UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2024

OR

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

For the transition period from to

Commission File Number 001-35169

RLJ LODGING TRUST
(Exact Name of Registrant as Specified in Its Charter)

Maryland	**27-4706509**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
7373 Wisconsin Avenue, Suite 1500 **Bethesda, Maryland**	**20814**
(Address of Principal Executive Offices)	(Zip Code)

(301) 280-7777
(Registrant's Telephone Number, Including Area Code)

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

Title of Each Class	Trading Symbol	Name of Exchange on Which Registered
Common Shares of beneficial interest, par value $0.01 per share	RLJ	New York Stock Exchange
$1.95 Series A Cumulative Convertible Preferred Shares, par value $0.01 per share	RLJ-A	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

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

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

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of October 31, 2024, 153,307,887 common shares of beneficial interest of the Registrant, $0.01 par value per share, were outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

RLJ Lodging Trust
Consolidated Balance Sheets
(Amounts in thousands, except share and per share data)
(unaudited)

	September 30, 2024	December 31, 2023
Assets		
Investment in hotel properties, net	$ 4,257,199	$ 4,136,216
Investment in unconsolidated joint ventures	7,237	7,398
Cash and cash equivalents	385,384	516,675
Restricted cash reserves	38,958	38,652
Hotel and other receivables, net of allowance of $294 and $265, respectively	26,437	26,163
Lease right-of-use assets	129,526	136,140
Prepaid expense and other assets	43,250	58,051
Total assets	$ 4,887,991	$ 4,919,295
Liabilities and Equity		
Debt, net	$ 2,218,826	$ 2,220,778
Accounts payable and other liabilities	154,933	147,819
Advance deposits and deferred revenue	36,643	32,281
Lease liabilities	119,508	122,588
Accrued interest	12,114	22,539
Distributions payable	30,431	22,500
Total liabilities	2,572,455	2,568,505
Commitments and Contingencies (Note 11)		
Equity		
Shareholders' equity:		
Preferred shares of beneficial interest, $0.01 par value, 50,000,000 shares authorized		
Series A Cumulative Convertible Preferred Shares, $0.01 par value, 12,950,000 shares authorized; 12,879,475 shares issued and outstanding, liquidation value of $328,266, at September 30, 2024 and December 31, 2023	366,936	366,936
Common shares of beneficial interest, $0.01 par value, 450,000,000 shares authorized; 153,628,657 and 155,297,829 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively	1,536	1,553
Additional paid-in capital	2,990,553	3,000,894
Distributions in excess of net earnings	(1,066,035)	(1,055,183)
Accumulated other comprehensive income	8,835	22,662
Total shareholders' equity	2,301,825	2,336,862
Noncontrolling interests:		
Noncontrolling interest in the Operating Partnership	6,258	6,294
Noncontrolling interest in consolidated joint ventures	7,453	7,634
Total noncontrolling interests	13,711	13,928
Total equity	2,315,536	2,350,790
Total liabilities and equity	$ 4,887,991	$ 4,919,295

The accompanying notes are an integral part of these consolidated financial statements.

RLJ Lodging Trust
Consolidated Statements of Operations and Comprehensive Income
(Amounts in thousands, except share and per share data)
(unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Revenues				
Operating revenues				
Room revenue	$ 283,614	$ 277,088	$ 853,896	$ 833,416
Food and beverage revenue	36,983	34,181	113,515	105,601
Other revenue	25,147	23,137	72,040	66,852
Total revenues	345,744	334,406	1,039,451	1,005,869
Expenses				
Operating expenses				
Room expense	74,558	71,278	217,885	207,662
Food and beverage expense	29,348	27,430	88,279	81,604
Management and franchise fee expense	27,339	27,095	82,783	82,554
Other operating expenses	92,350	87,736	272,951	254,567
Total property operating expenses	223,595	213,539	661,898	626,387
Depreciation and amortization	44,892	44,727	134,045	134,648
Property tax, insurance and other	24,156	26,936	80,743	76,268
General and administrative	12,781	14,747	41,826	43,030
Transaction costs	209	2	299	26
Total operating expenses	305,633	299,951	918,811	880,359
Other income, net	791	1,921	4,669	3,506
Interest income	4,286	5,302	13,191	13,977
Interest expense	(28,643)	(24,833)	(83,150)	(73,506)
Gain (loss) on sale of hotel properties, net	4,755	16	8,301	(28)
Loss on extinguishment of indebtedness, net	(129)	—	(129)	(169)
Income before equity in (loss) income from unconsolidated joint ventures	21,171	16,861	63,522	69,290
Equity in (loss) income from unconsolidated joint ventures	(149)	(186)	239	315
Income before income tax expense	21,022	16,675	63,761	69,605
Income tax expense	(379)	(332)	(1,081)	(1,028)
Net income	20,643	16,343	62,680	68,577
Net (income) loss attributable to noncontrolling interests:				
Noncontrolling interest in the Operating Partnership	(49)	(50)	(216)	(238)
Noncontrolling interest in consolidated joint ventures	8	137	181	131
Net income attributable to RLJ	20,602	16,430	62,645	68,470
Preferred dividends	(6,279)	(6,279)	(18,836)	(18,836)
Net income attributable to common shareholders	$ 14,323	$ 10,151	$ 43,809	$ 49,634
Basic per common share data:				
Net income per share attributable to common shareholders	$ 0.09	$ 0.06	$ 0.28	$ 0.31
Weighted-average number of common shares	153,070,639	154,563,284	153,226,734	156,805,643

Diluted per common share data:				
Net income per share attributable to common shareholders	$ 0.09	$ 0.06	$ 0.28	$ 0.31
Weighted-average number of common shares	153,240,169	155,081,645	153,830,754	157,280,206
Comprehensive income:				
Net income	$ 20,643	$ 16,343	$ 62,680	$ 68,577
Unrealized loss on interest rate derivatives	(13,336)	(2,180)	(13,827)	(1,038)
Comprehensive income	7,307	14,163	48,853	67,539
Comprehensive (income) loss attributable to noncontrolling interests:				
Noncontrolling interest in the Operating Partnership	(49)	(50)	(216)	(238)
Noncontrolling interest in consolidated joint ventures	8	137	181	131
Comprehensive income attributable to RLJ	$ 7,266	$ 14,250	$ 48,818	$ 67,432

The accompanying notes are an integral part of these consolidated financial statements.

RLJ Lodging Trust
Consolidated Statements of Changes in Equity
(Amounts in thousands, except share data)
(unaudited)

	Shareholders' Equity							Noncontrolling Interest		
	Preferred Stock		Common Stock							
	Shares	Amount	Shares	Par Value	Additional Paid-in Capital	Distributions in excess of net earnings	Accumulated Other Comprehensive Income	Operating Partnership	Consolidated Joint Ventures	Total Equity
Balance at December 31, 2023	12,879,475	$366,936	155,297,829	$ 1,553	$3,000,894	$(1,055,183)	$ 22,662	$ 6,294	$ 7,634	$ 2,350,790
Net income (loss)	—	—	—	—	—	62,645	—	216	(181)	62,680
Unrealized loss on interest rate derivatives	—	—	—	—	—	—	(13,827)	—	—	(13,827)
Issuance of restricted stock	—	—	1,178,779	11	(11)	—	—	—	—	—
Amortization of share-based compensation	—	—	—	—	17,651	—	—	—	—	17,651
Shares acquired to satisfy minimum required federal and state tax withholding on vesting restricted stock	—	—	(807,917)	(8)	(9,006)	—	—	—	—	(9,014)
Shares acquired as part of a share repurchase program	—	—	(2,014,493)	(20)	(18,975)	—	—	—	—	(18,995)
Forfeiture of restricted stock	—	—	(25,541)	—	—	—	—	—	—	—
Distributions on preferred shares	—	—	—	—	—	(18,836)	—	—	—	(18,836)
Distributions on common shares and units	—	—	—	—	—	(54,661)	—	(252)	—	(54,913)
Balance at September 30, 2024	12,879,475	$366,936	153,628,657	$ 1,536	$2,990,553	$(1,066,035)	$ 8,835	$ 6,258	$ 7,453	$ 2,315,536

The accompanying notes are an integral part of these consolidated financial statements.

RLJ Lodging Trust
Consolidated Statements of Changes in Equity
(Amounts in thousands, except share data)
(unaudited)

	Shareholders' Equity							Noncontrolling Interest		
	Preferred Stock		Common Stock							
	Shares	Amount	Shares	Par Value	Additional Paid-in Capital	Distributions in excess of net earnings	Accumulated Other Comprehensive Income	Operating Partnership	Consolidated Joint Ventures	Total Equity
Balance at June 30, 2024	12,879,475	$366,936	155,240,677	$ 1,552	$3,000,394	$(1,057,061)	$ 22,171	$ 6,318	$ 7,461	$ 2,347,771
Net income (loss)	—	—	—	—	—	20,602	—	49	(8)	20,643
Unrealized loss on interest rate derivatives	—	—	—	—	—	—	(13,336)	—	—	(13,336)
Amortization of share-based compensation	—	—	—	—	4,946	—	—	—	—	4,946
Shares acquired as part of a share repurchase program	—	—	(1,606,636)	(16)	(14,787)	—	—	—	—	(14,803)
Forfeiture of restricted stock	—	—	(5,384)	—	—	—	—	—	—	—
Distributions on preferred shares	—	—	—	—	—	(6,279)	—	—	—	(6,279)
Distributions on common shares and units	—	—	—	—	—	(23,297)	—	(109)	—	(23,406)
Balance at September 30, 2024	12,879,475	$366,936	153,628,657	$ 1,536	$2,990,553	$(1,066,035)	$ 8,835	$ 6,258	$ 7,453	$ 2,315,536

The accompanying notes are an integral part of these consolidated financial statements.

RLJ Lodging Trust
Consolidated Statements of Changes in Equity
(Amounts in thousands, except share data)
(unaudited)

	Shareholders' Equity							Noncontrolling Interest		
	Preferred Stock		Common Stock							
	Shares	Amount	Shares	Par Value	Additional Paid-in Capital	Distributions in excess of net earnings	Accumulated Other Comprehensive Income	Operating Partnership	Consolidated Joint Ventures	Total Equity
Balance at December 31, 2022	12,879,475	$366,936	162,003,533	$ 1,620	$3,054,958	$(1,049,441)	$ 40,591	$ 6,313	$ 7,669	$ 2,428,646
Net income (loss)	—	—	—	—	—	68,470	—	238	(131)	68,577
Unrealized loss on interest rate derivatives	—	—	—	—	—	—	(1,038)	—	—	(1,038)
Issuance of restricted stock	—	—	1,190,961	12	(12)	—	—	—	—	—
Amortization of share-based compensation	—	—	—	—	19,481	—	—	—	—	19,481
Shares acquired to satisfy minimum required federal and state tax withholding on vesting restricted stock	—	—	(407,205)	(4)	(4,394)	—	—	—	—	(4,398)
Shares acquired as part of a share repurchase program	—	—	(6,588,722)	(66)	(66,717)	—	—	—	—	(66,783)
Forfeiture of restricted stock	—	—	(25,828)	—	—	—	—	—	—	—
Distributions on preferred shares	—	—	—	—	—	(18,836)	—	—	—	(18,836)
Distributions on common shares and units	—	—	—	—	—	(41,364)	—	(190)	—	(41,554)
Balance at September 30, 2023	12,879,475	$366,936	156,172,739	$ 1,562	$3,003,316	$(1,041,171)	$ 39,553	$ 6,361	$ 7,538	$ 2,384,095

The accompanying notes are an integral part of these consolidated financial statements.

RLJ Lodging Trust
Consolidated Statements of Changes in Equity
(Amounts in thousands, except share data)
(unaudited)

	Shareholders' Equity							Noncontrolling Interest		
	Preferred Stock		Common Stock							
	Shares	Amount	Shares	Par Value	Additional Paid-in Capital	Distributions in excess of net earnings	Accumulated Other Comprehensive Income	Operating Partnership	Consolidated Joint Ventures	Total Equity
Balance at June 30, 2023	12,879,475	$366,936	157,686,191	$ 1,577	$3,011,350	$(1,035,566)	$ 41,733	$ 6,380	$ 7,675	$ 2,400,085
Net income (loss)	—	—	—	—	—	16,430	—	50	(137)	16,343
Unrealized loss on interest rate derivatives	—	—	—	—	—	—	(2,180)	—	—	(2,180)
Amortization of share-based compensation	—	—	—	—	6,753	—	—	—	—	6,753
Shares acquired as part of a share repurchase program	—	—	(1,505,754)	(15)	(14,787)	—	—	—	—	(14,802)
Forfeiture of restricted stock	—	—	(7,698)	—	—	—	—	—	—	—
Distributions on preferred shares	—	—	—	—	—	(6,279)	—	—	—	(6,279)
Distributions on common shares and units	—	—	—	—	—	(15,756)	—	(69)	—	(15,825)
Balance at September 30, 2023	12,879,475	$366,936	156,172,739	$ 1,562	$3,003,316	$(1,041,171)	$ 39,553	$ 6,361	$ 7,538	$ 2,384,095

The accompanying notes are an integral part of these consolidated financial statements.

RLJ Lodging Trust
Consolidated Statements of Cash Flows
(Amounts in thousands)
(unaudited)

	For the nine months ended September 30,	
	2024	2023
Cash flows from operating activities		
Net income	$ 62,680	$ 68,577
Adjustments to reconcile net income to cash flow provided by operating activities:		
(Gain) loss on sale of hotel properties, net	(8,301)	28
Loss on extinguishment of indebtedness, net	129	169
Depreciation and amortization	134,045	134,648
Amortization of deferred financing costs	4,779	4,528
Non-cash lease expense and other amortization	4,210	3,662
Equity in income from unconsolidated joint ventures	(239)	(315)
Distributions of income from unconsolidated joint ventures	400	—
Amortization of share-based compensation	16,260	18,028
Changes in assets and liabilities:		
Hotel and other receivables, net	(292)	(9,462)
Prepaid expense and other assets	(3,337)	8,388
Accounts payable and other liabilities	10,186	(1,175)
Advance deposits and deferred revenue	4,298	7,226
Accrued interest	(10,425)	(8,114)
Net cash flow provided by operating activities	214,393	226,188
Cash flows from investing activities		
Acquisitions, net	(158,744)	—
Proceeds from sales of hotel properties, net	19,542	(28)
Improvements and additions to hotel properties and other assets	(107,048)	(101,980)
Net cash flow used in investing activities	(246,250)	(102,008)
Cash flows from financing activities		
Borrowings under Revolver	200,000	—
Repayment of Revolver	(100,000)	—
Borrowings on Term Loans	500,000	320,000
Repayments of Term Loans	(400,000)	(318,662)
Repayment of mortgage loan	(200,000)	—
Repurchase of common shares under share repurchase programs	(18,995)	(66,783)
Repurchase of common shares to satisfy employee tax withholding requirements	(9,014)	(4,398)
Distributions on preferred shares	(18,836)	(18,836)
Distributions on common shares	(46,769)	(33,577)
Distributions on Operating Partnership units	(213)	(149)
Payments of deferred financing costs	(5,301)	(7,791)
Net cash flow used in financing activities	(99,128)	(130,196)
Net change in cash, cash equivalents, and restricted cash reserves	(130,985)	(6,016)
Cash, cash equivalents, and restricted cash reserves, beginning of year	555,327	536,386
Cash, cash equivalents, and restricted cash reserves, end of period	$ 424,342	$ 530,370

The accompanying notes are an integral part of these consolidated financial statements.

RLJ Lodging Trust
Notes to the Consolidated Financial Statements
(unaudited)

1. General

Organization

RLJ Lodging Trust (the "Company") was formed as a Maryland real estate investment trust ("REIT") on January 31, 2011. The Company is a self-advised and self-administered REIT that owns primarily premium-branded, rooms-oriented, high-margin, focused-service and compact full-service hotels located within heart of demand locations. The Company elected to be taxed as a REIT, for U.S. federal income tax purposes, commencing with its taxable year ended December 31, 2011.

Substantially all of the Company’s assets and liabilities are held by, and all of its operations are conducted through, RLJ Lodging Trust, L.P. (the "Operating Partnership"). The Company is the sole general partner of the Operating Partnership. As of September 30, 2024, there were 154,400,488 units of limited partnership interest in the Operating Partnership ("OP units") outstanding and the Company owned, through a combination of direct and indirect interests, 99.5% of the outstanding OP units.

As of September 30, 2024, the Company owned 96 hotel properties with approximately 21,300 rooms, located in 23 states and the District of Columbia. The Company, through wholly-owned subsidiaries, owned a 100% interest in 94 of its hotel properties, a 95% controlling interest in one hotel property, and a 50% non-controlling interest in an entity owning one hotel property. The Company consolidates its real estate interests in the 95 hotel properties in which it holds a controlling interest, and the Company records the real estate interest in the one hotel property in which it holds an indirect 50% non-controlling interest using the equity method of accounting. The Company leases 95 of the 96 hotel properties to its taxable REIT subsidiaries ("TRSs"), of which the Company owns a controlling financial interest.

2. Summary of Significant Accounting Policies

The Company's Annual Report on Form 10-K for the year ended December 31, 2023, filed with the Securities and Exchange Commission ("SEC") on February 27, 2024 (the "Annual Report"), contains a discussion of the Company's significant accounting policies. Other than noted below, there have been no significant changes to the Company's significant accounting policies since December 31, 2023.

Basis of Presentation and Principles of Consolidation

The unaudited consolidated financial statements and related notes have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") and in conformity with the rules and regulations of the SEC applicable to financial information. The unaudited financial statements include all adjustments of a normal recurring nature that are necessary, in the opinion of management, to fairly state the consolidated balance sheets, statements of operations and comprehensive income, statements of changes in equity and statements of cash flows.

The unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto as of and for the year ended December 31, 2023, included in the Annual Report.

The consolidated financial statements include the accounts of the Company, the Operating Partnership and its wholly-owned subsidiaries, and joint ventures in which the Company has a majority voting interest and control. For the controlled subsidiaries that are not wholly-owned, the third-party ownership interest represents a noncontrolling interest, which is presented separately in the consolidated financial statements. The Company also records the real estate interest in one hotel property in which it holds a 50% non-controlling interest using the equity method of accounting. All intercompany balances and transactions have been eliminated in consolidation.

Reclassifications

Certain prior year amounts in these financial statements have been reclassified to conform to the current year presentation with no impact to net income and comprehensive income, shareholders’ equity or cash flows.

Use of Estimates

The preparation of the Company’s financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the amounts of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements and Disclosure Rules

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting - Improvements to Reportable Segment Disclosures*, which is intended to improve reportable segment disclosures. The ASU expands public entities’ segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss. It also requires disclosure of the amount and description of the composition of other segment items, as well as interim disclosures of a reportable segment’s profit or loss and assets. The ASU also applies to entities with a single reportable segment. The new standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which includes amendments that further enhance income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. The amendments are effective for the Company beginning January 1, 2025, with early adoption permitted, and should be applied either prospectively or retrospectively. The Company is currently evaluating this ASU to determine its impact on the Company’s consolidated financial statements and related disclosures.

3. Investment in Hotel Properties

Investment in hotel properties consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
Land and improvements	$ 1,129,190	$ 998,41
Buildings and improvements	4,186,098	4,117,21
Furniture, fixtures and equipment	839,541	798,41
	6,154,829	5,914,03
Accumulated depreciation	(1,897,630)	(1,777,82
Investment in hotel properties, net	$ 4,257,199	$ 4,136,21

For the three and nine months ended September 30, 2024, the Company recognized depreciation expense related to its investment in hotel properties of approximately $44.9 million and $133.9 million, respectively. For the three and nine months ended September 30, 2023, the Company recognized depreciation expense related to its investment in hotel properties of approximately $44.7 million and $134.6 million, respectively.

4. Acquisitions

On January 29, 2024, the Company acquired the fee simple interest in its Wyndham Boston Beacon Hill hotel property in Boston, Massachusetts, which was previously owned via a leasehold interest that was subject to a ground lease, for a purchase price of approximately $125.0 million. The acquisition was accounted for as an asset acquisition, whereby approximately $0.2 million of transaction costs were capitalized as part of the cost of the acquisition. The existing right-of-use asset of $1.3 million, lease liability of $0.1 million and $125.2 million cost of the acquisition were recorded as land in the accompanying consolidated balance sheet.

Also during the nine months ended September 30, 2024, the Company acquired a 100% interest in the following property:

Property	Location	Acquisition Date	Management Company	Rooms	Purchase Price (in thousands)
Hotel Teatro	Denver, CO	June 13, 2024	Sage Hospitality	110	$ 35,500

The acquisition of Hotel Teatro was accounted for as an asset acquisition, whereby approximately $0.6 million of transaction costs were capitalized as part of the cost of the acquisition. The allocation of the costs for the property acquired was as follows (in thousands):

	September 30, 2024
Land and improvements	$ 3,433
Buildings and improvements	29,716
Furniture, fixtures and equipment	2,996
Total purchase price	$ 36,145

The value of the asset acquired was primarily based on a sales comparison approach (for land) and a depreciated replacement cost approach (for building and improvements and furniture, fixtures and equipment). The sales comparison approach used inputs of recent land sales in the hotel market. The depreciated replacement cost approach used inputs of both direct and indirect replacement costs using a nationally recognized authority on replacement cost information as well as the age, square footage and number of rooms of the asset.

5. Sales of Hotel Properties

During the nine months ended September 30, 2024, the Company sold the following hotel properties in two separate transactions for a combined sales price of approximately $20.8 million.

Hotel Property Name	Location	Sale Date	Rooms
Residence Inn Merrillville	Merrillville, IN	May 21, 2024	78
Fairfield Inn & Suites Denver Cherry Creek	Denver, CO	September 9, 2024	134
		Total	212

The Company recorded net gains of $4.8 million and $8.3 million, respectively, for the three and nine months ended September 30, 2024 in connection with the sales of these hotel properties.

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6. Revenue

The Company recognized revenue from the following geographic markets (in thousands):

	For the three months ended September 30, 2024				For the three months ended September 30, 2023			
	Room Revenue	Food and Beverage Revenue	Other Revenue	Total Revenue	Room Revenue	Food and Beverage Revenue	Other Revenue	Total Revenue
Southern California	$ 40,220	$ 5,602	$ 4,656	$ 50,478	$ 37,507	$ 4,177	$ 4,068	$ 45,752
Northern California	36,850	2,838	2,104	41,792	38,573	3,651	2,041	44,265
South Florida	20,245	4,365	2,890	27,500	20,256	4,219	2,557	27,032
New York City	18,660	2,638	992	22,290	18,162	2,224	908	21,294
Chicago	18,432	2,491	880	21,803	18,204	2,450	854	21,508
Boston	15,948	1,129	657	17,734	14,931	880	420	16,231
Louisville	9,808	5,090	1,011	15,909	8,749	5,075	872	14,696
Washington, DC	14,144	300	695	15,139	14,256	323	561	15,140
Houston	10,987	728	1,084	12,799	10,172	742	1,164	12,078
Charleston	8,578	2,289	965	11,832	8,687	1,823	994	11,504
Other	89,742	9,513	9,213	108,468	87,591	8,617	8,698	104,906
Total	$ 283,614	$ 36,983	$ 25,147	$ 345,744	$ 277,088	$ 34,181	$ 23,137	$ 334,406

	For the nine months ended September 30, 2024				For the nine months ended September 30, 2023			
	Room Revenue	Food and Beverage Revenue	Other Revenue	Total Revenue	Room Revenue	Food and Beverage Revenue	Other Revenue	Total Revenue
Southern California	$ 106,601	$ 14,850	$ 11,807	$ 133,258	$ 99,007	$ 11,928	$ 10,609	$ 121,544
Northern California	106,649	10,564	6,026	123,239	108,832	10,676	6,059	125,567
South Florida	87,883	15,634	8,879	112,396	86,311	15,126	7,290	108,727
New York City	49,339	7,090	2,613	59,042	46,768	6,262	2,478	55,508
Chicago	44,651	7,227	2,649	54,527	44,898	7,388	2,442	54,728
Louisville	32,211	14,270	2,823	49,304	29,844	12,605	2,810	45,259
Washington, DC	44,693	853	2,035	47,581	44,687	1,023	1,824	47,534
Boston	39,538	3,335	1,398	44,271	36,221	2,890	1,164	40,275
Houston	35,603	2,455	3,519	41,577	34,072	2,341	3,508	39,921
Charleston	29,682	8,094	2,801	40,577	27,629	6,101	3,020	36,750
Other	277,046	29,143	27,490	333,679	275,147	29,261	25,648	330,056
Total	$ 853,896	$ 113,515	$ 72,040	$ 1,039,451	$ 833,416	$ 105,601	$ 66,852	$ 1,005,869

7. Debt

The Company's debt consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
Senior Notes, net	$ 993,445	$ 991,672
Revolver Outstanding	100,000	—
Term Loans, net	918,006	821,443
Mortgage loans, net	207,375	407,663
Debt, net	$ 2,218,826	$ 2,220,778

Senior Notes

The Company's senior notes (collectively, the "Senior Notes") consisted of the following (dollars in thousands):

			Carrying Value at	
	Interest Rate	Maturity Date	September 30, 2024	December 31, 2023
2029 Senior Notes (1)	4.00%	September 2029	$ 500,000	$ 500,000
2026 Senior Notes (1)	3.75%	July 2026	500,000	500,000
			1,000,000	1,000,000
Deferred financing costs, net			(6,555)	(8,328)
Total senior notes, net			$ 993,445	$ 991,672

(1) Requires payment of interest only through maturity.

The indentures governing the Senior Notes contain customary covenants that limit the Operating Partnership's ability and, in certain instances, the ability of its subsidiaries, to incur additional debt, create liens on assets, make distributions and pay dividends, make certain types of investments, issue guarantees of indebtedness, and make certain restricted payments. These limitations are subject to a number of exceptions and qualifications set forth in the indentures.

A summary of the various restrictive covenants for the Senior Notes are as follows:

	Covenant	Compliance
Maintenance Covenant		
Unencumbered Asset to Unencumbered Debt Ratio	> 150.0%	Yes
Incurrence Covenants		
Consolidated Indebtedness less than Adjusted Total Assets	< .65x	Yes
Consolidated Secured Indebtedness less than Adjusted Total Assets	< .45x	Yes
Interest Coverage Ratio	> 1.5x	Yes

Revolver and Term Loans

The Company has the following unsecured credit agreements in place:

- $600.0 million revolving credit facility with a scheduled maturity date of May 10, 2027 and either a one-year extension option or up to two six-month extension options if certain conditions are satisfied (the "Revolver");
- $500.0 million term loan with a scheduled maturity date of September 24, 2027 and up to two one-year extension options if certain conditions are satisfied (the "$500 Million Term Loan Maturing 2027");
- $200.0 million term loan with a scheduled maturity date of January 31, 2026 and up to two one-year extension options if certain conditions are satisfied (the "$200 Million Term Loan Maturing 2026"); and
- $225.0 million term loan with a scheduled maturity date of May 10, 2026 and up to two one-year extension options if certain conditions are satisfied (the "$225 Million Term Loan Maturing 2026").

The $500 Million Term Loan Maturing 2027, the $200 Million Term Loan Maturing 2026, and the $225 Million Term Loan Maturing 2026 are collectively referred to as the "Term Loans."

In September 2024, the Company entered into the $500 Million Term Loan Maturing 2027, the proceeds of which were used to repay an existing $400.0 million term loan with a scheduled maturity date of May 18, 2025 (the "$400 Million Term Loan Maturing 2025") and $100.0 million of outstanding borrowings under the Revolver. The $500 Million Term Loan Maturing 2027 matures on September 24, 2027, with up to two one-year extension options if certain conditions are satisfied. Borrowings under the $500 Million Term Loan Maturing 2027 bear interest at a variable rate with the same terms as the $400 Million Term Loan Maturing 2025. The Company paid approximately $5.1 million in lender fees and legal costs related to the refinancing.

The Company's unsecured credit agreements consisted of the following (dollars in thousands):

	Interest Rate at September 30, 2024 (1)	Maturity Date	Carrying Value at September 30, 2024	Carrying Value at December 31, 2023
Revolver (2)	6.59%	May 2027	$ 100,000	$ —
$500 Million Term Loan Maturing 2027	4.82%	September 2027 (4)	500,000	—
$400 Million Term Loan Maturing 2025 (3)	N/A	N/A	—	400,000
$200 Million Term Loan Maturing 2026	6.55%	January 2026 (4)	200,000	200,000
$225 Million Term Loan Maturing 2026	3.91%	May 2026 (4)	225,000	225,000
			1,025,000	825,000
Deferred financing costs, net (5)			(6,994)	(3,557)
Total Revolver and Term Loans, net			$ 1,018,006	$ 821,443

(1) Interest rate at September 30, 2024 gives effect to interest rate hedges.
(2) At September 30, 2024 and December 31, 2023, there was $500.0 million and $600.0 million, respectively, of borrowing capacity on the Revolver. The Company has the ability to extend the maturity date for an additional one-year period or up to two six-month periods ending May 2028 if certain conditions are satisfied. In April 2024, the Company borrowed $200.0 million under the Revolver and utilized the proceeds to repay a $200.0 million maturing mortgage loan. In September 2024, the Company utilized part of the $500 Million Term Loan Maturing 2027 proceeds to repay $100.0 million of outstanding borrowings under the Revolver.
(3) In September 2024, the Company utilized part of the $500 Million Term Loan Maturing 2027 proceeds to pay off this term loan.
(4) This Term Loan includes two one-year extension options at the Company's discretion, subject to certain conditions.
(5) Excludes $4.3 million and $5.6 million as of September 30, 2024 and December 31, 2023, respectively, related to deferred financing costs on the Revolver, which are included in prepaid expense and other assets in the accompanying consolidated balance sheets.

The Revolver and Term Loans are subject to various financial covenants. A summary of the most restrictive covenants is as follows:

	Covenant	Compliance
Leverage ratio (1)	<= 7.25x	Yes
Fixed charge coverage ratio (2)	>= 1.50x	Yes
Secured indebtedness ratio	<= 45.0%	Yes
Unencumbered indebtedness ratio	<= 60.0%	Yes
Unencumbered debt service coverage ratio	>= 2.00x	Yes

(1) Leverage ratio is net indebtedness, as defined in the Revolver and Term Loan agreements, to corporate earnings before interest, taxes, depreciation, and amortization ("EBITDA"), as defined in the Revolver and Term Loan agreements.
(2) Fixed charge coverage ratio is Adjusted EBITDA, generally defined in the Revolver and Term Loan agreements as EBITDA less furniture, fixtures and equipment ("FF&E") reserves, to fixed charges, which is generally defined in the Revolver and Term Loan agreements as interest expense, all regularly scheduled principal payments, preferred dividends paid, and cash taxes paid.

Mortgage Loans

The Company's mortgage loans consisted of the following (dollars in thousands):

	Number of Assets Encumbered	Interest Rate at September 30, 2024		Maturity Date		Carrying Value at September 30, 2024	Carrying Value at December 31, 2023
Mortgage loan (1)	N/A	N/A		N/A		$ —	$ 200,000
Mortgage loan (2)	3	4.78%	(4)	April 2025	(5)	96,000	96,000
Mortgage loan (2)	4	5.29%	(4)	April 2025	(5)	85,000	85,000
Mortgage loan (3)	1	5.06%		January 2029		26,562	26,833
	8					207,562	407,833
Deferred financing costs, net						(187)	(170)
Total mortgage loans, net						$ 207,375	$ 407,663

(1) In April 2024, the Company repaid this mortgage loan using a $200.0 million draw under its Revolver.
(2) The hotels encumbered by the mortgage loan are cross-collateralized. Requires payments of interest only through maturity.
(3) Includes $1.6 million and $1.8 million at September 30, 2024 and December 31, 2023, respectively, related to a fair value adjustment on this mortgage loan from purchase price allocation at hotel property acquisition. This mortgage loan requires payments of interest only through maturity.
(4) Interest rate at September 30, 2024 gives effect to interest rate hedges.
(5) This mortgage loan provides for a one-year extension option to April 2026, subject to certain conditions.

Certain mortgage agreements are subject to various maintenance covenants requiring the Company to maintain a minimum debt yield or debt service coverage ratio ("DSCR"). Failure to meet the debt yield or DSCR thresholds is not an event of default, but instead triggers a cash trap event. At September 30, 2024, all mortgage loans exceeded the minimum debt yield or DSCR thresholds.

Interest Expense

The components of the Company's interest expense consisted of the following (in thousands):

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Senior Notes	$ 9,695	$ 9,695	$ 29,070	$ 29,070
Revolver and Term Loans	14,228	7,365	37,075	23,176
Mortgage loans	2,671	5,727	10,939	15,286
Amortization of deferred financing costs	1,663	1,564	4,779	4,528
Non-cash interest expense related to interest rate hedges	386	482	1,287	1,446
Total interest expense	$ 28,643	$ 24,833	$ 83,150	$ 73,506

8. Derivatives and Hedging Activities

The following interest rate swaps have been designated as cash flow hedges (in thousands):

Hedge type	Swap rate	Effective Date	Maturity Date	Notional value at September 30, 2024	Notional value at December 31, 2023	Fair value at September 30, 2024	Fair value at December 31, 2023
Swap-cash flow-Daily SOFR	2.44%	January 2021	December 2023	$ —	$ 75,000	$ —	$
Swap-cash flow-Daily SOFR	2.31%	January 2021	December 2023	—	75,000	—	
Swap-cash flow-Daily SOFR	1.08%	April 2021	April 2024	—	50,000	—	8
Swap-cash flow-Daily SOFR	1.13%	April 2021	April 2024	—	50,000	—	8
Swap-cash flow-Daily SOFR	1.08%	April 2021	April 2024	—	50,000	—	8
Swap-cash flow-Daily SOFR	0.97%	April 2021	April 2024	—	50,000	—	8
Swap-cash flow-Daily SOFR	0.85%	April 2021	April 2024	—	25,000	—	4
Swap-cash flow-Daily SOFR	0.88%	April 2021	April 2024	—	25,000	—	4
Swap-cash flow-Daily SOFR	0.86%	April 2021	April 2024	—	25,000	—	4
Swap-cash flow-Daily SOFR	0.83%	April 2021	April 2024	—	25,000	—	4
Swap-cash flow-Term SOFR	4.37%	April 2023	April 2024	—	200,000	—	6
Swap-cash flow-Daily SOFR	0.77%	June 2020	December 2024	50,000	50,000	516	2,0
Swap-cash flow-Daily SOFR	0.63%	June 2020	December 2024	50,000	50,000	533	2,0
Swap-cash flow-Daily SOFR	1.16%	September 2021	September 2025	150,000	150,000	4,228	7,9
Swap-cash flow-Daily SOFR	0.56%	July 2021	January 2026	50,000	50,000	2,108	3,5
Swap-cash flow-Daily SOFR	2.95%	April 2024	April 2027	125,000	125,000	1,383	1,7
Swap-cash flow-Daily SOFR	2.85%	April 2024	April 2027	65,000	65,000	885	1,1
Swap-cash flow-Daily SOFR	2.75%	April 2024	April 2027	60,000	60,000	971	1,1
Swap-cash flow-Daily SOFR	3.70%	July 2024	July 2027	25,000	25,000	(231)	(2
Swap-cash flow-Daily SOFR	3.45%	July 2024	July 2027	25,000	25,000	(59)	(
Swap-cash flow-Daily SOFR	3.71%	July 2024	July 2027	25,000	25,000	(236)	(2
Swap-cash flow-Daily SOFR	3.20%	January 2025	January 2028	25,000	—	(40)	
Swap-cash flow-Daily SOFR	3.40%	January 2025	January 2028	25,000	—	(184)	
Swap-cash flow-Daily SOFR	3.30%	January 2025	January 2029	25,000	—	(157)	
				$ 700,000	$ 1,275,000	$ 9,717	$ 24,8

As of September 30, 2024 and December 31, 2023, the aggregate fair value of the interest rate swap assets of $10.6 million and $25.4 million, respectively, was included in prepaid expense and other assets in the accompanying consolidated balance sheets. As of September 30, 2024 and December 31, 2023, the aggregate fair value of the interest rate swap liabilities of $0.9 million and $0.6 million, respectively, was included in accounts payable and other liabilities in the accompanying consolidated balance sheets.

As of September 30, 2024 and December 31, 2023, there was approximately $8.8 million and $22.7 million, respectively, of unrealized gains included in accumulated other comprehensive income related to interest rate swaps. There was no ineffectiveness recorded during the three or nine month periods ended September 30, 2024 or 2023. For the three and nine months ended September 30, 2024, gains of approximately $4.9 million and $16.3 million, respectively, included in accumulated other comprehensive income were reclassified into interest expense for the interest rate swaps. For the three and nine months ended September 30, 2023, gains of approximately $8.3 million and $21.8 million, respectively, included in accumulated other comprehensive income were reclassified into interest expense for the interest rate swaps. Approximately $8.0 million of the unrealized gains included in accumulated other comprehensive income at September 30, 2024 is expected to be reclassified into earnings within the next 12 months.

9. Fair Value

Fair Value Measurement

Fair value is defined as the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market. The fair value hierarchy has three levels of inputs, both observable and unobservable:

- Level 1 — Inputs include quoted market prices in an active market for identical assets or liabilities.
- Level 2 — Inputs are market data, other than Level 1, that are observable either directly or indirectly. Level 2 inputs include quoted market prices for similar assets or liabilities, quoted market prices in an inactive market, and other observable information that can be corroborated by market data.
- Level 3 — Inputs are unobservable and corroborated by little or no market data.

Fair Value of Financial Instruments

The Company used the following market assumptions and/or estimation methods:

- Cash and cash equivalents, restricted cash reserves, hotel and other receivables, accounts payable and other liabilities — The carrying amounts reported in the consolidated balance sheets for these financial instruments approximate fair value because of their short term maturities.
- Debt — The Company estimated the fair value of the Senior Notes by using publicly available trading prices, which are Level 1 inputs in the fair value hierarchy. The Company estimated the fair value of the Revolver and Term Loans by using a discounted cash flow model and incorporating various inputs and assumptions for the effective borrowing rates for debt with similar terms, which are Level 2 and Level 3 inputs in the fair value hierarchy. The Company estimated the fair value of the mortgage loans by using a discounted cash flow model and incorporating various inputs and assumptions for the effective borrowing rates for debt with similar terms and the loan to estimated fair value of the collateral, which are Level 3 inputs in the fair value hierarchy.

The fair value of the Company's debt was as follows (in thousands):

	September 30, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Senior Notes, net	$ 993,445	$ 951,880	$ 991,672	$ 928,750
Revolver and Term Loans, net	1,018,006	1,025,000	821,443	817,960
Mortgage loans, net	207,375	199,994	407,663	394,458
Debt, net	$ 2,218,826	$ 2,176,874	$ 2,220,778	$ 2,141,168

Recurring Fair Value Measurements

The following table presents the Company's fair value hierarchy for those financial assets and liabilities measured at fair value on a recurring basis as of September 30, 2024 (in thousands):

	Fair Value at September 30, 2024			
	Level 1	Level 2	Level 3	Total
Interest rate swap asset	$ —	$ 10,624	$ —	$ 10,624
Interest rate swap liability	—	(907)	—	(907)
Total	$ —	$ 9,717	$ —	$ 9,717

The following table presents the Company's fair value hierarchy for those financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2023 (in thousands):

	Fair Value at December 31, 2023			
	Level 1	Level 2	Level 3	Total
Interest rate swap asset	$ —	$ 25,419	$ —	$ 25,419
Interest rate swap liability	—	(590)	—	(590)
Total	$ —	$ 24,829	$ —	$ 24,829

The fair values of the derivative financial instruments are determined using widely accepted valuation techniques including a discounted cash flow analysis on the expected cash flows for each derivative. The Company determined that the significant inputs, such as interest yield curves and discount rates, used to value its derivatives fall within Level 2 of the fair value hierarchy and that the credit valuation adjustments associated with the Company's counterparties and its own credit risk utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties. As of September 30, 2024, the Company assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and determined that the credit valuation adjustments were not significant to the overall valuation of its derivatives. As a result, the Company determined that its derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

10. Income Taxes

The Company accounts for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to the differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases, and for net operating loss ("NOL"), capital loss and tax credit carryforwards. The deferred tax assets and liabilities are measured using the enacted income tax rates in effect for the year in which those temporary differences are expected to be realized or settled. The effect on the deferred tax assets and liabilities from a change in tax rates is recognized in earnings in the period when the new rate is enacted. However, deferred tax assets are recognized only to the extent that it is more likely than not that they will be realized based on consideration of all available evidence, including the future reversals of existing taxable temporary differences, future projected taxable income and tax planning strategies. Valuation allowances are provided if, based upon the weight of the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The Company is still continuing to provide a full valuation allowance against the deferred tax assets related to the NOL carryforwards of RLJ Lodging Trust Master TRS, Inc., the Company's primary TRS.

The Company had no accruals for tax uncertainties as of September 30, 2024 and December 31, 2023.

11. Commitments and Contingencies

Restricted Cash Reserves

The Company is obligated to maintain cash reserve funds for future capital expenditures, real estate taxes, insurance, and debt obligations where lenders hold restricted cash due to cash trap events. The management agreements, franchise agreements and/or mortgage loan documents require the Company to reserve cash ranging typically from 3.0% to 5.0% of the individual hotel's revenues for future capital expenditures (including the periodic replacement or refurbishment of FF&E). Any unexpended amounts will remain the property of the Company upon termination of the management agreements, franchise agreements or mortgage loan documents. As of September 30, 2024 and December 31, 2023, approximately $39.0 million and

$38.7 million, respectively, was available in the restricted cash reserves for future capital expenditures, real estate taxes, and insurance.

Litigation

Neither the Company nor any of its subsidiaries is currently involved in any regulatory or legal proceedings that management believes will have a material and adverse effect on the Company's financial position, results of operations or cash flows.

Management Agreements

As of September 30, 2024, 95 of the Company's consolidated hotel properties were operated pursuant to management agreements with initial terms ranging from three to 25 years. This number includes 35 consolidated hotel properties that receive the benefits of a franchise agreement pursuant to management agreements with Hilton, Hyatt, or Marriott. Each management company receives a base management fee between 1.5% and 3.5% of hotel revenues. Management agreements that include the benefits of a franchise agreement incur a base management fee between 1.0% and 7.0% of hotel revenues. The management companies are also eligible to receive an incentive management fee if hotel operating income, as defined in the management agreements, exceeds certain thresholds. The incentive management fee is generally calculated as a percentage of hotel operating income after the Company has received a priority return on its investment in the hotel.

Management fees are included in management and franchise fee expense in the accompanying consolidated statements of operations and comprehensive income. For the three and nine months ended September 30, 2024, the Company incurred management fee expense of approximately $10.2 million and $31.4 million, respectively. For the three and nine months ended September 30, 2023, the Company incurred management fee expense of approximately $10.4 million and $32.3 million, respectively.

Franchise Agreements

As of September 30, 2024, 57 of the Company's consolidated hotel properties were operated under franchise agreements with initial terms ranging from one to 30 years. This number excludes 35 consolidated hotel properties that receive the benefits of a franchise agreement pursuant to management agreements with Hilton, Hyatt, or Marriott. In addition, three hotels are not operated with a hotel brand so they do not have franchise agreements. Franchise agreements allow the hotel properties to operate under the respective brands. Pursuant to the franchise agreements, the Company pays a royalty fee between 2.0% and 6.0% of room revenue, plus additional fees for marketing, central reservation systems and other franchisor costs between 1.0% and 4.3% of room revenue. Certain hotels are also charged a royalty fee between 1.5% and 3.0% of food and beverage revenues.

Franchise fees are included in management and franchise fee expense in the accompanying consolidated statements of operations and comprehensive income. For the three and nine months ended September 30, 2024, the Company incurred franchise fee expense of approximately $17.1 million and $51.4 million, respectively. For the three and nine months ended September 30, 2023, the Company incurred franchise fee expense of approximately $16.7 million and $50.2 million, respectively.

12. Equity

Common Shares of Beneficial Interest

During the nine months ended September 30, 2024, the Company declared a cash dividend of $0.10 per common share in each of the first and second quarters of 2024 and a cash dividend of $0.15 per common share in the third quarter of 2024. During the nine months ended September 30, 2023, the Company declared a cash dividend of $0.08 per common share in each of the first and second quarters of 2023 and a cash dividend of $0.10 per common share in the third quarter of 2023.

On April 26, 2024, the Company's board of trustees approved a new share repurchase program to acquire up to an aggregate of $250.0 million of common and preferred shares from May 9, 2024 to May 8, 2025 (the "2024 Share Repurchase Program"). During the nine months ended September 30, 2024, the Company repurchased and retired approximately 2.0 million common shares for approximately $19.0 million, of which $1.3 million was repurchased under a share repurchase program authorized by the Company's board of trustees in 2023, which expired May 8, 2024, and $17.7 million was repurchased under the 2024 Share Repurchase Program. Subsequent to September 30, 2024, the Company repurchased and retired approximately 0.3 million common shares for approximately $3.0 million. As of November 7, 2024, the 2024 Share Repurchase Program had a remaining capacity of $229.3 million.

During the nine months ended September 30, 2023, the Company repurchased and retired approximately 6.6 million common shares for approximately $66.8 million.

Series A Preferred Shares

During the nine months ended September 30, 2024 and 2023, the Company declared a cash dividend of $0.4875 on each Series A Preferred Share in each of the first, second and third quarters of 2024 and 2023.

The Series A Preferred Shares are convertible, in whole or in part, at any time, at the option of the holders into common shares at a conversion rate of 0.2806 common shares for each Series A Preferred Share.

Noncontrolling Interest in Consolidated Joint Ventures

The Company consolidates the joint venture that owns The Knickerbocker hotel property, which has a third-party partner that owns a noncontrolling 5% ownership interest in the joint venture. The third-party ownership interest is included in the noncontrolling interest in consolidated joint ventures on the consolidated balance sheets.

Noncontrolling Interest in the Operating Partnership

The Company consolidates the Operating Partnership, which is a majority-owned limited partnership that has a noncontrolling interest. The outstanding OP units held by the limited partners are redeemable for cash, or at the option of the Company, for a like number of common shares. As of September 30, 2024, 771,831 outstanding OP units were held by the limited partners. The noncontrolling interest is included in the noncontrolling interest in the Operating Partnership on the consolidated balance sheets.

13. Equity Incentive Plan

The Company may issue share-based awards to officers, employees, non-employee trustees and other eligible persons under the RLJ Lodging Trust 2021 Equity Incentive Plan (the "2021 Plan"). The 2021 Plan provides for a maximum of 6,828,527 common shares to be issued in the form of share options, share appreciation rights, restricted share awards, unrestricted share awards, share units, dividend equivalent rights, long-term incentive units, other equity-based awards and cash bonus awards.

Share Awards

From time to time, the Company may award unvested restricted shares as compensation to officers, employees and non-employee trustees. The issued shares vest over a period of time as determined by the board of trustees at the date of grant. The Company recognizes compensation expense for time-based unvested restricted shares on a straight-line basis over the vesting period based upon the fair market value of the shares on the date of issuance, adjusted for forfeitures.

Non-employee trustees may also elect to receive unrestricted shares as compensation that would otherwise be paid in cash for their services. The shares issued to non-employee trustees in lieu of cash compensation are unrestricted and include no vesting conditions. The Company recognizes compensation expense for the unrestricted shares issued in lieu of cash compensation on the date of issuance based upon the fair market value of the shares on that date.

A summary of the unvested restricted shares as of September 30, 2024 is as follows:

	2024	
	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested at January 1, 2024	2,305,303	$ 13.52
Granted	925,731	11.57
Vested	(1,590,325)	14.24
Forfeited	(25,541)	11.22
Unvested at September 30, 2024	1,615,168	$ 11.73

For the three and nine months ended September 30, 2024, the Company recognized approximately $2.3 million and $9.4 million, respectively, of share-based compensation expense related to restricted share awards. For the three and nine months ended September 30, 2023, the Company recognized approximately $4.0 million and $11.4 million, respectively, of share-based compensation expense related to restricted share awards. As of September 30, 2024, there was $13.5 million of total unrecognized compensation costs related to unvested restricted share awards and these costs are expected to be recognized over a weighted-average period of 1.9 years. The total fair value of the shares vested (calculated as the number of shares multiplied by the vesting date share price) during the nine months ended September 30, 2024 and 2023 was approximately $17.6 million and $9.7 million, respectively.

Performance Units

The Company aligns its executive officers with its long-term investors by awarding a significant percentage of their equity compensation in the form of multi-year performance unit awards that use both absolute and relative total shareholder return as the primary metrics. The performance units vest at the end of a three year period (the "performance units measurement period").

The performance units granted in 2024 may convert into restricted shares at a range of 0% to 200% of the number of performance units granted contingent upon the Company achieving a relative shareholder return over the measurement period at specified percentiles of the peer group, as defined by the awards. These performance units are subject to modification based on the Company's absolute total shareholder return performance as follows: (1) if at the end of the measurement period the relative total shareholder return performance exceeds target and absolute total shareholder return is less than zero, payouts will be reduced by 25%, but not below target and (2) if the absolute total shareholder return is down more than 15% during the entire measurement period, the maximum payout will be capped at 115% of target. The performance units granted prior to 2024 may convert into restricted shares at a range of 0% to 200% of the number of performance units granted contingent upon the Company achieving an absolute total shareholder return (25% of award) and a relative shareholder return (75% of award) over the measurement period at specified percentiles of the peer group, as defined by the awards.

At the end of the performance units measurement period, if the target criterion is met, 100% of the performance units that are earned will vest immediately. The fair value of the performance units was determined using a Monte Carlo simulation. The Company estimates the compensation expense for the performance units on a straight-line basis using a calculation that recognizes 100% of the grant date fair value over three years.

A summary of the performance unit awards is as follows:

Date of Award	Number of Units Granted	Grant Date Fair Value	Conversion Range	Risk Free Interest Rate	Volatility
February 2021 (1)	431,151	$20.90	0% to 200%	0.23%	69.47%
February 2022	407,024	$21.96	0% to 200%	1.70%	70.15%
February 2023	574,846	$16.90	0% to 200%	4.33%	66.70%
February 2024	703,325	$15.13	0% to 200%	4.43%	35.60%

(1) In February 2024, following the end of the measurement period, the Company met certain threshold criterion and the performance units converted into approximately 253,000 restricted shares, all of which vested immediately. The total fair value of the vested shares related to the conversion of the performance units (calculated as the number of vested shares multiplied by the vesting date share price) during the nine months ended September 30, 2024 was approximately $3.0 million.

For the three and nine months ended September 30, 2024, the Company recognized approximately $2.3 million and $6.9 million, respectively, of share-based compensation expense related to the performance unit awards. For the three and nine months ended September 30, 2023, the Company recognized approximately $2.3 million and $6.7 million, respectively, of share-based compensation expense related to the performance unit awards. As of September 30, 2024, there was $14.0 million of total unrecognized compensation costs related to the performance unit awards and these costs are expected to be recognized over a weighted-average period of 1.9 years.

As of September 30, 2024, there were 2,047,206 common shares available for future grant under the 2021 Plan, which includes potential common shares that may convert from performance units if certain target criterion is met.

14. Earnings per Common Share

Basic earnings per common share is calculated by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding during the period excluding the weighted-average number of unvested restricted shares and unvested performance units outstanding during the period. Diluted earnings per common share is calculated by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding during the period, plus any shares that could potentially be outstanding during the period. The potential shares consist of the unvested restricted share grants and unvested performance units, calculated using the treasury stock method, and convertible Series A Preferred Shares, calculated using the if-converted method. Any anti-dilutive shares have been excluded from the diluted earnings per share calculation.

Unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating shares and are considered in the computation of earnings per share pursuant to the two-class method. If there were any undistributed earnings allocable to the participating shares, they would be deducted from net income attributable to common shareholders used in the basic and diluted earnings per share calculations.

The limited partners' outstanding OP units (which may be redeemed for common shares under certain circumstances) have been excluded from the diluted earnings per share calculation as there was no effect on the amounts for the three and nine months ended September 30, 2024 and 2023, since the limited partners' share of income would also be added back to net income attributable to common shareholders.

The computation of basic and diluted earnings per common share is as follows (in thousands, except share and per share data):

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Numerator:				
Net income attributable to RLJ	$ 20,602	$ 16,430	$ 62,645	$ 68,470
Less: Preferred dividends	(6,279)	(6,279)	(18,836)	(18,836)
Less: Dividends paid on unvested restricted shares	(242)	(243)	(657)	(642)
Less: Undistributed earnings attributable to unvested restricted shares	—	—	—	(133)
Net income attributable to common shareholders excluding amounts attributable to unvested restricted shares	$ 14,081	$ 9,908	$ 43,152	$ 48,859
Denominator:				
Weighted-average number of common shares - basic	153,070,639	154,563,284	153,226,734	156,805,643
Unvested restricted shares	87,512	446,087	533,940	434,183
Unvested performance units	82,018	72,274	70,080	40,380
Weighted-average number of common shares - diluted	153,240,169	155,081,645	153,830,754	157,280,206
Net income per share attributable to common shareholders - basic	$ 0.09	$ 0.06	$ 0.28	$ 0.31
Net income per share attributable to common shareholders - diluted	$ 0.09	$ 0.06	$ 0.28	$ 0.31

15. Supplemental Information to Statements of Cash Flows (in thousands)

	For the nine months ended September 30, 2024	2023
Reconciliation of cash, cash equivalents, and restricted cash reserves		
Cash and cash equivalents	$ 385,384	$ 494,563
Restricted cash reserves	38,958	35,807
Cash, cash equivalents, and restricted cash reserves	$ 424,342	$ 530,370
Interest paid	$ 86,921	$ 76,935
Income taxes paid	$ 2,097	$ 1,910
Operating cash flow lease payments for operating leases	$ 11,614	$ 13,005
Right-of-use asset obtained in exchange for lease obligation	$ —	$ 5,016
Right-of-use asset and lease liability adjustments due to remeasurement	$ (1,165)	$ —
Right-of-use asset and lease liability reclassifications to land due to acquisition	$ 1,187	$ —
Supplemental investing and financing transactions		
In connection with acquisitions, the Company recorded the following:		
Purchase prices	$ 160,500	$ —
Application of purchase deposit	(2,400)	—
Transaction costs	887	—
Operating prorations	(243)	—
Acquisitions, net	$ 158,744	$ —
In connection with the sales of hotel properties, the Company recorded the following:		
Sales prices	$ 20,778	$ —
Transaction costs	(1,077)	(28)
Operating prorations	(159)	—
Proceeds from sales of hotel properties, net	$ 19,542	$ (28)
Supplemental non-cash transactions		
Accrued capital expenditures	$ 18,241	$ 13,645

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q, as well as the information contained in our Annual Report, which is accessible on the SEC's website at www.sec.gov.

Statement Regarding Forward-Looking Information

The following information contains certain statements, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements generally are identified by the use of the words "believe," "project," "expect," "anticipate," "estimate," "plan," "may," "will," "will continue," "intend," "should," or similar expressions. Although we believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, beliefs and expectations, such forward-looking statements are not predictions of future events or guarantees of future performance and our actual results could differ materially from those set forth in the forward-looking statements.

Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. We caution investors not to place undue reliance on these forward-looking statements and urge investors to carefully review the disclosures we make concerning risks and uncertainties in the sections entitled "Special Note About Forward-Looking Statements," "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report, as well as the risks, uncertainties and other factors discussed in this Quarterly Report on Form 10-Q and identified in other documents filed by us with the SEC.

Overview

We are a self-advised and self-administered Maryland REIT that owns primarily premium-branded, rooms-oriented, high-margin, focused-service and compact full-service hotels located within heart of demand locations. We own a geographically diversified portfolio of hotels located in high-growth urban markets that exhibit multiple demand generators and attractive long-term growth prospects. We believe that our investment strategy allows us to generate high levels of Revenue per Available Room ("RevPAR"), strong operating margins and attractive returns.

Our strategy is to own primarily premium-branded, rooms-oriented, high-margin, focused-service and compact full-service hotels located within heart of demand locations. Focused-service and compact full-service hotels typically generate most of their revenue from room rentals, have limited food and beverage outlets and meeting space, and require fewer employees than traditional full-service hotels. We believe these types of hotels have the potential to generate attractive returns relative to other types of hotels due to their ability to achieve RevPAR levels at or close to those achieved by traditional full-service hotels while achieving higher profit margins due to their more efficient operating model and less volatile cash flows.

As of September 30, 2024, we owned 96 hotel properties with approximately 21,300 rooms, located in 23 states and the District of Columbia. We owned, through wholly-owned subsidiaries, a 100% interest in 94 of our hotel properties, a 95% controlling interest in one hotel property, and a 50% non-controlling interest in an entity owning one hotel property. We consolidate our real estate interests in the 95 hotel properties in which we hold a controlling interest, and we record the real estate interest in the one hotel property in which we hold an indirect 50% non-controlling interest using the equity method of accounting. We lease 95 of the 96 hotel properties to our TRSs, of which we own a controlling financial interest.

For U.S. federal income tax purposes, we elected to be taxed as a REIT commencing with our taxable year ended December 31, 2011. Substantially all of our assets and liabilities are held by, and all of our operations are conducted through our Operating Partnership. We are the sole general partner of the Operating Partnership. As of September 30, 2024, we owned, through a combination of direct and indirect interests, 99.5% of the units of limited partnership interest in the OP units.

2024 Significant Activities

Our significant activities reflect our commitment to creating long-term shareholder value through enhancing our hotel portfolio's quality, recycling capital and maintaining a prudent capital structure. The following significant activities have taken place in 2024:

- Acquired a fee simple interest in the land at our Wyndham Boston Beacon Hill hotel property for approximately $125.0 million.
- Exercised one-year extension options on $181.0 million in mortgage loans to extend the maturities to April 2025.
- Fully repaid a $200.0 million maturing mortgage loan with a $200.0 million draw on our Revolver.
- Approved a new share repurchase program to acquire up to an aggregate of $250.0 million of common and preferred shares from May 9, 2024 to May 8, 2025.
- Sold two hotel properties for a combined sales price of approximately $20.8 million.
- Acquired the 110-room Hotel Teatro in Denver, Colorado for $35.5 million.

- Entered into a new $500.0 million Term Loan, the proceeds of which were used to repay our $400.0 million term loan maturing in 2025 and $100.0 million of borrowings under our Revolver.

- Repurchased and retired approximately 2.3 million common shares for approximately $22.0 million.

Our Customers

The majority of our hotels consist of premium-branded, focused-service and compact full-service hotels. As a result of this property profile, the majority of our customers are transient in nature. Transient business typically represents individual business or leisure travelers. The majority of our hotels are located in business districts within major metropolitan areas. Accordingly, business travelers represent the majority of the transient demand at our hotels. As a result, macroeconomic factors impacting business travel have a greater effect on our business than factors impacting leisure travel.

Group business is typically defined as a minimum of 10 guestrooms booked together as part of the same piece of business. Group business may or may not use the meeting space at any given hotel. Given the limited meeting space at the majority of our hotels, group business that utilizes meeting space represents a small component of our customer base.

A number of our hotel properties are affiliated with brands marketed toward extended-stay customers. Extended-stay customers are generally defined as those staying five nights or longer.

Our Revenues and Expenses

Our revenues are primarily derived from the operation of hotels, including the sale of rooms, food and beverage revenue and other revenue, which consists of parking fees, resort fees, gift shop sales and other guest service fees.

Our operating costs and expenses consist of the costs to provide hotel services, including room expense, food and beverage expense, management and franchise fees and other operating expenses. Room expense includes housekeeping and front office wages and payroll taxes, reservation systems, room supplies, laundry services and other costs. Food and beverage expense primarily includes the cost of food, the cost of beverages and the associated labor costs. Other operating expenses include labor and other costs associated with the other operating department revenue, as well as labor and other costs associated with administrative departments, sales and marketing, repairs and maintenance and utility costs. Our hotels that are subject to franchise agreements are charged a royalty fee, plus additional fees for marketing, central reservation systems and other franchisor costs, in order for the hotel properties to operate under the respective brands. Franchise fees are based on a percentage of room revenue and for certain hotels additional franchise fees are charged for food and beverage revenue. Our hotels are managed by independent, third-party management companies under long-term agreements pursuant to which the management companies typically earn base and incentive management fees based on the levels of revenues and profitability of each individual hotel property. We generally receive a cash distribution from the management companies on a monthly basis, which reflects hotel-level sales less hotel-level operating expenses.

Key Indicators of Financial Performance

We use a variety of operating, financial and other information to evaluate the operating performance of our business. These key indicators include financial information that is prepared in accordance with GAAP as well as other financial measures that are non-GAAP measures. In addition, we use other information that may not be financial in nature, including industry standard statistical information and comparative data. We use this information to measure the operating performance of our individual hotels, groups of hotels and/or business as a whole. We also use these metrics to evaluate the hotels in our portfolio and potential acquisition opportunities to determine each hotel's contribution to cash flow and its potential to provide attractive long-term total returns. The key indicators include:

- Average Daily Rate ("ADR")
- Occupancy
- RevPAR

ADR, Occupancy and RevPAR are commonly used measures within the lodging industry to evaluate operating performance. RevPAR is an important statistic for monitoring operating performance at the individual hotel property level and across our entire business. We evaluate individual hotel RevPAR performance on an absolute basis with comparisons to budget and prior periods, as well as on a regional and company-wide basis. ADR and RevPAR include only room revenue.

We also use non-GAAP measures such as FFO, Adjusted FFO, EBITDA, EBITDA*re* and Adjusted EBITDA to evaluate the operating performance of our business. For a more in depth discussion of the non-GAAP measures, please refer to the "Non-GAAP Financial Measures" section.

Critical Accounting Policies and Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of our financial statements and the reported amounts of revenues and expenses during the reporting period. It is possible that the actual amounts may differ significantly from these estimates and assumptions. We evaluate our estimates, assumptions and judgments on an ongoing basis, based on information that is available to us, our business and industry experience, and various other matters that we believe are reasonable and appropriate for consideration under the circumstances. Our Annual Report contains a discussion of our critical accounting policies and estimates. There have been no significant changes to our critical accounting policies and estimates since December 31, 2023.

Results of Operations

At September 30, 2024 and 2023, we owned 96 and 97 hotel properties, respectively. Based on when a hotel property is acquired or sold, the operating results for certain hotel properties are not comparable for the three and nine months ended September 30, 2024 and 2023. The non-comparable properties include two hotel properties that were sold and one hotel property that was acquired in 2024.

Comparison of the three months ended September 30, 2024 to the three months ended September 30, 2023

	For the three months ended September 30,		
	2024	2023	$ Change
	(amounts in thousands)		
Revenues			
Operating revenues			
Room revenue	$ 283,614	$ 277,088	$ 6,526
Food and beverage revenue	36,983	34,181	2,802
Other revenue	25,147	23,137	2,010
Total revenues	345,744	334,406	11,338
Expenses			
Operating expenses			
Room expense	74,558	71,278	3,280
Food and beverage expense	29,348	27,430	1,918
Management and franchise fee expense	27,339	27,095	244
Other operating expenses	92,350	87,736	4,614
Total property operating expenses	223,595	213,539	10,056
Depreciation and amortization	44,892	44,727	165
Property tax, insurance and other	24,156	26,936	(2,780)
General and administrative	12,781	14,747	(1,966)
Transaction costs	209	2	207
Total operating expenses	305,633	299,951	5,682
Other income, net	791	1,921	(1,130)
Interest income	4,286	5,302	(1,016)
Interest expense	(28,643)	(24,833)	(3,810)
Gain on sale of hotel properties, net	4,755	16	4,739
Loss on extinguishment of indebtedness, net	(129)	—	(129)
Income before equity in loss from unconsolidated joint ventures	21,171	16,861	4,310
Equity in loss from unconsolidated joint ventures	(149)	(186)	37
Income before income tax expense	21,022	16,675	4,347
Income tax expense	(379)	(332)	(47)
Net income	20,643	16,343	4,300
Net (income) loss attributable to noncontrolling interests:			
Noncontrolling interest in the Operating Partnership	(49)	(50)	1
Noncontrolling interest in consolidated joint ventures	8	137	(129)
Net income attributable to RLJ	20,602	16,430	4,172
Preferred dividends	(6,279)	(6,279)	—
Net income attributable to common shareholders	$ 14,323	$ 10,151	$ 4,172

Revenues

Total revenues increased $11.3 million to $345.7 million for the three months ended September 30, 2024 from $334.4 million for the three months ended September 30, 2023. The increase was the result of a $6.5 million increase in room revenue, a $2.8 million increase in food and beverage revenue, and a $2.0 million increase in other revenue.

Room Revenue

Room revenue increased $6.5 million to $283.6 million for the three months ended September 30, 2024 from $277.1 million for the three months ended September 30, 2023. The increase was the result of a $5.6 million increase in room revenue attributable to the comparable properties, primarily due to an increase in corporate and group travel.

The following are the quarter-to-date key hotel operating statistics for the comparable properties:

	For the three months ended September 30,			
	2024		2023	
Occupancy		75.1 %		74.1 %
ADR	$	193.07	$	191.92
RevPAR	$	144.97	$	142.20

Food and Beverage Revenue

Food and beverage revenue increased $2.8 million to $37.0 million for the three months ended September 30, 2024 from $34.2 million for the three months ended September 30, 2023. The increase in food and beverage revenue was primarily due to increases in outlet revenue and the ramping up of our recently converted and renovated hotels.

Other Revenue

Other revenue increased $2.0 million to $25.1 million for the three months ended September 30, 2024 from $23.1 million for the three months ended September 30, 2023. The increase in other revenue was primarily due to an increase in parking and resort fees.

Property Operating Expenses

Property operating expenses increased $10.1 million to $223.6 million for the three months ended September 30, 2024 from $213.5 million for the three months ended September 30, 2023. The increase was due to a $9.2 million increase in property operating expenses from the comparable properties.

The components of our property operating expenses for the comparable properties were as follows (in thousands):

	For the three months ended September 30,					
	2024		2023		$ Change	
Room expense	$	73,898	$	70,799	$	3,099
Food and beverage expense		28,977		27,430		1,547
Management and franchise fee expense		27,123		26,842		281
Other operating expenses		91,388		87,164		4,224
Total property operating expenses	$	221,386	$	212,235	$	9,151

The increase in property operating expenses from the comparable properties was primarily due to increases in wages and benefits, as well as increases in room and food and beverage expenses, and increases in other operating expenses, primarily due to increases in sales and marketing, utilities, and administrative expenses.

Property Tax, Insurance and Other

Property tax, insurance and other expense decreased $2.8 million to $24.2 million for the three months ended September 30, 2024 from $26.9 million for the three months ended September 30, 2023. The decrease was primarily attributable to the beneficial impact of successful real estate tax appeals in the current quarter, partially offset by increases in insurance premiums.

General and Administrative

General and administrative expense decreased $2.0 million to $12.8 million for the three months ended September 30, 2024 from $14.7 million for the three months ended September 30, 2023. The decrease was primarily attributable to a decrease in non-cash compensation expense.

Other Income, net

Other income, net decreased $1.1 million to $0.8 million for the three months ended September 30, 2024 from $1.9 million for the three months ended September 30, 2023. The decrease was primarily attributable to the receipt of certain COVID-19 relief awards during the three months ended September 30, 2023.

Interest Income

Interest income decreased $1.0 million to $4.3 million for the three months ended September 30, 2024 from $5.3 million for the three months ended September 30, 2023. The decrease was attributable to lower average cash balances during the current quarter compared with those during the three months ended September 30, 2023.

Interest Expense

Interest expense increased $3.8 million to $28.6 million for the three months ended September 30, 2024 from $24.8 million for the three months ended September 30, 2023. The increase was attributable to higher interest rates on our unhedged variable rate debt combined with an increase in the amount of debt that was unhedged. The components of our interest expense for the three months ended September 30, 2024 and 2023 were as follows (in thousands):

	For the three months ended September 30,		
	2024	**2023**	**$ Change**
Senior Notes	$ 9,695	$ 9,695	$ —
Revolver and Term Loans	14,228	7,365	6,863
Mortgage loans	2,671	5,727	(3,056)
Amortization of deferred financing costs	1,663	1,564	99
Non-cash interest expense related to interest rate hedges	386	482	(96)
Total interest expense	$ 28,643	$ 24,833	$ 3,810

Gain on Sale of Hotel Properties, net

During the three months ended September 30, 2024, we sold one hotel property for a sale price of approximately $12.7 million and recorded a net gain on the sale of approximately $4.8 million. There were no hotels sold during the three months ended September 30, 2023.

Comparison of the nine months ended September 30, 2024 to the nine months ended September 30, 2023

	For the nine months ended September 30,		
	2024	2023	$ Change
	(amounts in thousands)		
Revenues			
Operating revenues			
Room revenue	$ 853,896	$ 833,416	$ 20,480
Food and beverage revenue	113,515	105,601	7,914
Other revenue	72,040	66,852	5,188
Total revenues	1,039,451	1,005,869	33,582
Expenses			
Operating expenses			
Room expense	217,885	207,662	10,223
Food and beverage expense	88,279	81,604	6,675
Management and franchise fee expense	82,783	82,554	229
Other operating expenses	272,951	254,567	18,384
Total property operating expenses	661,898	626,387	35,511
Depreciation and amortization	134,045	134,648	(603)
Property tax, insurance and other	80,743	76,268	4,475
General and administrative	41,826	43,030	(1,204)
Transaction costs	299	26	273
Total operating expenses	918,811	880,359	38,452
Other income, net	4,669	3,506	1,163
Interest income	13,191	13,977	(786)
Interest expense	(83,150)	(73,506)	(9,644)
Gain (loss) on sale of hotel properties, net	8,301	(28)	8,329
Loss on extinguishment of indebtedness, net	(129)	(169)	40
Income before equity in income from unconsolidated joint ventures	63,522	69,290	(5,768)
Equity in income from unconsolidated joint ventures	239	315	(76)
Income before income tax expense	63,761	69,605	(5,844)
Income tax expense	(1,081)	(1,028)	(53)
Net income	62,680	68,577	(5,897)
Net (income) loss attributable to noncontrolling interests:			
Noncontrolling interest in the Operating Partnership	(216)	(238)	22
Noncontrolling interest in consolidated joint ventures	181	131	50
Net income attributable to RLJ	62,645	68,470	(5,825)
Preferred dividends	(18,836)	(18,836)	—
Net income attributable to common shareholders	$ 43,809	$ 49,634	$ (5,825)

Revenues

Total revenues increased $33.6 million to $1,039.5 million for the nine months ended September 30, 2024 from $1,005.9 million for the nine months ended September 30, 2023. The increase was the result of a $20.5 million increase in room revenue, a $7.9 million increase in food and beverage revenue, and a $5.2 million increase in other revenue.

Room Revenue

Room revenue increased $20.5 million to $853.9 million for the nine months ended September 30, 2024 from $833.4 million for the nine months ended September 30, 2023. The increase was the result of a $19.6 million increase in room revenue attributable to the comparable properties and was primarily due to an increase in corporate and group travel.

The following are the year-to-date key hotel operating statistics for the comparable properties:

	For the nine months ended September 30,	
	2024	**2023**
Occupancy	73.7 %	72.6 %
ADR	$ 199.43	$ 198.67
RevPAR	$ 147.04	$ 144.28

Food and Beverage Revenue

Food and beverage revenue increased $7.9 million to $113.5 million for the nine months ended September 30, 2024 from $105.6 million for the nine months ended September 30, 2023. The increase in food and beverage revenue was primarily due to increases in outlet revenue and banquet and catering revenue.

Other Revenue

Other revenue increased $5.2 million to $72.0 million for the nine months ended September 30, 2024 from $66.9 million for the nine months ended September 30, 2023. The increase in other revenue was primarily due to an increase in parking and resort fees.

Property Operating Expenses

Property operating expenses increased $35.5 million to $661.9 million for the nine months ended September 30, 2024 from $626.4 million for the nine months ended September 30, 2023. The increase was due to a $34.4 million increase in property operating expenses from the comparable properties.

The components of our property operating expenses for the comparable properties were as follows (in thousands):

	For the nine months ended September 30,		
	2024	**2023**	**$ Change**
Room expense	$ 216,319	$ 206,365	$ 9,954
Food and beverage expense	87,865	81,604	6,261
Management and franchise fee expense	82,199	81,891	308
Other operating expenses	270,867	252,983	17,884
Total property operating expenses	$ 657,250	$ 622,843	$ 34,407

The increase in property operating expenses from the comparable properties was primarily due to increases in wages and benefits, as well as increases in room and food and beverage expenses, and increases in other operating expenses, primarily due to increases in sales and marketing, utilities, and administrative expenses.

Property Tax, Insurance and Other

Property tax, insurance and other expense increased $4.5 million to $80.7 million for the nine months ended September 30, 2024 from $76.3 million for the nine months ended September 30, 2023. The increase was primarily attributable to increases in property taxes and insurance premiums, partially offset by the impact of successful real estate tax appeals in the current period.

General and Administrative

General and administrative expense decreased $1.2 million to $41.8 million for the nine months ended September 30, 2024 from $43.0 million for the nine months ended September 30, 2023. The decrease was primarily attributable to a decrease in non-cash compensation expense.

Other Income, net

Other income, net increased $1.2 million to $4.7 million for the nine months ended September 30, 2024 from $3.5 million for the nine months ended September 30, 2023. The increase was primarily attributable to the receipt of certain COVID-19 relief awards during the nine months ended September 30, 2024.

Interest Income

Interest income decreased $0.8 million to $13.2 million for the nine months ended September 30, 2024 from $14.0 million for the nine months ended September 30, 2023. The decrease was attributable to lower average cash balances, partially offset by higher interest rates.

Interest Expense

Interest expense increased $9.6 million to $83.2 million for the nine months ended September 30, 2024 from $73.5 million for the nine months ended September 30, 2023. The increase was attributable to higher interest rates on our unhedged variable rate debt combined with an increase in the amount of our debt that was unhedged. The components of our interest expense for the nine months ended September 30, 2024 and 2023 were as follows (in thousands):

	For the nine months ended September 30,		
	2024	2023	$ Change
Senior Notes	$ 29,070	$ 29,070	$ —
Revolver and Term Loans	37,075	23,176	13,899
Mortgage loans	10,939	15,286	(4,347)
Amortization of deferred financing costs	4,779	4,528	251
Non-cash interest expense related to interest rate hedges	1,287	1,446	(159)
Total interest expense	$ 83,150	$ 73,506	$ 9,644

Gain (Loss) on Sale of Hotel Properties, net

During the nine months ended September 30, 2024, we sold two hotel properties for a combined sales price of approximately $20.8 million and recorded net gains on sale of approximately $8.3 million. There were no hotels sold during the nine months ended September 30, 2023.

Non-GAAP Financial Measures

We consider the following non-GAAP financial measures useful to investors as key supplemental measures of our performance: (1) FFO, (2) Adjusted FFO, (3) EBITDA, (4) EBITDA*re* and (5) Adjusted EBITDA. These non-GAAP financial measures should be considered along with, but not as alternatives to, net income or loss as a measure of our operating performance. FFO, Adjusted FFO, EBITDA, EBITDA*re,* and Adjusted EBITDA, as calculated by us, may not be comparable to FFO, Adjusted FFO, EBITDA, EBITDA*re* and Adjusted EBITDA as reported by other companies that do not define such terms exactly as we define such terms.

Funds From Operations

We calculate funds from operations ("FFO") in accordance with standards established by the National Association of Real Estate Investment Trusts ("NAREIT"), which defines FFO as net income or loss, excluding gains or losses from sales of real estate, impairment, the cumulative effect of changes in accounting principles, plus depreciation and amortization, and adjustments for unconsolidated partnerships and joint ventures. Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, most real estate industry investors consider FFO to be helpful in evaluating a real estate company's operations. We believe that the presentation of FFO provides useful information to investors regarding our operating performance and can facilitate comparisons of operating performance between periods and between REITs, even though FFO does not represent an amount that accrues directly to common shareholders. Our calculation of FFO may not be comparable to measures calculated by other companies who do not use the NAREIT definition of FFO or do not calculate FFO per diluted share in accordance with NAREIT guidance. Additionally, FFO may not be helpful when comparing us to non-REITs. We present FFO attributable to common shareholders, which includes our OP units, because our OP units may be redeemed for common shares. We believe it is meaningful for the investor to understand FFO attributable to all common shares and OP units.

We further adjust FFO for certain additional items that are not in NAREIT's definition of FFO, such as transaction costs, pre-opening costs, gains or losses on extinguishment of indebtedness, non-cash income tax expense or benefit, amortization of share-based compensation, non-cash interest expense related to discontinued interest rate hedges, derivative gains or losses in accumulated other comprehensive income reclassified to earnings, and certain other income or expenses that we consider outside the normal course of operations. We believe that Adjusted FFO provides useful supplemental information to investors regarding our ongoing operating performance that, when considered with net income and FFO, is beneficial to an investor's understanding of our operating performance.

The following table is a reconciliation of our GAAP net income to FFO attributable to common shareholders and unitholders and Adjusted FFO attributable to common shareholders and unitholders for the three and nine months ended September 30, 2024 and 2023 (in thousands):

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Net income	$ 20,643	$ 16,343	$ 62,680	$ 68,577
Preferred dividends	(6,279)	(6,279)	(18,836)	(18,836)
Depreciation and amortization	44,892	44,727	134,045	134,648
(Gain) loss on sale of hotel properties, net	(4,755)	(16)	(8,301)	28
Noncontrolling interest in consolidated joint ventures	8	137	181	131
Adjustments related to consolidated joint venture (1)	(47)	(44)	(139)	(131)
Adjustments related to unconsolidated joint venture (2)	227	236	685	709
FFO	54,689	55,104	170,315	185,126
Transaction costs	209	2	299	26
Pre-opening costs (3)	888	327	1,088	1,188
Loss on extinguishment of indebtedness, net	129	—	129	169
Amortization of share-based compensation	4,550	6,247	16,260	18,028
Non-cash interest expense related to discontinued interest rate hedges	386	482	1,287	1,446
Other expenses (4)	304	930	2,256	1,026
Adjusted FFO	$ 61,155	$ 63,092	$ 191,634	$ 207,009

(1) Includes depreciation and amortization expense allocated to the noncontrolling interest in the consolidated joint venture.
(2) Includes our ownership interest in the depreciation and amortization expense of the unconsolidated joint venture.
(3) Represents expenses related to the brand conversions of certain hotel properties prior to opening.
(4) Represents expenses and income outside of the normal course of operations.

EBITDA and EBITDA*re*

EBITDA is defined as net income or loss excluding: (1) interest expense; (2) income tax expense; and (3) depreciation and amortization expense. We consider EBITDA useful to an investor in evaluating and facilitating comparisons of our operating performance between periods and between REITs by removing the impact of our capital structure (primarily interest expense) and asset base (primarily depreciation and amortization expense) from our operating results. In addition, EBITDA is used as one measure in determining the value of hotel acquisitions and disposals.

In addition to EBITDA, we present EBITDA*re* in accordance with NAREIT guidelines, which defines EBITDA*re* as net income or loss excluding interest expense, income tax expense, depreciation and amortization expense, gains or losses from sales of real estate, impairment, and adjustments for unconsolidated joint ventures. We believe that the presentation of EBITDA*re* provides useful information to investors regarding our operating performance and can facilitate comparisons of operating performance between periods and between REITs.

We also present Adjusted EBITDA, which includes additional adjustments for items such as transaction costs, pre-opening costs, gains or losses on extinguishment of indebtedness, amortization of share-based compensation, derivative gains or losses in accumulated other comprehensive income reclassified to earnings, and certain other income or expenses that we consider outside the normal course of operations. We believe that Adjusted EBITDA provides useful supplemental information to investors regarding our ongoing operating performance that, when considered with net income, EBITDA, and EBITDA*re*, is beneficial to an investor's understanding of our operating performance.

The following table is a reconciliation of our GAAP net income to EBITDA, EBITDA*re* and Adjusted EBITDA for the three and nine months ended September 30, 2024 and 2023 (in thousands):

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Net income	$ 20,643	$ 16,343	$ 62,680	$ 68,577
Depreciation and amortization	44,892	44,727	134,045	134,648
Interest expense, net of interest income	24,357	19,531	69,959	59,529
Income tax expense	379	332	1,081	1,028
Adjustments related to unconsolidated joint venture (1)	331	344	998	1,034
EBITDA	90,602	81,277	268,763	264,816
(Gain) loss on sale of hotel properties, net	(4,755)	(16)	(8,301)	28
EBITDA*re*	85,847	81,261	260,462	264,844
Transaction costs	209	2	299	26
Pre-opening costs (2)	888	327	1,088	1,188
Loss on extinguishment of indebtedness, net	129	—	129	169
Amortization of share-based compensation	4,550	6,247	16,260	18,028
Other expenses (3)	304	930	2,256	1,026
Adjusted EBITDA	$ 91,927	$ 88,767	$ 280,494	$ 285,281

(1) Includes our ownership interest in the interest, depreciation, and amortization expense of the unconsolidated joint venture.
(2) Represents expenses related to the brand conversions of certain hotel properties prior to opening.
(3) Represents expenses and income outside of the normal course of operations.

Liquidity and Capital Resources

Our liquidity requirements consist primarily of the funds necessary to pay for operating expenses and other expenditures directly associated with our hotel properties, including:

- funds necessary to pay for the costs of acquiring hotel properties;
- redevelopments, conversions, renovations and other capital expenditures that need to be made periodically to our hotel properties;
- recurring maintenance and capital expenditures necessary to maintain our hotel properties in accordance with brand standards;
- interest expense and scheduled principal payments on outstanding indebtedness;
- distributions on common and preferred shares;
- share repurchases under our share repurchase programs; and

- corporate and other general and administrative expenses.

As of September 30, 2024, we had $424.3 million of cash, cash equivalents, and restricted cash reserves as compared to $555.3 million at December 31, 2023.

Sources and Uses of Cash

Cash flows from Operating Activities

The net cash flow provided by operating activities totaled $214.4 million and $226.2 million for the nine months ended September 30, 2024 and 2023, respectively. Our cash flows provided by operating activities generally consist of the net cash generated by our hotel operations, the cash paid for corporate expenses and other working capital changes. Refer to the "Results of Operations" section for further discussion of our operating results for the nine months ended September 30, 2024 and 2023.

Cash flows from Investing Activities

The net cash flow used in investing activities totaled $246.3 million for the nine months ended September 30, 2024 primarily due to a $122.8 million acquisition of a fee simple interest in our Wyndham Boston Beacon Hill hotel property, a $35.9 million acquisition of a hotel property, and $107.0 million in capital improvements and additions to our hotel properties and other assets. The net cash flow used in investing activities was partially offset by $19.5 million in proceeds from the sales of two hotel properties.

The net cash flow used in investing activities totaled $102.0 million for the nine months ended September 30, 2023 primarily due to capital improvements and additions to our hotel properties.

Cash flows from Financing Activities

The net cash flow used in financing activities totaled $99.1 million for the nine months ended September 30, 2024. The sources of cash included $500.0 million in borrowings on a Term Loan and $200.0 million in borrowings on our Revolver. The uses of cash included $400.0 million in repayment of a term loan, $200.0 million in repayment of a maturing mortgage loan, $100.0 million in repayment of our Revolver, $19.0 million paid to repurchase common shares under our share repurchase programs, $65.8 million in distributions to shareholders and unitholders, $9.0 million paid to repurchase common shares to satisfy employee tax withholding requirements, and $5.3 million in deferred financing cost payments.

The net cash flow used in financing activities totaled $130.2 million for the nine months ended September 30, 2023 primarily due to $66.8 million paid to repurchase common shares under our share repurchase programs, $52.6 million in distributions to shareholders and unitholders, $4.4 million paid to repurchase common shares to satisfy employee tax withholding requirements, and $7.8 million in deferred financing cost payments.

Capital Expenditures and Reserve Funds

We maintain each of our hotel properties in good repair and condition and in conformity with applicable laws and regulations, franchise agreements and management agreements. The cost of routine improvements and alterations are paid out of FF&E reserves, which are funded by a portion of each hotel property's gross revenues. Routine capital expenditures may be administered by the property management companies. However, we have approval rights over the capital expenditures as part of the annual budget process for each of our hotel properties.

From time to time, certain of our hotel properties may undergo renovations as a result of our decision to upgrade portions of the hotels, such as guestrooms, public space, meeting space, and/or restaurants, in order to better compete with other hotels and alternative lodging options in our markets. In addition, upon acquisition of a hotel property we often are required to complete a property improvement plan in order to bring the hotel up to the respective franchisor's standards. If permitted by the terms of the management agreement, funding for a renovation will first come from the FF&E reserves. To the extent that the FF&E reserves are not available or sufficient to cover the cost of the renovation, we will fund all or the remaining portion of the renovation with cash and cash equivalents on hand, our Revolver and/or other sources of available liquidity.

With respect to some of our hotels that are operated under franchise agreements with major national hotel brands and for some of our hotels subject to first mortgage liens, we are obligated to maintain FF&E reserve accounts for future capital expenditures at these hotels. The amount funded into each of these reserve accounts is generally determined pursuant to the management agreements, franchise agreements and/or mortgage loan documents for each of the respective hotels, and typically ranges between 3.0% and 5.0% of the respective hotel's total gross revenue. As of September 30, 2024, approximately $39.0 million was held in FF&E reserve accounts for future capital expenditures.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk includes the risks that arise from changes in interest rates, equity prices and other market changes that affect market sensitive instruments. Our primary market risk exposure is to changes in interest rates on our variable rate debt. As of September 30, 2024, we had approximately $1.2 billion of total variable rate debt outstanding (or 54.1% of total indebtedness) with a weighted-average interest rate of 5.12% per annum. After taking into consideration the effect of interest rate swaps, 74.0% of our total indebtedness was fixed or effectively fixed. As of September 30, 2024, if market interest rates on our variable rate debt not subject to interest rate swaps were to increase by 1.00%, or 100 basis points, interest expense would decrease future earnings and cash flows by approximately $5.8 million annually, taking into account our existing contractual hedging arrangements.

Our interest rate risk objectives are to limit the impact of interest rate fluctuations on earnings and cash flows and to lower our overall borrowing costs. To achieve these objectives, we manage our exposure to fluctuations in market interest rates through the use of fixed rate debt instruments to the extent that reasonably favorable rates are obtainable. We have entered into derivative financial instruments such as interest rate swaps to mitigate our interest rate risk or to effectively lock the interest rate on a portion of our variable rate debt. We do not enter into derivative or interest rate transactions for speculative purposes.

The following table provides information about our financial instruments that are sensitive to changes in interest rates. For debt obligations outstanding as of September 30, 2024, the following table presents the principal repayments and related weighted-average interest rates by contractual maturity dates (in thousands):

	2024	2025	2026	2027	2028	Thereafter	Total
Fixed rate debt (1)(2)	$ —	$ —	$ 500,000	$ —	$ —	$ 525,000	$ 1,025,000
Weighted-average interest rate	— %	— %	3.75 %	— %	— %	4.05 %	3.90 %
Variable rate debt (1)	$ —	$ 181,000	$ 425,000	$ 600,000	$ —	$ —	$ 1,206,000
Weighted-average interest rate (3)	— %	5.02 %	5.15 %	5.12 %	— %	— %	5.12 %
Total	$ —	$ 181,000	$ 925,000	$ 600,000	$ —	$ 525,000	$ 2,231,000

(1) Excludes $7.0 million, $0.2 million and $6.6 million of net deferred financing costs on the Term Loans, mortgage loans and Senior Notes, respectively.
(2) Excludes $1.6 million related to a fair value adjustment on debt.
(3) The weighted-average interest rate gives effect to interest rate swaps, as applicable.

Our ultimate realized gain or loss with respect to interest rate fluctuations will depend on the exposures that arise during future periods, prevailing interest rates and our hedging strategies at that time.

Changes in market interest rates on our fixed rate debt impact the fair value of our debt, but such changes have no impact on our consolidated financial statements. As of September 30, 2024, the estimated fair value of our fixed rate debt was $974.8 million, which was based on having the same debt service requirements that could have been borrowed at the date presented, at prevailing current market interest rates. If interest rates were to rise by 1.00%, or 100 basis points, and our fixed rate debt balance remained constant, we expect the fair value of our debt would decrease by approximately $29.7 million.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

In accordance with Rule 13a-15(b) of the Exchange Act, the Company's management, under the supervision and participation of the Company's Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of September 30, 2024.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15 and 15d-15 of the Exchange Act) during the period ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The nature of the operations of our hotels exposes our hotel properties, the Company and the Operating Partnership to the risk of claims and litigation in the normal course of their business. Other than routine litigation arising out of the ordinary course of business, the Company is not presently subject to any material litigation nor, to the Company's knowledge, is any material litigation threatened against the Company.

Item 1A. Risk Factors

For a discussion of our potential risks and uncertainties, please refer to the "Risk Factors" section in our Annual Report, which is accessible on the SEC's website at www.sec.gov. There have been no material changes to the risk factors previously disclosed in our Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

The Company did not sell any securities during the quarter ended September 30, 2024 that were not registered under the Securities Act.

Issuer Purchases of Equity Securities

The following table summarizes all of the share repurchases during the three months ended September 30, 2024:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares that may yet be purchased under the plans or programs (1)
July 1, 2024 through July 31, 2024	214,550	$ 9.56	214,550	25,954,053
August 1, 2024 through August 31, 2024	335,894	$ 9.31	335,894	25,460,983
September 1, 2024 through September 30, 2024	1,056,192	$ 9.11	1,056,192	25,300,188
Total	1,606,636		1,606,636	

(1) The 2024 Share Repurchase Program to acquire up to an aggregate of $250.0 million of common and preferred shares was approved in April 2024 and is set to expire on May 8, 2025. The maximum number of shares that may yet be repurchased under a share repurchase program is calculated by dividing the total dollar amount available to repurchase shares by the closing price of our common shares on the last business day of the respective month.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 Trading Plans

During the three months ended September 30, 2024, none of the Company’s trustees or officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement."

Entry into Second Amended and Restated Employment Agreement with Sean Mahoney

On November 1, 2024, the Company and the Operating Partnership entered into a second amended and restated employment agreement with Sean M. Mahoney, the Executive Vice President and Chief Financial Officer of the Company. The employment agreement (the “Mahoney Employment Agreement”), which supersedes the amended and restated employment agreement previously entered into between the parties, contains terms and conditions that are substantially the same as such prior amended and restated employment agreement. Pursuant to the Mahoney Employment Agreement, Mr. Mahoney will continue in his role as the Company’s Executive Vice President and Chief Financial Officer.

The Mahoney Employment Agreement is effective as of November 1, 2024. Including the automatic renewal term set forth in the agreement, the term of the Mahoney Employment Agreement runs until May 2027. Mr. Mahoney’s annual base salary will continue to be $550,000, which base salary is subject to annual review and may be increased but not decreased from time to time. Mr. Mahoney is eligible to receive (i) an annual cash bonus, with a target cash bonus opportunity equal to 100% of his then-current base salary, and (ii) ongoing equity incentive awards.

The Mahoney Employment Agreement also (i) sets forth Mr. Mahoney’s right to severance payments and/or benefits upon his termination of employment and (ii) contains customary non-competition and non-solicitation covenants that apply during the term and for 12 months following the earliest to occur of (i) October 31, 2024 or (ii) expiration or termination of Mr. Mahoney’s employment.

A copy of the Mahoney Employment Agreement is attached to this report as Exhibit 10.3 and incorporated herein by reference. The summary set forth above is qualified in its entirety by reference to Exhibit 10.3.

Item 6. Exhibits

The exhibits required to be filed by Item 601 of Regulation S-K are noted below:

Exhibit Index

Exhibit Number	Description of Exhibit	
3.1	Articles of Amendment and Restatement of Declaration of Trust of RLJ Lodging Trust (incorporated by reference to Exhibit 3.1 to Amendment No. 4 to the Registrant's Registration Statement on Form S-11 (File. No. 333-172011) filed on May 5, 2011)	
3.2	Articles of Amendment to Articles of Amendment and Restatement of Declaration of Trust of RLJ Lodging Trust (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on May 7, 2015)	
3.3	Articles of Amendment to Articles of Amendment and Restatement of Declaration of Trust of RLJ Lodging Trust (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on May 5, 2016)	
3.4	Articles Supplementary to Articles of Amendment and Restatement of Declaration of Trust (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on February 26, 2015)	
3.5	Articles Supplementary designating RLJ Lodging Trust's $1.95 Series A Cumulative Convertible Preferred Shares, par value $0.01 per share (incorporated by reference to Exhibit 3.5 to the Registrant's Form 8-A filed on August 30, 2017)	
3.6	Third Amended and Restated Bylaws of RLJ Lodging Trust (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed on May 5, 2016)	
10.1	Fifth Amended and Restated Credit Agreement, dated as of September 24, 2024, by and among RLJ Lodging Trust, L.P., RLJ Lodging Trust, Wells Fargo Bank National Association, as Administrative Agent and a lender, and the other agents and lenders party thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on September 30, 2024)	
10.2	Fifth Amended and Restated Guaranty, dated as of September 24, 2024, by and among RLJ Lodging Trust, certain subsidiaries of RLJ Lodging Trust party thereto and Wells Fargo Bank National Association, as Administrative Agent (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on September 30, 2024)	
10.3***	Second Amended and Restated Employment Agreement, dated as of November 1, 2024, by and among RLJ Lodging Trust, RLJ Lodging Trust, L.P. and Sean M. Mahoney	
31.1**	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	
31.2**	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	
32.1**	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	
101.INS	Inline XBRL Instance Document	Submitted electronically with this report
101.SCH	Inline XBRL Taxonomy Extension Schema Document	Submitted electronically with this report
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document	Submitted electronically with this report
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	Submitted electronically with this report
101.LAB	Inline XBRL Taxonomy Label Linkbase Document	Submitted electronically with this report
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document	Submitted electronically with this report
104	Cover Page Interactive Data File (formatted as Inline XBRL and included in Exhibit 101)	Submitted electronically with this report

*This exhibit is a management contract or compensatory plan contract or arrangement.

**Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	RLJ LODGING TRUST
Dated: November 7, 2024	/s/ LESLIE D. HALE
	Leslie D. Hale President and Chief Executive Officer
Dated: November 7, 2024	/s/ SEAN M. MAHONEY
	Sean M. Mahoney Executive Vice President and Chief Financial Officer (Principal Financial Officer)
Dated: November 7, 2024	/s/ CHRISTOPHER A. GORMSEN
	Christopher A. Gormsen Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)

SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the “Agreement”) is made this 1st day of November, 2024 by RLJ Lodging Trust, a Maryland real estate investment trust (the “Company”) and RLJ Lodging Trust, L.P., a Delaware limited partnership (the “Operating Partnership”), each with its principal place of business at 7373 Wisconsin Avenue, Suite 1500, Bethesda, MD 20814, and Sean Mahoney, residing at the address on file with the Company (the “Executive”).

WHEREAS, the Company is the sole general partner of the Operating Partnership;

WHEREAS, the Executive, the Company, and the Operating Partnership entered into an Employment Agreement, dated November 1, 2021 (the “Prior Agreement”), to reflect the Executive’s executive capacities in the Company’s business and to provide for the Company’s and the Operating Partnership’s employment of the Executive;

WHEREAS, the renewal term of the Executive’s Prior Agreement will terminate on October 31, 2024, and the parties now desire to enter into this Agreement to provide for the Company’s and the Operating Partnership’s ongoing employment of the Executive;

WHEREAS, the Agreement will be effective upon the date set forth above and will supersede the terms and conditions of the Prior Agreement, which as of the Commencement Date (defined below) will be hereby replaced;

WHEREAS, the allocation of the rights and obligations between the Company and the Operating Partnership shall be determined by separate agreement of those parties; and

WHEREAS, for purposes of this Agreement, the term “Company” shall be understood to include the Operating Partnership, unless the context otherwise requires.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties agree as follows:

1. Term of Employment

(a) The Company hereby continues its employment of the Executive, and the Executive hereby accepts such ongoing employment with the Company, upon the terms and conditions set forth in this Agreement for the period next described (the “Employment Period”). Unless terminated earlier pursuant to Section 5, the Executive’s employment pursuant to this Agreement shall be for a term commencing on the date of this Agreement (the “Commencement Date”) and ending on May 15, 2025 (the “Initial Term”). If not previously terminated in accordance with this Agreement, the Employment Period shall be extended for up to two additional twelve (12) month periods immediately following the Initial Term (each such extension, a “Renewal Term”), unless the Company or the Executive provides written notice to the contrary (i) with respect to the commencement of the first Renewal Term, on or before March

15, 2025 and (ii) with respect to the commencement of the second Renewal Term, at least sixty (60) days before the last day of the first Renewal Term.

(b) If the parties have failed to extend this Agreement or enter into a new agreement on or before the end of the Initial Term or a Renewal Term, as applicable, the Executive's employment shall terminate at the end of the applicable term and, notwithstanding anything to the contrary in Section 6(c), the Company's only obligation to Executive upon such termination will be to accelerate the vesting of any then-outstanding equity awards subject to time-based vesting granted prior to the end of the applicable term and to pay the amounts set forth in Section 6(a); provided however, that the Company shall not provide the acceleration described in this sentence if: (i) the Agreement was not extended because the Executive provided the written notice to the contrary described in Section 1(a) or (ii) the parties did not enter into a new agreement because either the Executive declined to enter into the then standard form executive employment agreement offered to the Executive by the Company or the Executive notified the Company that the Executive did not wish to continue employment with the Company after the applicable term. Notwithstanding the foregoing or anything else contained in this Agreement to the contrary, if the Executive is employed on the last day of the Initial Term or a Renewal Term, as applicable, the Board shall determine the amount of any annual bonus to award the Executive for the fiscal year in which the end of such term occurs, based on the criteria set forth in Section 4(b) and pro-rated for the portion of the fiscal year the Executive remains employed. The Company shall pay any such bonus on the date on which the Company's other employees receive bonuses, regardless of whether the Executive is employed by the Company on that date.

2. Title; Duties

The Executive was appointed Chief Financial Officer and Executive Vice President as of August 1, 2018 and shall continue his employment in that capacity. The Executive shall report to the President and Chief Executive Officer, who shall have the authority to direct, control and supervise the activities of the Executive. The Executive shall perform such services consistent with his position as may be assigned to him from time to time by the President and Chief Executive Officer and/or the Board of Trustees and as are consistent with the bylaws of the Company and the Amended and Restated Agreement of Limited Partnership of the Operating Partnership as it may be further amended from time to time, including, but not limited to, managing the affairs of the Company and the Operating Partnership.

3. Extent of Services

The Executive agrees not to engage in any business activities during the Employment Period except those which are for the sole benefit of the Company and its subsidiaries, and to devote his entire business time, attention, skill and effort to the performance of his duties under this Agreement. Notwithstanding the foregoing, the Executive may, without impairing or otherwise adversely affecting the Executive's performance of his duties to the Company, (i) engage in personal investments and charitable, professional and civic activities, and (ii) with the prior approval of the Board of Trustees, serve on the boards of directors of corporations other than the Company, provided, however, that no such approval shall be necessary for the

Executive's continued service on any board of directors or board of trustees on which he was serving on the date of this Agreement, all of which have been previously disclosed to the Board of Trustees in writing. The Executive shall perform his duties to the best of his ability, shall adhere to the Company's published policies and procedures, and shall use his best efforts to promote the Company's interests, reputation, business and welfare.

4. Compensation and Benefits

During the Employment Period:

(a) Salary. The Company shall pay the Executive a gross base annual salary rate ("Base Salary") of Five Hundred Fifty Thousand Dollars ($550,000.00). The Base Salary shall be payable in arrears in approximately equal semi-monthly installments (except that the first and last such semi-monthly installments may be prorated if necessary) on the Company's regularly scheduled payroll dates, minus such deductions as may be required by law or reasonably requested by the Executive. The Company's Compensation Committee (the "Compensation Committee") shall review his Base Salary annually in conjunction with its regular review of employee salaries and may increase (but not decrease) the Executive's Base Salary as in effect from time to time as the Compensation Committee shall deem appropriate.

(b) Annual Bonus. The Executive shall be entitled to earn bonuses with respect to each fiscal year (or partial fiscal year), based upon the Executive's and the Company's achievement of performance objectives set by the Company for each fiscal year of the Employment Period, with a target bonus of 100% of the Executive's Base Salary for such fiscal year (or partial fiscal year). Any such bonus earned by the Executive shall be paid annually by March 15 of the year following the end of the year for which the bonus was earned.

(c) Option, Restricted Share, Restricted Share Unit and LTIP Unit Grants. The Executive will be eligible for grants of options to purchase the Company's common shares of beneficial interest ("common shares"), grants of Company restricted common shares, restricted common share units and long-term incentive units in the Operating Partnership subject to certain time vesting requirements and other conditions set forth in the applicable award agreement.

(d) Other Benefits. The Executive shall be entitled to paid time off and holiday pay in accordance with the Company's policies in effect from time to time and shall be eligible to participate in such life, health, and disability insurance, pension, deferred compensation and incentive plans, options and awards, performance bonuses and other benefits as the Company extends, as a matter of policy, to its executive employees.

(e) Reimbursement of Business Expenses. The Company shall reimburse the Executive for all reasonable travel, entertainment and other expenses incurred or paid by the Executive in connection with, or related to, the performance of his duties, responsibilities or services under this Agreement, upon presentation by the Executive of documentation, expense statements, vouchers, and/or such other supporting information as the Company may reasonably request.

(f) Timing of Reimbursements. Any reimbursement under this Agreement that is taxable to the Executive shall be made in no event later than sixty (60) days following the calendar year in which the Executive incurred the expense.

5. Termination

(a) Termination by the Company for Cause. The Company may terminate the Executive's employment under this Agreement at any time for Cause, upon written notice by the Company to the Executive. For purposes of this Agreement, "Cause" for termination shall mean any of the following: (i) gross negligence or willful misconduct in connection with the performance of duties; (ii) conviction of a felony; (iii) conviction of any other criminal offense involving an act of dishonesty intended to result in substantial personal enrichment of the Executive at the expense of the Company or its subsidiaries; or (iv) material breach of any term of any employment, consulting or other services, confidentiality, intellectual property or non-competition agreements, if any, between the Executive and the Company, which, if such breach is curable, such breach is not cured within fifteen (15) calendar days following the Executive's receipt of written notice of such breach, with such detail as sufficient to apprise the Executive of the nature and extent of such breach.

(b) Termination by the Company Without Cause or by the Executive Without Good Reason. The Company may terminate this Agreement at any time without Cause or the Executive may resign without Good Reason (as defined below), upon giving the other party thirty (30) days' written notice. At the Company's sole discretion, it may substitute thirty (30) days' Base Salary (or any lesser portion for any shortened period provided) in lieu of notice. Any Base Salary paid to the Executive in lieu of notice shall not be offset against any entitlement the Executive may have to the Severance Payment pursuant to Section 6(c). For purposes of this Agreement, the non-renewal of the Employment Period at the end of the Initial Term or a Renewal Term does not constitute termination without Cause or resignation for Good Reason.

(c) Termination by the Executive for Good Reason. The Executive may terminate his employment under this Agreement at any time for Good Reason, upon written notice by the Executive to the Company. For purposes of this Agreement, "Good Reason" for termination shall mean, without the Executive's consent: (i) the assignment to the Executive of substantial duties or responsibilities inconsistent with the Executive's position at the Company, or any other action by the Company which results in a substantial diminution of the Executive's duties or responsibilities other than any such reduction which is remedied by the Company within thirty (30) days of receipt of written notice thereof from the Executive; (ii) a requirement that the Executive work principally from a location that is thirty (30) miles further from the Executive's residence than the Company's address first written above; (iii) a material reduction in the Executive's aggregate Base Salary and other compensation (including the target bonus amount and retirement plans, welfare plans and fringe benefits) taken as a whole, excluding any reductions caused by the failure to achieve performance targets and excluding any reductions on account of the provisions of this Agreement; or (iv) any material breach by the Company of this Agreement. Good Reason shall not exist pursuant to any subsection of this Section 5(c) unless (A) the Executive shall have delivered notice to the Board of Trustees within ninety (90) days of the initial occurrence of such event constituting Good Reason, and (B) the Board fails to remedy the circumstances giving rise to the Executive's notice within thirty (30) days of receipt of notice. The Executive must terminate his employment under this Section 5(c) at a time agreed reasonably with the Company, but in any event within one hundred fifty (150) days from the initial occurrence of an event constituting Good Reason. For purposes of Good Reason, the Company shall be defined to include any successor to the Company which has assumed the obligations of the Company through merger, acquisition, stock purchase, asset purchase or otherwise. For purposes of this Agreement, the non-renewal of the Employment Period at the end of the Initial Term or a Renewal Term does not constitute termination without Cause or resignation for Good Reason.

(d) Executive's Death or Disability. The Executive's employment shall terminate immediately upon his death or, upon written notice as set forth below, his Disability. As used in this Agreement, "Disability" shall mean such physical or mental impairment as would render the Executive unable to perform each of the essential duties of the Executive's position by reason of a medically determinable physical or mental impairment which is potentially permanent in character or which can be expected to last for a continuous period of not less than twelve (12) months. If the Employment Period is terminated by reason of the Executive's Disability, either party shall give thirty (30) days' advance written notice to that effect to the other.

(d) Executive's Retirement. The Executive's employment shall terminate upon his Retirement. As used in this Agreement, "Retirement" shall mean the point in which the Executive has reached the age of sixty-five (65) and has decided to exit the workforce completely. If the Employment Period is terminated by reason of the Executive's Retirement, the Executive shall give one hundred eighty (180) days' advance notice to the effect to the Company.

6. Effect of Termination

(a) General. Regardless of the reason for any termination of employment and subject to this Section 6, the Executive (or the Executive's estate if the Employment Period ends on account of the Executive's death) shall be entitled to (i) payment of any unpaid portion of his Base Salary through the effective date of termination; (ii) reimbursement for any outstanding reasonable business expense he has incurred in performing his duties hereunder in accordance with Company policy; (iii) continued insurance benefits to the extent required by law; and (iv) payment of any vested but unpaid rights as may be required independent of this Agreement by the terms of any bonus or other incentive pay or equity plan, or any other employee benefit plan or program of the Company. Upon termination of employment for any reason, the Executive shall resign from all boards and committees of the Company, its affiliates and its subsidiaries.

(b) Termination by the Company for Cause or by the Executive Without Good Reason. If the Company terminates the Executive's employment for Cause or the Executive terminates his employment without Good Reason, the Executive shall have no rights or claims against the Company except to receive the payments and benefits described in Section 6(a).

(c) Termination by the Company Without Cause or by the Executive with Good Reason. Except as provided in Section 1(b), if during the Employment Period the Company terminates the Executive's employment without Cause pursuant to Section 5(b), or the Executive terminates employment with Good Reason pursuant to Section 5(c), the Executive shall be entitled to receive, in addition to the items referenced in Section 6(a), the following:

(i) a pro rata bonus for the year of termination but, in connection with a termination other than a termination at or after a "Change of Control" (as defined in the RLJ Lodging Trust 2021 Equity Incentive Plan), only to the extent performance goals for the calendar year of termination are achieved, payable at the same time bonuses are paid for such year but in no event later than March 15 of the fiscal year following his termination;

(ii) continued payment of his Base Salary, at the rate in effect on his last day of employment (but in no event in an annual amount less than as set forth in Section 4(a)), for a period of twelve (12) months. Such amount shall be paid in approximately equal installments on the Company's regularly scheduled payroll dates, subject to all legally required payroll deductions and withholdings for sums owed by the Executive to the Company;

(iii) continued payment by the Company for the Executive's life and health insurance coverage for twelve (12) months to the same extent that the Company paid for such coverage immediately prior to the termination of the Executive's employment and subject to the eligibility requirements and other terms and conditions of such insurance coverage. Notwithstanding the foregoing, (A) if any plan pursuant to which the Company is providing such coverage is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") ("Section 409A") under Treasury Regulation Section 1.409A-1(a)(5), or (B) the Company is otherwise unable to continue to cover the Executive under its group health plans, then, in either case, an amount equal to the monthly plan premium payment shall thereafter be paid to the Executive as currently taxable compensation in substantially equal monthly installments over the twelve (12) month period (or the remaining portion thereof);

(iv) payment equal to one (1) times the Executive's target annual bonus for the year of termination. The payment provided for in this paragraph (iv) shall be made in a lump sum on the first anniversary of the date of the Executive's termination of employment; and

(v) vesting as of the last day of his employment in any unvested portion of any equity awards previously granted to the Executive by the Company; provided, however, that the Company may, in connection with a termination other than a termination at or after a "Change of Control" (as defined in the RLJ Lodging Trust 2021 Equity Incentive Plan) with respect to awards the vesting of which is conditioned on the achievement of performance goals, condition accelerated vesting on the ultimate achievement of the performance goals, in which case such awards shall remain outstanding until certification of achievement of the performance goals, and such awards shall vest or be forfeited as of such certification date based on the level of achievement of the performance goals.

None of the benefits described in this Section 6(c) (the "Severance Payment") will be payable unless the Executive has signed a general release (attached hereto as Exhibit A) within forty-five (45) days of date of termination, which has (and not until it has) become irrevocable, satisfactory to the Company in the reasonable exercise of its discretion, releasing the Company, its affiliates, and its trustees, directors, officers and employees, from any and all claims or potential claims arising from or related to the Executive's employment or termination of employment. Any payment conditioned on execution of the general release that was not made because the general release was not signed and had not become irrevocable shall be made within ten (10) days after the general release becomes irrevocable, provided that as to payments and benefits which are subject to Section 409A if the end of the forty-five (45) day plus seven (7) day revocation period occurs in a year subsequent to the year in which the termination of employment occurs, the payments will be made in the subsequent year. Any payments delayed pursuant to this Section 6(c) shall be paid to the Executive in a lump sum, and all remaining payments due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(d) Termination In the Event of Death, Disability or Retirement.

In the event of a termination of employment due to death, Disability or Retirement, the Executive shall be entitled to receive the items referenced in Section 6(a), as well as any performance bonus for that fiscal year and accelerating vesting of equity awards, each as specifically set forth below.

(i) If the Executive's employment terminates because of his death, the unvested portion of any equity awards previously granted to the Executive by the Company shall become fully vested as of the date of his death, and the Executive's estate shall be entitled to receive a pro-rata share of any performance bonus to which he otherwise would have been entitled for the fiscal year in which his death occurs (regardless of whether performance goals for that fiscal year are achieved) payable at the same time bonuses are paid for such year but in no event later than March 15 of the fiscal year following his death.

(ii) In the event the Executive's employment terminates due to his Disability, as of the effective date of the termination notice specified in Section 5(d), the Executive shall vest in any unvested portion of any equity awards previously granted to the Executive by the Company, and the Executive shall be entitled to receive a pro-rata share of any performance bonus to which he otherwise would have been entitled for the fiscal year in which his Disability occurs (regardless of whether performance goals for that fiscal year are achieved) payable at the same time bonuses are paid for such year but in no event later than March 15 of the fiscal year following his Disability.

(iii) In the event the Executive's employment terminates due to his Retirement, the unvested portion of any equity awards previously granted to the Executive by the Company shall be fully vested as of the date of his termination; provided, however, that the Company may, with respect to awards the vesting of which is conditioned on the achievement of performance goals, condition accelerated vesting on the ultimate achievement of the performance goals, in which case such awards shall remain outstanding until certification of achievement of the performance goals, and such awards shall vest or be forfeited as of such certification date based on the level of achievement of the performance goals. The Executive also shall be entitled to payment of a pro rata portion of any performance bonus for the fiscal year of the Executive's Retirement only to the extent performance goals for that fiscal year are achieved. The pro rata performance bonus, if any, shall be paid to the Executive at the same time bonuses are paid for such year but in no event later than March 15 of the fiscal year following his Retirement.

7. Confidentiality

(a) Definition of Proprietary Information. The Executive acknowledges that he may be furnished or may otherwise receive or have access to confidential information which relates to the Company's past, present or future business activities, strategies, services or products, research and development; financial analysis and data; improvements, inventions, processes, techniques, designs or other technical data; profit margins and other financial information; fee arrangements; compilations for marketing or development; confidential personnel and payroll information; or other information regarding administrative, management, or financial activities of the Company, or of a third party which provided proprietary information to the Company on a confidential basis. All such information, including in any electronic form, and including any materials or documents containing such information, shall be considered by the Company and the Executive as proprietary and confidential (the "Proprietary Information").

(b) Exclusions. Notwithstanding the foregoing, Proprietary Information shall not include information in the public domain not as a result of a breach of any duty by the Executive or any other person.

(c) Obligations. The Executive shall maintain the confidentiality of the Proprietary Information and shall not (i) disclose or disseminate the Proprietary Information to any third party, including employees of the Company (or its affiliates) without a legitimate business need to know during the Employment Period; (ii) remove the Proprietary Information from the Company's premises without a valid business purpose; or (iii) use the Proprietary Information for his own benefit or for the benefit of any third party. Nothing herein shall prevent the Executive from (A) complying with a valid subpoena or other legal requirement for disclosure of the Proprietary Information, provided that the Executive shall use good faith efforts to notify the Company promptly and in advance of disclosure if he believes that he is under a legal requirement to disclose the Proprietary Information otherwise protected from disclosure under this subsection and if the Executive remains legally compelled to make such disclosure, the Executive may only disclose that portion of the information that the Executive is required to disclose and shall use best efforts to ensure that such information is afforded confidential treatment; (B) disclosing the terms and conditions of this Agreement to the Executive's spouse or tax, accounting, financial or legal advisors, so long as they agree verbally or in writing to be bound by the obligations of this subsection; or (C) reporting a possible violation of law to a governmental entity or law enforcement, including making a disclosure that is protected under the whistle blower protections of applicable law.

(d) Defend Trade Secrets Act. The Executive hereby acknowledges and understands that an individual may not be held liable under any criminal or civil federal or state trade secret law for disclosure of a trade secret: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, the Executive further acknowledges and understands that an individual suing an employer for retaliation based on the reporting of a suspected violation of law may disclose a trade secret to his attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.

(e) Return of Proprietary Information. The Executive acknowledges and agrees that all the Proprietary Information used or generated during the course of working for the Company is the property of the Company. The Executive agrees to deliver to the Company all documents and other tangibles containing the Proprietary Information immediately upon termination of his employment.

8. Noncompetition

(a) Restriction on Competition. For the period of the Executive's employment with the Company and for twelve (12) months following the earliest to occur of (i) October 31, 2024 or (ii) the expiration or termination of the Executive's employment by the Company (the "Restricted Period"), the Executive agrees not to engage, directly or indirectly, as a manager, employee, consultant, partner, principal, agent, representative, or in any other individual or representative capacity in any material business that the Company conducts as of the date of the Executive's termination of employment, including but not limited to investments primarily in premium-branded, focused-service and compact full-service hotels, where material is defined as fifteen percent (15%) of the gross revenues of the Company based on the most recent quarterly earnings. Executive further agrees that for the period of the Executive's employment with the Company and for the Restricted Period, the Executive will not engage, directly or indirectly, as an owner, director, trustee, member, stockholder, or in any other corporate capacity in any material business that the Company conducts as of the date of the Executive's termination of employment. Notwithstanding the foregoing, the Executive shall not be deemed to have violated this Section 8(a) solely (i) by reason of his passive ownership of 1% or less of the outstanding stock of any publicly traded corporation or other entity, (ii) by providing legal, accounting or audit services as an employee or partner of a professional services organization or (iii) by providing services to any investment banking or other institution that do not relate to any material business that the Company conducts as of the date of the Executive's termination of employment.

(b) Non-Solicitation of Clients. During the Restricted Period, the Executive agrees not to solicit, directly or indirectly, on his own behalf or on behalf of any other person(s), any client of the Company to whom the Company had provided services at any time during the Executive's employment with the Company in any line of business that the Company conducts as of the date of the Executive's termination of employment or that the Company is actively soliciting, for the purpose of marketing or providing any service competitive with any service then offered by the Company.

(c) Non-Solicitation of Employees. During the Restricted Period, the Executive agrees that he will not, directly or indirectly, hire or attempt to hire or cause any business, other than an affiliate of the Company, to hire any person who is then or was at any time during the preceding six (6) months an employee of the Company and who is at the time of such hire or attempted hire, or was at the date of such employee's separation from the Company a vice president, senior vice president or executive vice president or other senior executive employee of the Company.

(d) Acknowledgement. The Executive acknowledges that he will acquire much Proprietary Information concerning the past, present and future business of the Company as the result of his employment, as well as access to the relationships between the Company and its clients and employees. The Executive further acknowledges that the business of the Company is very competitive and that competition by him in that business during his employment, or after his employment terminates, would severely injure the Company. The Executive understands and agrees that the restrictions contained in this Section 8 are reasonable and are required for the Company's legitimate protection, and do not unduly limit his ability to earn a livelihood.

(e) Rights and Remedies upon Breach. The Executive acknowledges and agrees that any breach by him of any of the provisions of Sections 7 and 8 (the "Restrictive Covenants") would result in irreparable injury and damage for which money damages would not provide an adequate remedy. Therefore, if the Executive breaches, or threatens to commit a breach of, any of the provisions of the Restrictive Covenants, the Company and its affiliates shall have the following rights and remedies, each of which rights and remedies shall be independent of the other and severally enforceable, and all of which rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Company and its affiliates under law or in equity (including, without limitation, the recovery of damages):

(i) The right and remedy to have the Restrictive Covenants specifically enforced (without posting bond and without the need to prove damages) by any court of competent jurisdiction, including, without limitation, the right to an entry against the Executive of restraining orders and injunctions (preliminary, mandatory, temporary and permanent) against violations, threatened or actual, and whether or not then continuing, of such covenants; and

(ii) The right and remedy to require the Executive to account for and pay over to the Company and its affiliates all compensation, profits, monies, accruals, increments or other benefits (collectively, "Benefits") derived or received by him as the result of any transactions constituting a breach of the Restrictive Covenants, and the Executive shall account for and pay over such Benefits to the Company and, if applicable, its affected affiliates.

(f) Without limiting Section 14(k), if any court or other decision-maker of competent jurisdiction determines that any of the Restrictive Covenants, or any part thereof, is unenforceable because of the duration or geographical scope of such provision, then, after such determination has become final and unappealable, the duration or scope of such provision, as the case may be, shall be reduced so that such provision becomes enforceable and, in its reduced form, such provision shall then be enforceable and shall be enforced.

9. Executive Representation

The Executive represents and warrants to the Company that he is not now under any obligation of a contractual or other nature to any person, business or other entity which is inconsistent or in conflict with this Agreement or which would prevent him from performing his obligations under this Agreement.

10. Mediation and Arbitration

(a) Except as provided in Section 10(b) and 10(c), any disputes between the Company and the Executive in any way concerning the Executive's employment, the termination of his employment, this Agreement or its enforcement shall be subject to mediation. If the Company and the Executive cannot agree upon a mediator, each shall select one name from a list of mediators maintained by any bona fide dispute resolution provider or other private mediator; the two selected shall then choose a third person who will serve as the sole mediator. The first mediation session shall occur within forty-five (45) calendar days following the notice of a dispute. If within sixty (60) days of the first mediation session the claim is not resolved, either party may request that the dispute be settled exclusively by arbitration in the State of Maryland by a single arbitrator, selected in the same manner as the mediator, in accordance with the Employment Arbitration Rules of the American Arbitration Association in effect at the time of submission to arbitration. Judgment may be entered on the arbitrator's award in any court having jurisdiction. For purposes of entering any judgment upon an award rendered by the arbitrator, any or all of the following courts have jurisdiction: (i) the United States District Court for the District of Maryland, (ii) any of the courts of the State of Maryland, or (iii) any other court having jurisdiction. Any service of process or notice requirements in any such proceeding shall be satisfied if the rules of such court relating thereto have been substantially satisfied. The Company and the Executive waive to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to such jurisdiction and any defense of inconvenient forum. A judgment upon an award rendered by the arbitrators may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each party shall bear its or his costs and expenses arising in connection with any arbitration proceeding.

(b) Notwithstanding the foregoing, the Company, in its sole discretion, may bring an action in any court of competent jurisdiction to seek injunctive relief and such other relief as the Company shall elect to enforce the Restrictive Covenants. If the courts of any one or more of such jurisdictions hold the Restrictive Covenants wholly unenforceable by reason of breadth of scope or otherwise it is the intention of the Company and the Executive that such determination not bar or in any way affect the Company's right, or the right of any of its affiliates, to the relief provided in Section 8(e) above in the courts of any other jurisdiction within the geographical scope of such Restrictive Covenants, as to breaches of such Restrictive Covenants in such other respective jurisdictions, such Restrictive Covenants as they relate to each jurisdiction being, for this purpose, severable, diverse and independent covenants, subject, where appropriate, to the doctrine of res judicata. The parties hereby agree to waive any right to a trial by jury for any and all disputes hereunder (whether or not relating to the Restrictive Covenants).

(c) Notwithstanding the foregoing, the Company or the Executive may bring an action in any court of competent jurisdiction to resolve any dispute under or seek the enforcement of Section 6.

11. Section 409A.

To the extent the Executive would be subject to the additional twenty percent (20%) tax imposed on certain deferred compensation arrangements pursuant to Section 409A, as a result of any provision of this Agreement, such provision shall be deemed amended to the minimum extent necessary to avoid application of such tax and preserve to the maximum extent possible the original intent and economic benefit to the Executive and the Company, and the parties shall promptly execute any amendment reasonably necessary to implement this Section 11.

(a) For purposes of Section 409A, the Executive's right to receive installment payments pursuant to this Agreement including, without limitation, each severance payment and health insurance payment shall be treated as a right to receive a series of separate and distinct payments.

(b) The Executive will be deemed to have a date of termination for purposes of determining the timing of any payments or benefits hereunder that are classified as deferred compensation only upon a "separation from service" within the meaning of Section 409A.

(c) Notwithstanding any other provision of this Agreement to the contrary, if at the time of the Executive's separation from service, (i) the Executive is a specified employee (within the meaning of Section 409A and using the identification methodology selected by the Company from time to time), and (ii) the Company makes a good faith determination that an amount payable on account of such separation from service to the Executive constitutes deferred compensation (within the meaning of Section 409A) the payment of which is required to be delayed pursuant to the six (6) month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A (the "Delay Period"), then the Company will not pay such amount on the otherwise scheduled payment date but will instead pay it in a lump sum on the first business day after such six (6) month period (or upon the Executive's death, if earlier), together with interest for the period of delay, compounded annually, equal to the prime rate (as published in the Wall Street Journal) in effect as of the dates the payments should otherwise have been provided. To the extent that any benefits to be provided during the Delay Period are considered deferred compensation under Section 409A provided on account of a "separation from service," and such benefits are not otherwise exempt from Section 409A, the Executive shall pay the cost of such benefit during the Delay Period, and the Company shall reimburse the Executive, to the extent that such costs would otherwise have been paid by the Company or to the extent that such benefits would otherwise have been provided by the Company at no cost to the Executive, the Company's share of the cost of such benefits upon expiration of the Delay Period, and any remaining benefits shall be reimbursed or provided by the Company in accordance with the procedures specified herein.

(c) (i) Any amount that the Executive is entitled to be reimbursed under this Agreement will be reimbursed to the Executive as promptly as practical and in any event not later than the last day of the calendar year after the calendar year in which the expenses are incurred, (ii) any right to reimbursement or in kind benefits will not be subject to liquidation or exchange for another benefit, and (iii) the amount of the expenses eligible for reimbursement during any taxable year will not affect the amount of expenses eligible for reimbursement in any other taxable year.

(d) Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within thirty (30) days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company.

12. Parachute Payment Limitations

Notwithstanding any other provision of this Agreement or of any other agreement, contract, or understanding heretofore or hereafter entered into by the Executive and the Company or its affiliates, except an agreement, contract, or understanding hereafter entered into that expressly modifies or excludes application of this Section 12 (the "Other Agreements"), and notwithstanding any formal or informal plan or other arrangement heretofore or hereafter adopted by the Company or any of its affiliates for the direct or indirect compensation of the Executive (including groups or classes of participants or beneficiaries of which the Executive is a member), whether or not such compensation is deferred, is in cash, or is in the form of a benefit to or for the Executive (a "Benefit Arrangement"), if the Executive is a "disqualified individual," as defined in Section 280G(c) of the Code, any right to receive any payment or other benefit under this Agreement shall not become exercisable or vested (i) to the extent that such right to exercise, vesting, payment, or benefit, taking into account all other rights, payments, or benefits to or for the Executive under the Agreement, all Other Agreements, and all Benefit Arrangements, would cause any payment or benefit to the Executive under this Agreement to be considered a "parachute payment" within the meaning of Section 280G(b)(2) of the Code as then in effect (a "Parachute Payment") and (ii) if, as a result of receiving a Parachute Payment, the aggregate after-tax amounts received by the Executive from the Company or any of its affiliates under this Agreement, all Other Agreements, and all Benefit Arrangements would be less than the maximum after-tax amount that could be received by the Executive without causing any such payment or benefit to be considered a Parachute Payment. In the event that the receipt of any such right to exercise, vesting, payment, or benefit under this Agreement, in conjunction with all other rights, payments, or benefits to or for the Executive under the Agreement, any Other Agreement or any Benefit Arrangement would cause the Executive to be considered to have received a Parachute Payment under this Agreement that would have the effect of decreasing the after-tax amount received by the Executive as described in clause (ii) of the preceding sentence, then the Executive shall have the right, in the Executive's sole discretion, to designate those rights, payments, or benefits under this Agreement, any Other Agreements, and any Benefit Arrangements that should be reduced or eliminated so as to avoid having the payment or benefit to the Executive under this Agreement be deemed to be a Parachute Payment; provided, however, that, to the extent any payment or benefit constitutes deferred compensation under Section 409A, in order to comply with Section 409A, the reduction or elimination will be performed in the following order: (A) reduction of cash payments; (B) reduction of COBRA benefits; (C) cancellation of acceleration of vesting on any equity awards for which the exercise price exceeds the then fair market value of the underlying equity; and (D) cancellation of acceleration of vesting of equity awards not covered under (C) above; provided, however that in the event that acceleration of vesting of equity awards is to be cancelled, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of such equity awards, that is, later granted equity awards shall be canceled before earlier granted equity awards.

13. Clawback Policies

The Executive is subject to any recoupment or clawback policies that the Company may implement or maintain at any time regarding incentive-based compensation, which is granted or awarded to the Executive on or after the date of this Agreement. Such policies may include the right to recover incentive-based compensation (including stock options awarded as compensation) awarded or received during the three-year period preceding the date on which the Company is required to prepare an accounting restatement due to material noncompliance with any financial reporting requirement under federal securities laws. The Executive agrees to amend any awards and agreements entered into on or after the date of this Agreement as the Company may request to reasonably implement such policies.

14. Miscellaneous

(a) Payment of Financial Obligations. The payment or provision to the Executive by the Company of any remuneration, benefits or other financial obligations pursuant to this Agreement and any indemnification obligations, shall be allocated between the Company and the Operating Partnership by the Compensation Committee based on any reasonable method.

(b) Notices. All notices required or permitted under this Agreement shall be in writing and shall be deemed effective (i) upon personal delivery, (ii) upon deposit with the United States Postal Service, by registered or certified mail, postage prepaid, or (iii) in the case of facsimile transmission or delivery by nationally recognized overnight delivery service, when received, addressed as follows:

(c) If to the Company, to:

RLJ Lodging Trust
7373 Wisconsin Avenue
Suite 1500
Bethesda, MD 20814
Attention: Leslie D. Hale, President and Chief Executive Officer

(i) If to the Executive, to:

Sean Mahoney
Address on file with the Company

or to such other address or addresses as either party shall designate to the other in writing from time to time by like notice.

(d) Pronouns. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns and pronouns shall include the plural, and vice versa.

(e) Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter of this Agreement, including without limitation the Prior Agreement.

(f) Amendment. This Agreement may be amended or modified only by a written instrument executed by the Company and the Executive.

(g) Governing Law. This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of Maryland, without regard to its conflicts of laws principles.

(h) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, including any entity with which or into which the Company may be merged or which may succeed to its assets or business or any entity to which the Company may assign its rights and obligations under this Agreement; provided, however, that the obligations of the Executive are personal and shall not be assigned or delegated by him.

(i) Waiver. No delays or omission by the Company or the Executive in exercising any right under this Agreement shall operate as a waiver of that or any other right. A waiver or consent by the Company shall not be effective unless consented to by the Operating Partnership and vice versa. A waiver or consent given by the Company or the Executive on any one occasion shall be effective only in that instance and shall not be construed as a bar or waiver of any right on any other occasion.

(j) Captions. The captions appearing in this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

(k) Severability. In case any provision of this Agreement shall be held by a court or arbitrator with jurisdiction over the parties to this Agreement to be invalid, illegal or otherwise unenforceable, such provision shall be restated to reflect as nearly as possible the original intentions of the parties in accordance with applicable law, and the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

(l) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

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

RLJ LODGING TRUST

By: /s/ Leslie D. Hale
Name: Leslie D. Hale
Title: President & Chief Executive Officer

RLJ LODGING TRUST, L.P.

By: RLJ Lodging Trust, its
general partner

By: /s/ Leslie D. Hale
Name: Leslie D. Hale
Title: President & Chief Executive Officer

EXECUTIVE

/s/ Sean M. Mahoney
Sean Mahoney

Exhibit A

WAIVER AND RELEASE AGREEMENT

THIS WAIVER AND RELEASE AGREEMENT (this "**Release**") is entered into as of [ ] (the "**Effective Date**"), by Sean Mahoney ("**Executive**") in consideration of severance pay (the "**Severance Payment**") provided to Executive by RLJ Lodging Trust, a Maryland real estate investment trust (the "**Company**") and RLJ Lodging Trust, L.P. (together with the Company, the "**Company Group**"), pursuant to the Employment Agreement by and among the Company Group and Executive (the "**Employment Agreement**").

1. **Waiver and Release.** Subject to the last sentence of the first paragraph of this Section 1, Executive, on his own behalf and on behalf of his heirs, executors, administrators, attorneys and assigns, hereby unconditionally and irrevocably releases, waives and forever discharges the Company Group and each of their affiliates, parents, successors, predecessors, and the subsidiaries, directors, trustees, owners, members, shareholders, officers, agents, and employees of the Company Group and their affiliates, parents, successors, predecessors, and subsidiaries (collectively, all of the foregoing are referred to as the "**Employer**"), from any and all causes of action, claims and damages, including attorneys' fees, whether known or unknown, foreseen or unforeseen, presently asserted or otherwise arising through the date of his signing of this Release, concerning his employment or separation from employment. Subject to the last sentence of the first paragraph of this Section 1, this Release includes, but is not limited to, any payments, benefits or damages arising under any federal law (including, but not limited to, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Employee Retirement Income Security Act of 1974, the Americans with Disabilities Act, Executive Order 11246, the Family and Medical Leave Act, and the Worker Adjustment and Retraining Notification Act, each as amended, and all other employment discrimination laws whatsoever as may be created or amended from time to time); any claim arising under any state or local laws, ordinances or regulations (including, but not limited to, any state or local laws, ordinances or regulations requiring that advance notice be given of certain workforce reductions); and any claim arising under any common law principle or public policy, including, but not limited to, all suits in tort or contract, such as wrongful termination, defamation, emotional distress, invasion of privacy or loss of consortium. Notwithstanding any other provision of this Release to the contrary, this Release does not encompass, and Executive does not release, waive or discharge, the obligations of the Company Group (a) to make the payments and provide the other benefits contemplated by the Employment Agreement, or (b) under any restricted stock agreement, option agreement or other agreement pertaining to Executive's equity ownership, or (c) under any indemnification or similar agreement with Executive or indemnification under the Articles of Incorporation, Amended and Restated Agreement of Limited Partnership, Bylaws or other governing instruments of the Company Group.

Executive understands that by signing this Release, he is not waiving any claims or administrative charges which cannot be waived by law. Nothing in this Release shall be construed to prohibit Executive from commencing or otherwise assisting in any investigation or proceeding conducted by the Equal Employment Opportunity Commission or any other federal, state or local government agency; provided, however, Executive waives any right to monetary recovery or individual relief in connection with any such proceeding or should one be pursued on his behalf arising out of or related to his employment with and/or separation from employment with the Company Group. For the avoidance of doubt, nothing herein prevents Executive from pursuing a whistleblower claim under applicable law.

Executive further agrees without any reservation whatsoever, never to sue the Employer or become a party to a lawsuit on the basis of any and all claims of any type lawfully and validly released in this Release.

2. **Acknowledgments.** Executive is signing this Release knowingly and voluntarily. He acknowledges that:

(a) He is hereby advised in writing to consult an attorney before signing this Release;

(b) He has relied solely on his own judgment and/or that of his attorney regarding the consideration for and the terms of this Release and is signing this Release knowingly and voluntarily of his own free will;

(c) He is not entitled to the Severance Payment unless he agrees to and honors the terms of this Release;

(d) He has been given at least twenty-one (21) calendar days to consider this Release, or he expressly waives his right to have at least twenty-one (21) days to consider this Release;

(e) He may revoke this Release within seven (7) calendar days after signing it by submitting a written notice of revocation to the Employer. He further understands that this Release is not effective or enforceable until after the seven (7) day period of revocation has expired without revocation, and that if he revokes this Release within the seven (7) day revocation period, he will not receive the Severance Payment;

(f) He has read and understands the Release and further understands that, subject to the limitations contained herein, it includes a general release of any and all known and unknown, foreseen or unforeseen claims presently asserted or otherwise arising through the date of his signing of this Release that he may have against the Employer; and

(g) No statements made or conduct by the Employer has in any way coerced or unduly influenced him to execute this Release.

3. **<u>No Admission of Liability</u>.** This Release does not constitute an admission of liability or wrongdoing on the part of the Employer, the Employer does not admit there has been any wrongdoing whatsoever against the Executive, and the Employer expressly denies that any wrongdoing has occurred.

4. **<u>Entire Agreement</u>.** There are no other agreements of any nature between the Employer and Executive with respect to the matters discussed in this Release, except as expressly stated herein, and in signing this Release, Executive is not relying on any agreements or representations, except those expressly contained in this Release.

5. **<u>Execution</u>.** It is not necessary that the Employer sign this Release following Executive's full and complete execution of it for it to become fully effective and enforceable.

6. **<u>Severability</u>.** If any provision of this Release is found, held or deemed by a court of competent jurisdiction to be void, unlawful or unenforceable under any applicable statute or controlling law, the remainder of this Release shall continue in full force and effect.

7. **<u>Governing Law</u>.** This Release shall be governed by the laws of the State of Maryland, excluding the choice of law rules thereof.

8. **<u>Headings</u>.** Section and subsection headings contained in this Release are inserted for the convenience of reference only. Section and subsection headings shall not be deemed to be a part of this Release for any purpose, and they shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

IN WITNESS WHEREOF, the undersigned has duly executed this Release as of the day and year first herein above written.

EXECUTIVE:

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Sean Mahoney

Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Leslie D. Hale, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of RLJ Lodging Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of trustees (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

RLJ LODGING TRUST

Dated: November 7, 2024

/s/ LESLIE D. HALE

Leslie D. Hale
President and Chief Executive Officer

Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Sean M. Mahoney, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of RLJ Lodging Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of trustees (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

RLJ LODGING TRUST

Dated: November 7, 2024

/s/ SEAN M. MAHONEY

Sean M. Mahoney

Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

Certification Pursuant To
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of RLJ Lodging Trust (the "Company") on Form 10-Q for the quarter ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Leslie D. Hale, President and Chief Executive Officer of the Company, and I, Sean M. Mahoney, Executive Vice President and Chief Financial Officer of the Company, certify, to our knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

RLJ LODGING TRUST

Dated: November 7, 2024

/s/ LESLIE D. HALE
Leslie D. Hale
President and Chief Executive Officer

/s/ SEAN M. MAHONEY
Sean M. Mahoney
Executive Vice President and Chief Financial Officer