



December 1, 2023

Board of Directors (the “Board”)  
Braemar Hotels & Resorts Inc.  
14185 Dallas Parkway  
Suite 2000  
Dallas, TX 75254  
Attention: Monty J. Bennett, Chairman of the Board

RE: Proposal for Acquisition of Braemar

Dear Members of the Board:

It is my pleasure on behalf of Blackwells Capital LLC (“**Blackwells**” or “**we**”) to submit this preliminary proposal for the negotiated acquisition of Braemar Hotels & Resorts Inc. (the “**Company**” or “**you**”) by Blackwells (the “**Transaction**”).

Blackwells proposes to acquire 100% of the outstanding equity interests in the Company for \$4.50 per share in cash, subject to the terms set forth below (the “**Proposal**”). The Transaction will provide your stockholders with a substantial premium to recent trading prices of the stock and an attractive value for their shares. Our Proposal provides stockholders with compelling value, low execution risk and a quick timeline to closing.

We believe the consummation of this transaction provides an opportunity for shareholders to realize immediate value, and we urge the Board and, in particular, the independent directors to strongly consider our Proposal.

**Proposal**

**Value:** Blackwells proposes an all-cash acquisition of 100% of the outstanding shares of the Company for \$4.50 per share, reflecting a 114.3% premium to the Company’s share price of \$2.10 prior to our offer and a premium of 135.6% to the then 52-week low of \$1.91. Notably, the proposed price exceeds the unaffected 1-month, 3-month, and 6-month VWAPs by 84.0%, 75.9%, and 51.6%, respectively.<sup>1</sup>

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<sup>1</sup> Market data as of 11/30/2023.

Blackwells Capital  
400 Park Avenue, 4th Floor  
New York, NY 10022

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**Financing:** We would expect to finance the Transaction with a combination of debt and equity. Blackwells' internal resources, as well as LP commitments, conditioned on completion of satisfactory diligence investigations, will fund the equity portion of the Transaction. Closing would be subject only to customary closing conditions for a transaction of this nature with no financing condition or contingency.

Below please find our expected sources and uses to finance the Transaction: <sup>2, 3</sup>

<b>Sources &amp; Uses</b>		
<b>(\$ in millions)</b>		
<i>Uses of Funds</i>	<i>\$</i>	<i>%</i>
Purchase of Equity.....	\$391	17.2%
Refinanced Debt .....	1,101	48.5%
Refinanced Preferred .....	575	25.3%
External Management Termination Fee .....	35	1.5%
Buyout Park Minority Interest .....	69	3.1%
Transaction Costs .....	97	4.3%
<b>Total .....</b>	<b>\$2,268</b>	<b>100.0%</b>
<i>Sources of Funds</i>	<i>\$</i>	<i>%</i>
Sponsor Equity .....	\$550	24.3%
New Debt .....	1,600	70.5%
Cash from Balance Sheet .....	118	5.2%
<b>Total .....</b>	<b>\$2,268</b>	<b>100.0%</b>

**Due Diligence:** Our Proposal is subject to standard confirmatory diligence. Given our industry experience and the substantial preparatory work we have done, we can proceed expeditiously with the requisite due diligence and simultaneously negotiate a definitive agreement. Our work would include customary property-level diligence, financial diligence, and confirmatory legal, accounting and tax reviews. We have engaged Vinson & Elkins LLP as our legal advisor in connection with the Proposal and are prepared to enter into a confidentiality agreement to facilitate these reviews. Given our and our advisors' experience with transactions of this type, we expect to be able to complete the required due diligence and enter into definitive documentation within 45 days. A preliminary

<sup>2</sup> Balance sheet data as of 9/30/2023.

<sup>3</sup> Note: We have calculated that the contractual termination fee to Ashford Inc. is approximately \$203 million; however, we believe there is legal basis for Mr. Bennett and Ashford, Inc. to receive no termination fee on account of Ashford Inc.'s performance. As such, we propose a \$35 million termination fee as part of the Transaction.

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copy of our due diligence request list is attached as Appendix I to this letter. We are eager to commence work, and our team is available immediately.

**Closing Conditions:** The consummation of the Transaction will be subject to limited customary closing conditions for a public company transaction of this nature and will not be subject to a financing condition or contingency.

**Exclusivity:** We propose to enter into exclusive bilateral negotiations with you and work expeditiously to sign and announce the Transaction. We would expect the Transaction to provide for a customary “Go-Shop” period. A copy of our proposed exclusivity agreement is attached as Appendix II to this letter.

**Reviews and Approvals:** This letter has been reviewed and approved by our investment committee.

This letter does not constitute a binding obligation or commitment of either party or its affiliates to proceed with any transaction. No such obligations will be imposed on either party or its affiliates unless and until a mutually acceptable definitive agreement is formally entered into by both parties.

We look forward to working collaboratively with the Board and its advisors to advance our Proposal. Please contact me at your earliest convenience to discuss next steps.

Sincerely,



**Jason Aintabi**  
**Chief Investment Officer, Blackwells Capital**

cc: Richard J. Stockton, Chief Executive Officer and President

## Appendix I

### Due Diligence Request List

Set forth below is a general list of documents and information that Blackwells Capital LLC (“Blackwells” or “we”) would like to review relating to the preliminary proposal for the negotiated acquisition of Braemar Hotels & Resorts Inc. (the “Company”) by Blackwells (the “Transaction”). References to “subsidiaries” include, without limitation, any entity in which the Company holds or has held (as appropriate), directly or indirectly, an equity interest. This list is intended to be preliminary; therefore, as we proceed with our review, we may wish to review items in addition to those set forth below.

This priority column of the due diligence request list below includes a notation of 1, 2, or 3. A notation of 1 denotes items of the highest priority for delivery. All items included in this due diligence request list are necessary for our due diligence review, but the prompt delivery of items with the highest priority will allow us to proceed expeditiously with our due diligence review.

		Priority
<b>I. GENERAL CORPORATE MATTERS</b>		
a.	Organizational chart identifying all subsidiaries and their relationship to each other, including corporations, partnerships, limited liability companies, trusts and joint ventures and describing the federal income status of all such subsidiaries (e.g., real estate investment trust (“REIT”), partnership, qualified REIT subsidiary (“QRS”), disregarded entity, taxable REIT subsidiary (“TRS”), or C corporation). Please confirm that (i) all entities in which the Company owns a direct or indirect interest are shown on the structure chart and (ii) no partnerships, limited liability companies, or other noncorporate entities in which the Company owns a direct or indirect interest have elected to be taxed as corporations for federal income tax purposes. For other than wholly-owned subsidiaries, please indicate the jurisdiction of formation of each such entity and the percentage ownership by the Company.	1
b.	List of all states in which the Company and its subsidiaries owns properties or conducts business (indicating the location of such properties) or is otherwise required to be qualified to do business as a foreign entity, and the status of the foreign qualifications in each such state.	1
c.	Capitalization summary of the Company, including a list of all options and restricted stock proposed to be granted in the future pursuant to equity incentive plans maintained by the Company, all securities reserved for future issuance by the Company and all outstanding securities that are exchangeable, exercisable for, or convertible into, equity securities of the Company.	1
d.	Articles of incorporation, bylaws, certificates and agreements of limited partnership, certificates of formation, operating agreements and other similar organizational documents of the Company and its subsidiaries and all amendments or modifications thereto.	2

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		Priority
e.	Any information packages prepared for the Company's board of directors in the last two years.	2
f.	Certificates of good standing and foreign qualification of the Company and its subsidiaries.	2
g.	Minutes of meetings of, and all actions taken without a meeting by , partners, members, stockholders or other equity holders, the board of directors, board of managers, general partner, managing member or other similar governing entity or body with respect to the Company and its subsidiaries. Please include written consents to actions without a meeting and notices or waivers of notice.	3
<b>II. SECURITY HOLDERS; PRIVATE PLACEMENTS</b>		
a.	All agreements and documents relating to the sale or issuance of securities by the Company or its subsidiaries, including equity purchase agreements, contribution agreements, private placement documents, and other offering documents.	2
b.	State permits, notices of exemption and consents for issuance or transfer of the Company's securities or of any subsidiary and evidence of qualification or exemption under applicable blue sky laws, including any Form D filings.	2
c.	Any current trust agreements, proxies, voting agreements and other agreements affecting the voting, transfer or other rights of stockholders of the Company or its subsidiaries.	2
d.	Any agreements and other documentation relating to repurchases, redemptions, exchanges, conversions or similar transactions involving the Company's or its subsidiaries' securities.	2
e.	Any agreements among security holders of the Company or its subsidiaries and any waivers or consents by security holders thereof.	2
f.	Documentation describing any carried interest, promoted interest, profits interest, disposition fee or similar arrangement relating to the Company.	2
<b>III. FINANCING MATERIALS</b>		
a.	All documents and agreements currently in place evidencing or relating to outstanding borrowings of the Company, whether secured or unsecured (including indentures, mortgages, loan and credit agreements, letters of credit, guarantees and other material agreements), including a schedule of such borrowings, reflecting lenders' name, any guarantors, original and currently outstanding principal amounts, accrued interest and terms and collateral.	1
b.	Any letters of credit to which the Company is a party or by which any of them are bound.	1
c.	Any other material agreements between the Company and its creditors.	1
d.	Any interest rate caps, swaps, hedging agreement or similar instruments entered into by the Company.	1
e.	Detailed description of any default related to prior or current obligations of the Company that has occurred, may reasonably be claimed to have occurred or may occur as a result of the Transaction.	1



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f.	Schedules, reports or other computations as to compliance with covenants in any existing financing arrangements by the Company.	1
g.	Presentations given to creditors in connection with obtaining credit or prepared for potential lenders in connection with proposed financing by the Company; presentations to rating agencies and security analysts by the Company.	1
h.	All agreements of the Company relating to loans by the Company to, or guaranties of the obligations of, other entities or persons (including the Company's officers, employees, principals or members), including a schedule of such loans, reflecting obligor name, any guarantors, original and currently outstanding principal amounts, accrued interest and terms.	1
i.	All material intercompany loan agreements currently in place.	1
j.	Any other information or documents evidencing financing leases, sale and lease-back agreements or material indebtedness of the Company, including a schedule of and documents pertaining to any off-balance sheet liabilities or contingent liabilities.	1
k.	Any material correspondence between lenders (including entities committed to lend) and the Company.	1
<b>IV. MANAGEMENT &amp; EMPLOYEES OF THE COMPANY</b>		
a.	Organizational charts by department and by legal entity.	1
b.	Number of employees by department and by functional area.	1
c.	Copies of all employment contracts (including indemnification, non-competition, severance, confidentiality and similar arrangements) currently in place or anticipated in the future.	1
d.	Governing documents for bonus plans, retirement plans, pension plans, deferred compensation plans, profit sharing and management incentive agreements (whether written or oral). All other employee compensation, benefit (e.g., life or health insurance) or similar plans (whether written or oral).	1
e.	Agreements for loans to, and any other agreements (including consulting and employment contracts) with, any "insider" (i.e., any member, partner, director, manager, officer or owner (and its directors and officers), of a substantial amount of the Company's securities), whether or not now outstanding, including (but not limited to) loans to purchase equity interests or consulting contracts.	1
f.	Description of any related transactions, including between the Company or its subsidiaries, on the one hand, and any "insider" of the Company or any associate of an "insider" or between or involving any two or more such "insiders," including any managers, officers, employees, their relatives, any entities controlled by the foregoing or any other affiliates of such Company, on the other hand.	1
g.	All documents relating to the policies and procedures by which the Company executes related party transactions.	1
h.	Collective bargaining agreements or other material labor contracts.	1

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i.	Description of any significant labor problems or union activities the Company has experienced including any collective bargaining agreements.	1
j.	List and describe any employment or benefit plan related claims, charges of discrimination, arbitrations, grievances, lawsuits, investigations or proceedings involving any of the Company's employees.	1
k.	Copies of the most recently completed director and officer questionnaires and reports, documents or other materials related to any director or officer departure, appointment or election within the last two years.	2
l.	Provide a list of all consultants, contracting agencies and other independent contractors of the Company and all agreements with such persons or agencies or other documents regarding their engagement.	2
m.	Provide all confidentiality, non-disclosure, non-solicitation and non-competition agreements to which any of the employees, consultants, or independent contractors is a party or bound.	2
n.	Provide copies of all written employee policies, manuals, handbooks, guidelines, and rules relating to employees associated with or employed by the Company.	3
<b>V. INTELLECTUAL PROPERTY RIGHTS</b>		
a.	Current list of material patents, trademarks, trade names and other intellectual property (the " <b>Intellectual Property</b> ") of the Company.	1
b.	Any correspondence from third parties regarding potential infringement of Intellectual Property rights of others.	1
c.	All agreements related to the licensing and/or development of the Company's Intellectual Property.	2
d.	Material agreements regarding the use by the Company of the Intellectual Property or the intellectual property of any third party.	2
<b>VI. REAL PROPERTY AND ENVIRONMENTAL</b>		
a.	Schedule of all direct and indirect real property interests owned by the Company or its subsidiaries or proposed to be acquired by the Company or its subsidiaries (as owner in fee, through ownership of equity in a trust, partnership, limited liability company or corporation, as lessee, sublessee or mortgagee) (the " <b>Properties</b> ").	1
b.	For all Properties, please provide a schedule indicating name, location, year built, number of rooms, hotel management company, percent interest owned, type of interest owned (i.e., fee or leasehold), mortgage(s) to which the property is subject and other key information (e.g., square feet, purchase price, date of purchase, street address, physical dimensions, age of roof if different than date of construction, and other physical information that a prospective purchaser would consider relevant).	1
c.	All agreements related to the acquisition, disposition or development of the Properties, including, without limitation, conveyance deeds and a copy of the closing binder for any purchase or sale of properties.	1
d.	List of all Properties which are currently subject to contracts of purchase, sale or option, are currently in negotiation for purchase, sale or option, or are "held for sale" and copies of all documents in connection therewith or	1

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	in the event that no definitive documentations exists, reports as to the status of negotiations.	
e.	List of all properties currently being evaluated for acquisition or investment by the Company, including any letters of intent.	1
f.	All management agreements, franchise agreements, license agreements and similar agreements with respect to the Properties, including a schedule of such arrangements and material terms (e.g., fees, reimbursements, permitted transfers, transfer consent requirements, termination rights), any amendments to any of such agreements and copies of all material correspondence between the parties to such agreements, including compliance letters and reports, notices of defaults, waivers, etc.	1
g.	Copies of all existing title insurance policies for the Properties and copies of any title insurance commitments or updates for the Properties, if any, together with copies of all title exceptions listed therein such as easements, restrictions, licenses, encumbrances, and violations.	1
h.	List of material contracts relating to the Properties, including contracts for repair, maintenance, rehabilitation or new construction now in progress or currently scheduled.	1
i.	With respect to the Properties, a schedule of significant projected capital improvements including any property improvement plans required pursuant to any management agreement, franchise agreement, license agreement or similar agreement and all construction-related contracts.	1
j.	Please provide a summary of any material leases and the economic terms of such leased property, including rent (fixed, percentage or other), renewal options, assignability, financing provisions, financial maintenance covenants and any other material terms. Please provide copies of any ground leases or similar agreements affecting any property, plant and equipment to which the Company is a party as lessee or lessor and which relate directly or indirectly to any of the Properties.	1
k.	Evidence of zoning compliance and certificates of occupancy, as applicable, and/or any notices regarding material violations of zoning, building codes or similar regulations.	1
l.	Copies of all material licenses and permits used in connection with the operation or occupancy of each Property and details regarding any violation, alleged violation or potential violation of any license or permit.	1
m.	Please provide a schedule setting forth (i) any notices of condemnation or other documents relating to the exercise of the power of eminent domain related to any Property, (ii) any special assessments for road, sewers or water mains and like items related to any Property, and (iii) any other government actions relating to any Property.	1
n.	Any indemnity or similar agreements to which the Company is a party regarding any environmental matters relating to the Properties.	1
o.	Copies of all notices or demands from environmental agencies relating to the Properties.	1



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p.	Property related tax matters, including any documentation regarding any deficiencies (proposed or threatened) or ongoing tax disputes and any material correspondence with the IRS or any local tax authority.	1
q.	Copies of all insurance policies (or certificates with respect thereto) covering the Properties, including, without limitation, flood insurance policies (as applicable).	1
r.	List of all Properties located in a flood zone.	1
s.	Copy of operating statements and a summary of capital expenditures pertaining to the Properties for the prior 12 months.	1
t.	List of material maintenance work orders for the prior 12 months and a list of warranties, if any, on roofs, air conditioning units, fixtures and equipment.	1
u.	Schedule of all easements, condemnations or other rights-of-way with respect to the Properties and copies of the same and a description of any easements or rights-of-way which are currently being sought.	2
v.	Please provide a summary of all material options, rights of first offer, rights of first refusal and similar agreements with respect to each Property and copies of the agreements setting forth such rights.	2
w.	Copies of the most recent survey(s) and/or site plan(s) for each of the Properties.	2
x.	Copies of all environmental audits, risk assessments or engineering consultants' reports relating to any Property. Please provide a schedule of anticipated material capital expenditures, operating costs, asset retirement obligations or other operational requirements relating to environmental laws, including such matters relating to pollution, hazardous substances, climate change, and green building regulation.	2
y.	Copies of any property condition or other similar reports for the Properties.	2
z.	List of material personal property owned by the Company located at each of the Properties.	2
<b>VII. AUDIT RELATED MATTERS</b>		
a.	Lawyers' litigation letters prepared for any auditors or accountants.	1
b.	Reports and opinion letters ( <i>e.g.</i> , management letters) of the accountants for the Company, and all other correspondence with its accountant relating to management and accounting procedures.	1
c.	A list of any material issues raised in management letters concerning controls.	1
d.	All written materials, if any, prepared in connection with a presentation by the auditors to the boards of directors, managers, general partners, managing members or other governing persons or entities.	1
e.	A list of any outstanding concerns or disputes with auditors.	1
f.	A description of any anticipated material write-offs or non-recurring charges.	1
g.	A description of any significant accounting issues or changes in policies or estimates.	1
h.	With respect to the Properties, property basis and depreciation schedules.	1

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i.	All internal and external compliance, internal control and risk management assessments, manuals and policies.	3
<b>VIII. LITIGATIONS, DISPUTES AND GOVERNMENT ACTIONS</b>		
a.	Schedule of and materials relating to, and a description of the status of, each presently threatened or pending material claim, litigation or arbitration, and of each material claim, litigation or arbitration concluded or settled, as to which the Company is a party or in which any of them may become involved (whether as plaintiff or defendant, and including specifically claims or proceedings before any federal or state commission or agency).	1
b.	Complaints, orders or other significant documents relating to pending or threatened matters involving claims of \$10,000 or more or seeking injunctive or other equitable relief (other than as provided in response to VIII(a) above).	1
c.	Schedule of any litigation, claims, disputes or controversies (either pending, threatened or contemplated) involving any director, member, partner, trustee, manager, officer, employee or principal shareholder or equity holder, as the case may be, of the Company concerning bankruptcy, criminal matters, securities laws or business practices.	1
d.	Any decrees, orders or judgments of courts or governmental agencies to which the Company is a party or involving any person in his or her capacity as a director, member, partner, trustee, manager, officer, employee or principal shareholder or equity holder, as the case may be, of the Company under which there are continuing or contingent obligations.	1
e.	A description of any material disputes, oral or written, with franchisors, managers, vendors, joint venture partners, occupants of land plots adjacent to a Property, local authorities or similar entities.	1
f.	Descriptions of material liens, charges, security interests, pledges, covenants, agreements, restrictions and encumbrances. Please provide UCC search results and other lien searches performed. Copies of all mechanics' liens (if any), filed or perfected, affecting the properties or bonds related thereto in any material respect, and description of status of negotiations/ litigation with claimants.	1
g.	Please provide all material correspondence with, reports of, reports to, or agreements with any federal, state or local governmental agency (including the U.S. Securities and Exchange Commission and any state securities regulator) or other administrative or regulatory body (including the New York Stock Exchange) with regard to the Company.	1
<b>IX. INSURANCE</b>		
a.	With respect to the Company, a schedule of current insurance arrangements summarizing all policies, including, but not limited to:	1
	(i) Title insurance	
	(ii) Property insurance	
	(iii) Corporate liability insurance	
	(iv) Directors and officers liability insurance	

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	(v) Stop-loss, catastrophic and similar insurance	
	(vi) Terrorism insurance	
	(vii) Other forms of insurance	
b.	With respect to the Company, claims history received from insurer or third party administrator, including an indication of the status of such claims and any disputes.	3
<b>X. REPORTS AND STUDIES</b>		
a.	Financial, operating and business plans for the next three years, including projected income statements, cash flows, and balance sheets, with assumptions.	1
b.	Management presentations and reports, including presentations and reports discussing business outlook and prospects and property operating/strategic plans.	1
c.	All market research and industry studies conducted, including any internal or outside consultant studies.	1
<b>XI. MATERIAL TRANSACTIONS (ACQUISITIONS / DIVESTITURES, JVs, ETC.)</b>		
a.	Documentation relating to material acquisitions, divestitures, mergers, consolidations or similar transactions involving the Company, including pending or contemplated transactions.	1
b.	Any correspondence relating to any post-closing disputes, indemnification claims or purchase price adjustments involving the Company.	1
c.	Schedule setting forth the timing, nature and amount of any deferred consideration or earn-outs (whether or not contingent) involving the Company.	1
d.	List and provide copies of all partnership or joint venture agreements involving the Company. Please include in such list a description of the ownership, voting rights, other contractual arrangements and the involvement or interest of the Company, and any shareholder, member, partner, trustee, manager, general partner or officer thereof.	1
e.	Any non-competition or similar agreements involving the Company, including any agreements, contracts or commitments restricting the Company from engaging in any line of business.	1
<b>XII. OTHER MATERIAL CONTRACTS AND REQUIRED CONSENTS</b>		
a.	Schedule of all notifications required to be given to, or consents required from, any third party (including any governmental agency or instrumentality) required for the Transaction.	1
<b>XIII. TAX MATTERS</b>		
a.	Please confirm that (x) there have been no mergers or consolidations involving the Company (or any of its subsidiaries) and C corporations and (y) the Company has not succeeded to any C corporation earnings and profits in connection with any non-taxable merger or similar transaction involving any other entity other than a C corporation. If any such mergers or consolidations have taken place, please provide information regarding (a) the date of such transaction(s), (b) the amount of C corporation earnings and profits and how such amount was determined, and (c) the mechanisms	1

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	by which such C corporation earnings and profits were timely purged from the Company.	
b.	To the extent that the Company directly or indirectly holds any asset the disposition of which would be subject to (or to rules similar to) section 1374 of the Code (or otherwise result in any “built-in gains” Tax under section 337(d) of the Code and the applicable Treasury Regulations thereunder), please provide detailed information regarding such asset including:	1
	(i) the date such asset was acquired;	
	(ii) the manner in which such asset was acquired;	
	(iii) the built-in gain on each such asset as of the date of its acquisition by the Company, including the adjusted tax basis and fair market value of the asset on the relevant acquisition date; and	
	(iv) information regarding whether any such built-in gains tax has been recognized to date.	
c.	Please describe any stock or other equity investments held or acquired by the Company, other than the stock of publicly offered REITs, QRSs or TRSs.	1
d.	Please provide the Company’s tax compliance schedules showing:	2
	(i) compliance with the asset tests for each quarter of the Company’s 2016-2022 taxable years and the first, second and third quarters of the Company’s 2023 taxable year;	
	(ii) compliance with the gross income tests for the Company’s 2016-2022 taxable years and projected compliance with the gross income tests for the Company’s 2023 taxable year; and	
	(iii) compliance with the distribution test for the Company’s 2012-2019 taxable years and projected compliance with the distribution test for the Company’s 2023 taxable year.	
e.	Please provide copies of the federal and state income tax returns for the Company and each of its subsidiaries filing tax returns for their 2016-2022 taxable years.	2
f.	To the extent not already provided, please provide copies of any tax elections made by the Company or any of its subsidiaries since inception, including, without limitation, “check-the-box” elections, TRS elections and Section 754 elections, and proof of filing.	2
g.	Please provide current tax basis balance sheets showing the Company’s assets and liabilities (whether owned directly or through lower-tier entities).	2
h.	Please list any shareholder for whom the Company has waived its ownership limit, state what percentage of the Company’s stock that any such shareholder is permitted to own pursuant to the terms of the waiver, and, if such shareholder is an entity, describe the ownership of such shareholder. Please provide materials showing the Company’s compliance with the 5/50 test for the 2016-2023 taxable years.	2
i.	Please provide copies of any analyses, memoranda (including, without limitation, FIN 48 memos, tax memos provided to auditors or tax memos or	2



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	analysis from outside tax advisors), opinions (including accompanying officer's certificates) or correspondence (including substantive emails) regarding any tax issue of the Company or any of its subsidiaries, including, but not limited to, the Company's qualification as a REIT.	
j.	Please describe any instances in which the Company has relied upon "REIT savings" clauses to cure any REIT qualification violations.	2
k.	Please provide copies of any private letter ruling requests or presubmission memoranda submitted to the IRS and any private letter rulings received from the IRS by the Company or any of its subsidiaries, including the private letter ruling obtained from the IRS in connection with Ashford Inc.'s acquisition of Remington Hotels and the supporting submission packet. Please also provide copies of any requests for closing agreements submitted to the IRS and any closing agreements entered into with the IRS.	2
l.	Please provide descriptions of any tax shelters or aggressive tax planning techniques entered into or utilized by the Company or any of its subsidiaries, along with any filings with the IRS (or any state taxing authority) with respect to any "reportable transaction" (or state equivalent).	2
m.	Please either confirm that there is no pending audit of the Company or any of its subsidiaries, or describe any such audit. Also confirm that none of the Company or any of its subsidiaries has waived or extended the statute of limitations with respect to any open tax year.	2
n.	Please provide all agreements related to taxes, if any, including tax sharing, tax allocation and closing agreements.	2
o.	Please provide a description of any transactions giving rise to significant tax attributes (losses, credits, etc.).	2
p.	Please provide a description of operations of the Company or any subsidiary outside of the United States and the structure for the operations, and description of any cross-border transactions undertaken by the Company or any of its subsidiaries.	2
q.	With respect to each lease between the Company (or any of its non-TRS subsidiaries) and any TRS, please provide a copy of the lease and projections of the TRS lessee's net income under such lease. Please also provide any transfer pricing studies obtained in connection with such leases.	3
r.	With respect to transactions between the Company (or any of its non-Tax subsidiary) and any TRS:	3
	(i) Please describe any arrangements entered between the Company and its non-TRS subsidiaries, on the one hand, and its TRS subsidiaries on the other, that could be viewed as not consistent with the TRS subsidiaries dealing with the Company and its non-TRS subsidiaries in the same manner as a third party would.	
	(ii) Please describe any transaction in which any TRS of the Company has provided credit support for REIT-level borrowings. For any such transaction, please provide the Company's analysis of whether	



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	the applicable TRS has been adequately compensated by the REIT for the fair market value of providing such credit support.	
(iii)	Please provide copies of all cost-sharing or similar agreements between the REIT and any of its subsidiaries.	
(iv)	Please describe any payment guarantees that the Company or a non-TRS subsidiary provided with respect to franchise agreements or management agreements entered into by TRSs of the Company.	
s.	Please provide a copy of each hotel management agreement. To the extent a hotel manager engaged by any TRS of the Company did not provide a representation in the applicable management agreement confirming its status as an “eligible independent contractor” under Code Section 856(d)(9)(D), please provide any documentation or analysis obtained or prepared by the Company regarding the manager’s qualifications as an “eligible independent contractor.”	3
t.	Please confirm that more than half of the dwelling units in each of the Company’s hotels have been used on a transient basis during each year.	3
u.	Please provide information regarding any gambling or slot machines, video poker or similar devices on any hotel property.	3
v.	Please confirm that any “key money” payments received since January 1, 2016 have been received by a TRS of the Company, or describe such payments and the Company’s treatment of such payments for REIT purposes.	3
w.	Please describe any loan or debt security held by the Company or any of its non-TRS subsidiaries (including the acquisition of an interest in a loan or debt security), where the Company or the non-TRS subsidiary, as applicable, is the lender, that has not been fully secured by real property during the term of the loan or debt security. Please also describe any equity securities (other than equity securities of a TRS, QRS, or any entity taxed as a partnership for federal income tax purposes) acquired by the Company or any of its non-TRS subsidiaries.	3
x.	Please provide a schedule listing any properties of the Company or any of its subsidiaries with respect to which the fair market value of the personal property has exceeded or exceeds 15% of the aggregate fair market value of the real and personal property. To the extent the Company has treated any property as real property for purposes of the REIT gross income and asset tests but is depreciating that property for federal income tax purposes as anything other than real property, please identify the property and the Company’s analysis regarding its classification as real property for REIT gross income and asset test purposes. Also, please provide a copy of any cost segregation studies for any properties held by the Company or any of its non-TRS subsidiaries that have more than a de minimis amount of personal property.	3
y.	Please provide a list of any sales of properties via taxable transactions by the Company since January 1, 2016. For each such property sold, please list the dates on which it was acquired and sold, the amount of tax gain or loss	3

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		<b>Priority</b>
	on the disposition, the reason(s) for the disposition, and confirm that the aggregate expenditures made during the two years preceding the sale and includable in the property's basis did not exceed 30% of the net sales price of the property. Please also provide any opinions (or other memoranda or analyses) addressing why such dispositions do not constitute prohibited transactions.	
z.	Please describe any hedging transactions entered into by the Company or any of its non-TRS subsidiaries January 1, 2016. To the extent the Company has treated those transactions as qualifying liability hedges under section 856(c)(5)(G) of the Code, please provide copies of the documentation showing that those transactions were clearly and timely identified as hedging transactions in accordance with section 1221(a)(7) of the Code and Treasury Regulations section 1.1221-2.	3
aa.	Please confirm that the Company sent shareholder demand letters for each of its 2016-2022 taxable years and provide copies of any responses received.	3
bb.	If the Company owns directly or indirectly more than 10% of the equity (by vote or value) of any REIT (other than a publicly traded REIT), please provide the information requested above with respect to such REITs. In addition, please provide the following: (i) the REIT's charter and any articles supplementary; (ii) documentation showing compliance with the 100-shareholder test; and (iii) copies of all dividend resolutions.	3

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## Appendix II

### PRIVATE & CONFIDENTIAL

Braemar Hotels & Resorts Inc.  
14185 Dallas Parkway  
Suite 2000  
Dallas, TX 75254  
Attention: Monty J. Bennett, Chairman of the Board

Re: Exclusivity Agreement

Dear Mr. Bennett:

This letter agreement (this "*Agreement*") sets forth our understanding with respect to certain matters relating to our negotiations regarding a potential transaction (a "*Potential Transaction*") between Braemar Hotels & Resorts Inc., a Maryland corporation (the "*Company*"), and Blackwells Capital LLC ("*Blackwells*"). The Company and Blackwells are referred to individually herein as a "*Party*," and collectively herein as the "*Parties*."

In order to induce Blackwells to devote additional time and resources in consideration of a Potential Transaction and in consideration therefor, from the date of this Agreement until the earlier of (i) the execution of a definitive agreement involving a Potential Transaction by the Parties and (ii) 11:59 p.m. Eastern Time on [January XX] 2024 (the "*Exclusivity Period*"), provided, however, that with respect to the foregoing clause (ii), the Exclusivity Period shall automatically extend for additional, successive thirty-day terms, unless and until, in the case of any such extensions, Blackwells or the Company delivers written notice that it no longer intends to pursue a Potential Transaction no less than three days before the end of the then current term (in which case, the Exclusivity Period shall end at 11:59 p.m. Eastern Time on the day such current term expires), the Company agrees that it shall negotiate exclusively with Blackwells with respect to a Potential Transaction, and the Company shall not, and it shall cause its Representatives (as defined below) not to, directly or indirectly (i) initiate, solicit, encourage or assist any inquiries or the making of any proposal or offer concerning an Alternative Transaction (as defined below), including by way of furnishing or otherwise making available any non-public information or data concerning the Company or any assets owned (in whole or in part) by the Company or by providing or permitting access to any of the properties of the Company; (ii) engage in, continue or otherwise participate in any discussions, communications or negotiations with any person concerning an Alternative Transaction or that could reasonably be expected to lead to an Alternative Transaction; (iii) enter into any agreement or agreement in principle (in each case, whether written or oral) with any person concerning an Alternative Transaction or that could reasonably be expected to lead to an Alternative Transaction; (iv) grant any waiver, amendment or release under any standstill or confidentiality agreement concerning an Alternative Transaction or that could reasonably be expected to lead to an Alternative Transaction; or (v) otherwise facilitate any effort or attempt by any person to make a proposal or offer concerning an Alternative Transaction or that could reasonably be expected to lead to an Alternative Transaction.

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As used in this Agreement, the term (i) “*Representatives*” means, with respect to a Party, such Party’s stockholders, affiliates, directors, officers, employees, agents, investment bankers, attorneys, accountants, consultants, advisors and other representatives, and (ii) “*Alternative Transaction*” means, other than any transaction solely with Blackwells, any transaction, or any solicitation, inquiry, offer or proposal concerning a transaction, to, directly or indirectly (a) purchase or otherwise acquire 5% or more of the outstanding shares of any class of equity securities or debt securities of the Company or its subsidiaries or any interests therein, (b) effect any merger, share exchange, tender offer, business combination, consolidation, joint venture, restructuring, reorganization, recapitalization, spin-off, split-off or other alternative transaction involving any capital stock, businesses or assets of the Company, or (c) transfer, sell or lease 5% or more of the assets and properties of the Company or interests therein. The Company shall be responsible for any breach of the terms of this Agreement by any of its Representatives.

Upon the execution of this Agreement, the Company shall, and shall cause its Representatives to, immediately cease any discussions, communications or negotiations with, or any solicitation, encouragement or assistance of, any person and terminate access to any virtual or electronic data room provided to any person, in each case that may be ongoing with respect to an Alternative Transaction or that could reasonably be expected to lead to an Alternative Transaction. In the event that the Company receives an unsolicited inquiry, offer or proposal with respect to an Alternative Transaction during the Exclusivity Period, or obtains information that such an inquiry, offer or proposal is likely to be made, the Company will provide Blackwells with immediate notice thereof, which notice shall include the terms of, and the identity of the person or persons making, such inquiry, offer or proposal.

The Parties acknowledge that the execution and delivery of this Agreement does not create any legally binding obligations between the Parties relating to the Potential Transaction except those specifically set forth herein. Each Party acknowledges and agrees that this Agreement expresses the Parties’ interests in continuing discussions regarding the Potential Transaction and is not intended to, and does not, create any legally binding obligation on either Party to consummate the Potential Transaction. Such an obligation will arise only upon the execution and delivery of final definitive agreements relating to the Potential Transaction.

The existence of this Agreement, the terms hereof and any communications regarding it constitute confidential information to be treated by the Parties in accordance with the terms of the Confidentiality Agreement, dated as of [December XX] 2023 by and between the Parties.

The Parties acknowledge that a breach of this Agreement would cause irreparable harm for which monetary damages would be an inadequate remedy. Accordingly, each Party agrees that the other Party shall be entitled to seek equitable relief in the event of any breach or threatened breach of this Agreement, including injunctive relief against any breach hereof and specific performance of any provision hereof, in addition to any other remedy to which such other Party may be entitled. The Parties further agree that no Party shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this paragraph, and each Party waives any objection to the imposition of such relief or any right it may have to require the obtaining, furnishing or posting of any such bond or similar instrument.

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This Agreement shall be governed by and construed in accordance with the internal laws of the State of Maryland without giving effect to any choice or conflict of law provision or rule (whether of the State of Maryland or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of Maryland. With respect to any action or proceeding between the parties arising out of or relating to this Agreement, each party: (a) irrevocably and unconditionally consents and submits to the exclusive jurisdiction and venue of the Circuit Court of Baltimore City of the State of Maryland or, to the extent such court does not have subject matter jurisdiction, the United States District Court for the State of Maryland, (b) agrees that all claims in respect of such action or proceeding shall be heard and determined exclusively in accordance with the preceding clause (a), (c) waives any objection to laying venue in any such action or proceeding in such courts, and (d) waives any objection that such courts are an inconvenient forum or do not have jurisdiction over any party. Each party irrevocably waives any and all rights to trial by jury in any action or proceeding between the parties arising out of or relating to this Agreement.

In the event that any of the provisions of this Agreement shall be held by a court or other tribunal of competent jurisdiction to be invalid or unenforceable, the remaining portions hereof shall remain in full force and effect and such provision shall be enforced to the maximum extent possible so as to effect the intent of the Parties, and shall in no way be affected, impaired, or invalidated.

Please confirm your agreement with the foregoing by signing and returning one copy of this Agreement to the undersigned, whereupon this Agreement shall become a binding agreement between the Company and Blackwells.

Very truly yours,

**Blackwells Capital LLC**

By: \_\_\_\_\_  
Name: Jason Aintabi  
Title: Chief Investment Officer

ACCEPTED AND AGREED:

**Breamar Hotels & Resorts Inc.**

By: \_\_\_\_\_  
Name: Monty J. Bennett  
Title: Chairman of the Board