be approximately $76.8 million (or $88.3 million if the underwriters exercise their 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 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, the plan to spin-off our asset management business as described in this prospectus supplement;
- the expected benefits of the proposed spin-off of Ashford Inc. 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 "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;

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general volatility of the capital markets, the general economy or the hospitality industry, whether the result of market events or otherwise, and the market price of our common stock;

changes in our business or investment strategy

availability, terms and deployment of capital

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

the degree and nature of our competition.

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

availability of qualified personnel;

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

legislative and regulatory changes, including changes to the Internal Revenue Code of 1986, as amended (the "Code"), and related rules, regulations and interpretations governing the taxation of 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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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 no earlier than July 1, 2014 for payments of dividends on our stock and until January 1, 2017 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 ending December 31, 2003 through 2013, 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

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ending 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 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 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 accompanying prospectus, 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 our common stock will be regularly traded on an established securities market in the United States following this offering. If our common 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 our common stock at any time during the one-year period preceding the distribution,

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capital gain distributions 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 our common 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 our common 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.

Tax Considerations Relating to the Proposed Spin-Off

Tax Classification of the Proposed Spin-Off in General. For federal income tax purposes, the proposed spin-off will not be eligible for treatment as a tax-free distribution by us with respect to our stock. Accordingly, the proposed spin-off, if completed, will be treated as if we had distributed to each of our stockholders an amount equal to the fair market value of the Ashford Inc. common stock received by such stockholder (including any fractional shares deemed to be received, as described below), determined as of the date of the proposed spin-off (such amount, the "spin-off distribution amount"). The federal income tax consequences of the proposed spin-off on our stockholders are thus generally the same as the federal income tax consequences of cash distributions by us. The discussion below describes the federal income tax consequences to a U.S. holder, a non-U.S. holder (each as defined in the accompanying prospectus), and a tax-exempt U.S. holder of our stock upon the receipt of Ashford Inc. common stock in the proposed spin-off.

Although we will ascribe a value to the Ashford Inc. shares distributed in the proposed spin-off, this valuation is not binding on the IRS or any other taxing authority. These taxing authorities could ascribe a higher valuation to the distributed Ashford Inc. shares, particularly if, following the spin-off, those shares trade at prices significantly above the value ascribed to those shares by us. Such a higher valuation may affect the distribution amount and thus the federal income tax consequences of the proposed spin-off to our stockholders.

Any cash received by a holder of our stock in lieu of a fractional share of Ashford Inc. common stock should be treated as if such fractional share had been (i) received by the stockholder as part of the spin-off and then (ii) sold by such stockholder for the amount of cash received. Because (as described below) the basis of the fractional share deemed received by the holder of our stock will equal the fair market value of such share on the date of the spin-off, a holder of our stock generally should not recognize additional gain or loss on the transaction described in (ii) of the preceding sentence.

We will be required to recognize any gain, but will not be permitted to recognize any loss, with respect to the Ashford Inc. shares that we distribute in the proposed spin-off. The gain we recognize as a result of the proposed spin-off will not be qualifying income for purposes of the 75% gross income test. Consequently, we would fail to satisfy the 75% gross income test, and could fail to qualify as a REIT, if the gain we recognize from the proposed spin-off, combined with any other items of nonqualifying income, exceed 25% of our gross income in the year of the spin-off. See "Federal Income Tax Consequences of Our Status as a REIT Income Tests Failure to Satisfy Gross Income Tests" in the accompanying prospectus.

Tax Basis and Holding Period of Ashford Inc. Shares Received by Holders of Our Stock. A holder of our shares' tax basis in shares of Ashford Inc. common stock received in the proposed spin-off (including any fractional shares deemed to be received, as described above) generally will equal the fair market value of such shares on the date of the spin-off, and the holding period for such shares will begin the day after the date of the spin-off.

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Tax Treatment of the Proposed Spin-Off to U.S. Holders. The following discussion describes the federal income tax consequences to a U.S. holder of our stock upon the receipt of Ashford Inc. common stock in the proposed spin-off.

Ordinary Dividends. The portion of the spin-off distribution amount received by a U.S. holder that is payable out of our current or accumulated earnings and profits for the year of the distribution will generally be taken into account by such U.S. holder as ordinary income and will not be eligible for the dividends received deduction for corporations. With limited exceptions, dividends paid by us are not eligible for taxation at the preferential income tax rates for qualified dividends received by U.S. holders that are individuals, trusts and estates from taxable C corporations. Such U.S. holders, however, are taxed at the preferential rates on dividends designated by and received from a REIT such as us to the extent that the dividends are attributable to:

1. income retained by the REIT in the prior taxable year on which the REIT was subject to corporate level income tax (less the amount of tax), or

2. dividends received by the REIT from TRSs or other taxable C corporations.

Non-Dividend Distributions. A distribution to U.S. holders in excess of our current and accumulated earnings and profits will generally represent a return of capital and will not be taxable to a stockholder to the extent that the amount of such distribution does not exceed the adjusted tax basis of the holder's shares in respect of which the distribution was made. Rather, the distribution will reduce the adjusted tax basis of the holder's shares. To the extent that such distribution exceeds the adjusted tax basis of a U.S. holder's shares, the holder generally must include such distribution in income as long-term capital gain, or short-term capital gain if the holder's shares have been held for one year or less.

Capital Gain Dividends. A distribution that we designate as a capital gain dividend will generally be taxed to U.S. holders as long-term capital gain, to the extent that such distribution does not exceed our actual net capital gain for the taxable year, without regard to the period for which the holder that receives such distribution has held our stock. Corporate U.S. holders may be required to treat up to 20% of some capital gain dividends as ordinary income. Long-term capital gains are generally taxable at reduced maximum federal rates in the case of U.S. holders that are individuals, trusts and estates, and ordinary income rates in the case of stockholders that are corporations. See "Federal Income Tax Consequences of Our Status as a REIT Taxation of Taxable U.S. Holders Taxation of Taxable U.S. Holders of Stock" and " Capital Gains and Losses" in the accompanying prospectus.

Tax Treatment of the Proposed Spin-Off to Non-U.S. Holders. The following discussion describes the federal income tax consequences to a non-U.S. holder of our stock upon the receipt of Ashford Inc. common stock in the proposed spin-off.

Ordinary Dividends. The portion of the spin-off distribution amount received by a non-U.S. holder that is (1) payable out of our current and accumulated earnings and profits for the year of the distribution, (2) not attributable to our capital gains, and (3) not effectively connected with a U.S. trade or business of the non-U.S. holder, will be treated as a dividend that is subject to U.S. withholding tax at the rate of 30%, unless reduced or eliminated by treaty.

In general, non-U.S. holders will not be considered to be engaged in a U.S. trade or business solely as a result of their ownership of our stock. In cases where the dividend income from a non-U.S. holder's investment in our stock is, or is treated as, effectively connected with the non-U.S. holder's conduct of a U.S. trade or business, the non-U.S. holder generally will be subject to federal income tax at graduated rates, in the same manner as U.S. holders are taxed with respect to such dividends. Such income must generally be reported on a federal income tax return filed by or on behalf of the non-U.S.

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holder. The income may also be subject to the 30% branch profits tax in the case of a non-U.S. holder that is a corporation unless reduced or eliminated by tax treaty.

Non-Dividend Distributions. Unless our stock constitutes a United States real property interest (as defined in the accompanying prospectus), the spin-off distribution amount, to the extent not made out of Ashford's earnings and profits, will not be subject to U.S. income tax. If we cannot determine at the time of the spin-off whether or not the spin-off distribution amount will exceed current and accumulated earnings and profits, the spin-off distribution amount will be subject to withholding at the rate applicable to ordinary dividends, as described above.

If our stock constitutes a United States real property interest, distributions that we make in excess of the sum of (a) the stockholder's proportionate share of our earnings and profits, plus (b) the stockholder's basis in our stock, will be taxed under FIRPTA (as defined in the accompanying prospectus) in the same manner as if the stock had been sold. In such situations, the non-U.S. holder would be required to file a federal income tax return and would be subject to the same treatment and same tax rates as a U.S. holder with respect to such excess, subject to applicable alternative minimum tax and a special alternative minimum tax in the case of non-resident alien individuals.

We anticipate that we will be a United States real property holding corporation based on our investment strategy. Further, it is anticipated that we will be a domestically-controlled qualified investment entity.

See "Federal Income Tax Consequences of Our Status as a REIT Taxation of Non-U.S. Holders" in the accompanying prospectus (as amended as set forth in " Taxation of Non-U.S. Holders" above) for a discussion of applicable tests in determining whether our stock constitutes a United States real property interest and whether capital gain distributions to a non-U.S. holder would be subject to tax under FIRPTA.

Withholding of Amounts Distributable to Non-U.S. Holders in the Proposed Spin-Off. If we are required to withhold any amounts otherwise distributable to a non-U.S. holder in the proposed spin-off, we or other applicable withholding agents will collect the amount required to be withheld by reducing to cash for remittance to the IRS a sufficient portion of Ashford Inc. common stock that such non-U.S. holder would otherwise receive, and such holder may bear brokerage or other costs for this withholding procedure. A non-U.S. holder may seek a refund from the IRS of any amounts withheld if it is subsequently determined that the amounts withheld exceeded the holder's U.S. tax liability for the year in which the spin-off occurred.

Tax Treatment of the Proposed Spin-Off to Tax-Exempt Entities. While some investments in real estate may generate unrelated business taxable income, the IRS has ruled that in a published ruling dividend distributions from a REIT to a tax-exempt entity do not constitute unrelated business taxable income. Based on that ruling, and provided that (1) a tax-exempt stockholder has not held our stock as "debt financed property" within the meaning of the Code (i.e., where the acquisition or holding of the property is financed through a borrowing by the tax-exempt stockholder), and (2) stock is not otherwise used in an unrelated trade or business, the proposed spin-off generally should not give rise to unrelated business taxable income to a tax-exempt stockholder.

Tax-exempt stockholders that are social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts, and qualified group legal services plans exempt from federal income taxation under sections 501(c)(7), (c)(9), (c)(17) and (c)(20) of the Code are subject to different unrelated business taxable income rules, which generally require such stockholders to characterize distributions that we make as unrelated business taxable income. In certain circumstances, a pension trust that owns more than 10% of our stock could be required to treat a percentage of the dividends as unrelated business taxable income, if we are a "pension-held REIT." The ownership and transfer restrictions in our charter reduce the risk that we may become a "pension-held REIT." See

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"Federal Income Tax Consequences of Our Status as a REIT Taxation of Tax-Exempt Stockholders" in the accompanying prospectus for a discussion of the determination of a "pension-held REIT."

Time for Determination of the Tax Impact of the Proposed Spin-Off. The actual tax impact of the proposed spin-off will be affected by a number of factors that are unknown at this time, including our final earnings and profits for the year in which the spin-off occurs (including as a result of the gain, if any, we recognize in the spin-off), the fair market value of Ashford Inc.'s common stock on the date of the spin-off and sales of FIRPTA or other capital assets. Thus, a definitive calculation of the federal income tax impact of the proposed spin-off will not be possible until after the end of the calendar year in which the spin-off occurs. We will notify our stockholders of the tax attributes of the spin-off (including the spin-off distribution amount) on an IRS Form 1099-DIV.

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UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the number of shares of common stock set forth opposite its name below.

Underwriter	Number of Shares
Merrill Lynch, Pierce, Fenner & Smith Incorporated	2,550,000
Morgan Stanley & Co. LLC	2,550,000
Deutsche Bank Securities Inc.	750,000
Robert W. Baird & Co. Incorporated	337,500
Credit Suisse Securities (USA) LLC	337,500
KeyBanc Capital Markets Inc.	337,500
Stifel, Nicolaus & Company, Incorporated	262,500
JMP Securities LLC	112,500
MLV & Co. LLC	112,500
Cantor Fitzgerald & Co.	75,000
Craig-Hallum Capital Group LLC	75,000
Total	7,500,000

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the shares sold under the underwriting agreement if any of these shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

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

The underwriters are offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The representatives have advised us that the underwriters propose initially to offer the shares to the public at the public offering price set forth on the cover page of this prospectus supplement and to dealers at that price less a concession not in excess of $0.25 per share. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

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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 underwriters of their option to purchase additional shares.

	Per Share	Without Option	With Option
Public offering price	$ 10.7000	$ 80,250,000	$ 92,287,500
Underwriting discount	$ 0.4280	$ 3,210,000	$ 3,691,500
Proceeds, before expenses, to us	$ 10.2720	$ 77,040,000	$ 88,596,000

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 underwriters, exercisable for 30 days after the date of this prospectus supplement, to purchase up to 1,125,000 additional shares at the public offering price, less the underwriting discount. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional shares proportionate to that underwriter's initial amount reflected in the above table.

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 representatives. 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,

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.

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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 underwriters and selling group members from bidding for and purchasing our common stock. However, the representatives 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 underwriters 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 underwriters 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 underwriters' option to purchase additional shares described above. The underwriters 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 underwriters 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 underwriters 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 underwriters are 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 underwriters in the open market prior to the completion of the offering.

Similar to other purchase transactions, the underwriters' 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 underwriters may conduct these transactions on the NYSE, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters 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 any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Distribution

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

Other Relationships

Affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC, Deutsche Bank Securities Inc., Credit Suisse Securities (USA) LLC and KeyBanc Capital Markets Inc. are lenders under our $165 million credit facility. As of December 31, 2013, there were no borrowings outstanding under the facility. In connection with their participation in our credit facility, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC, Deutsche Bank Securities Inc., Credit Suisse Securities (USA) LLC and KeyBanc Capital Markets Inc. or their affiliates receive customary fees. An affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated is also the lender under four of our mortgage loans with an aggregate original principal amount of approximately

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$455 million, and an affiliate of Morgan Stanley & Co. LLC is the lender under one of our mortgage loans, secured by five hotel properties, with an aggregate original principal amount of approximately $200 million. Also, we have entered into an indicative term sheet with Morgan Stanley Bank, N.A., an affiliate of Morgan Stanley & Co. LLC, related to the refinancing of three existing mortgage loans, which is expected to result in five loans secured by 22 hotel properties and have an aggregate initial principal balance of approximately $485 million. In addition, Morgan Stanley & Co. LLC has acted and is acting in an advisory capacity in connection with the proposed spin-off of Ashford Inc. Some of the underwriters and their 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 underwriters and their 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 underwriters and their 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 the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), no offer of shares may be made to the public in that Relevant Member State other than:

A. to any legal entity which is a qualified investor as defined in the Prospectus Directive, including:

(a) (in the case of Relevant Member States that have not implemented the 2010 PD Amending Directive), legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities, or any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; and

(b) (in the case of Relevant Member States that have implemented the 2010 PD Amending Directive), persons or entities that are described in points (1) to (4) of Section I of Annex II to Directive 2004/39/EC, and those who are treated on request as professional clients in accordance with Annex II to Directive 2004/39/EC, or recognized as eligible counterparties in accordance with Article 24 of Directive 2004/39/EC unless they have requested that they be treated as non-professional clients; or

B. to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives; or

C. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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provided that no such offer of shares shall require the Company or the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed that (A) it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive, and (B) in the case of any shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, the shares acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than "qualified investors" as defined in the Prospectus Directive, or in circumstances in which the prior consent of the representatives has been given to the offer or resale. In the case of any shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

The Company, the representatives and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

This prospectus supplement has been prepared on the basis that any offer of shares in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of shares. Accordingly any person making or intending to make an offer in that Relevant Member State of shares which are the subject of the offering contemplated in this prospectus supplement may only do so in circumstances in which no obligation arises for the Company or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor the underwriters have authorized, nor do they authorize, the making of any offer of shares in circumstances in which an obligation arises for the Company or the underwriters to publish a prospectus for such offer.

For the purpose of the above provisions, the expression "an offer to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This document must not

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be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

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.

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

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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 underwriters 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 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, 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;

- the information specifically incorporated by reference into our annual report on Form 10-K for the year ended December 31, 2012 from our definitive proxy statement on Schedule 14A filed with the SEC on April 12, 2013; 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) and April 1, 2014.

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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 predece