

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

| | | | |
|------------------------------------------------------------------------------------------------|-----------------------------------|---------------------------------------------------------------------|-----------------------------|
| 1 Issuer's name | | 2 Issuer's employer identification number (EIN) | |
| Watermark Lodging Trust, Inc. (f/k/a Carey Watermark Investors 2 Inc.) | | 46-5765413 | |
| 3 Name of contact for additional information | 4 Telephone No. of contact | 5 Email address of contact | |
| Matt Miller | 646-599-8078 | Miller@watermarklodging.com | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact | | 7 City, town, or post office, state, and Zip code of contact | |
| 150 North Riverside Plaza, Suite 4200 | | Chicago, IL 60606 | |
| 8 Date of action | | 9 Classification and description | |
| 4/15/2021; 7/15/2021; 10/15/2021; 12/31/2021 | | Class B Preferred Stock | |
| 10 CUSIP number | 11 Serial number(s) | 12 Ticker symbol | 13 Account number(s) |
| N/A | N/A | N/A | N/A |

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶

1) On April 15, 2021 - Preferred Stock Distributions of \$17,979,587 were paid to Class B shareholders of record March 31, 2021.

2) On July 15, 2021 - Preferred Stock Distributions of \$6,539,388 were paid to Class B shareholders of record June 30, 2021.

3) On October 15, 2021 - Preferred Stock Distributions of \$6,735,569 were paid to Class B shareholders of record September 30, 2021.

4) December 31, 2021 - Preferred Stock IRC Section 305(c) deemed distributions received by Class B shareholders throughout 2021 of \$1,872,910.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶

1) April 15, 2021 Distributions - 31.8106% of each \$1 represents return of capital (i.e., reduction in basis in hands of U.S. taxpayer)

2) July 15, 2021 Distributions - 31.8106% of each \$1 represents return of capital (i.e., reduction in basis in hands of U.S. taxpayer)

3) October 15, 2021 Distributions - 31.8106% of each \$1 represents return of capital (i.e., reduction in basis in hands of U.S. taxpayer)

4) December 31, 2021 Distributions - 31.8106% of each \$1 represents return of capital (i.e., reduction in basis in hands of U.S. taxpayer)

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶

1) April 15, 2021 Distributions - The taxpayer's earnings and profits were calculated under IRC Sec. 312 (as modified by IRC Sec. 857(d) for a real estate investment trust), and the regulations thereunder. Amounts in excess of earnings and profits reduce the shareholder's tax basis in its shares to the extent of basis. Earnings and profits were calculated as of the close of year and were apportioned to each distribution made during year in accordance with IRC Sec. 316(a) and Regs. 1.316-1(a)(1).

2) July 15, 2021 Distributions - Calculated same as above.

3) October 15, 2021 Distributions - Calculated same as above.

4) December 31, 2021 Distributions - Calculated same as above.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____

1) April 15, 2021 Distributions - Internal Revenue Code Section 301(c) and 316(a).

2) July 15, 2021 Distributions - Internal Revenue Code Section 301(c) and 316(a).

3) October 15, 2021 Distributions - Internal Revenue Code Section 301(c) and 316(a).

4) December 31, 2021 Distributions - Internal Revenue Code Section 301(c), 305(c) and 316(a).

18 Can any resulting loss be recognized? ▶ _____

1) April 15, 2021 Distributions - No; non-taxable treatment governed by IRC Section 301(c)(2).

2) July 15, 2021 Distributions - No; non-taxable treatment governed by IRC Section 301(c)(2).

3) October 15, 2021 Distributions - No; non-taxable treatment governed by IRC Section 301(c)(2).

3) December 31, 2021 Distributions - No; non-taxable treatment governed by IRC Section 301(c)(2).

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ _____

These actions are effective on the date(s) of the distributions identified above.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
 Signature ▶  Date ▶ 3-22-22

Print your name ▶ Matt Miller Title ▶ CAO

| | | | | | |
|----------------------------------------------------------------------|------------------------------------|-------------------------------------------------------------------------------------|---------|-------------------------------------------------|-----------|
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| | Stephen J Bertonaschi |  | 3/22/22 | | P00747384 |
| | Firm's name ▶ FTI Consulting, Inc. | Firm's EIN ▶ 52-1261113 | | Phone no. 973-852-8100 | |
| Firm's address ▶ 56 Livingston Avenue, 4th Floor, Roseland, NJ 07068 | | | | | |