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March 24, 2024

VIA E-MAIL AND FEDEX

Vinson & Elkins
1114 Avenue of the Americas, 32nd Floor
New York, NY 10036
Attn: John Johnston

Re: Notice of Intention to Nominate Individuals for Election as Directors and to Submit Business Proposals for Stockholder Consideration at the 2024 Annual Meeting of Stockholders of Braemar Hotels & Resorts Inc.

Mr. Johnston:

We are writing on behalf of our client Braemar Hotels & Resorts Inc. (the “Company”) in response to the Notice of Intention to Nominate Individuals for Election as Directors and to Submit Business Proposals for Stockholder Consideration at the 2024 Annual Meeting of Stockholders of Braemar Hotels & Resorts Inc., dated March 10, 2024 (the “Notice”), submitted by Blackwells Capital LLC (“Blackwells”). The Notice sets forth, among other things, Blackwells’ intention to nominate four individuals for election as directors (the “Nominees”) at the 2024 annual meeting of stockholders of the Company (the “2024 Annual Meeting”). As Blackwells is aware, the window for submitting nominations under the Fifth Amended and Restated Bylaws of the Company (the “Bylaws”) closed on March 11, 2024. The Company has reviewed the Notice and, for the reasons set forth below, has determined that the Notice is materially deficient and inaccurate in several respects, including those set forth below. As a result, in accordance with the provisions of Article I, Section 11(c) of the Bylaws, the Company hereby rejects and disregards Blackwells’ nomination of the Nominees.

1. Failure to Disclose Interests under Regulation 14A and Advance Notice Provisions of the Bylaws

Article I, Section 11(a)(3)(D)(iii) of the Bylaws requires a stockholder to disclose in its nomination notice “all information relating to the stockholder, the Proposed Nominee or the Stockholder Associated Person that would be required to be disclosed in connection with the solicitation of proxies pursuant to Regulation 14A (or any successor provision) under the Exchange Act.” In addition, Article I, Section 11(a)(3)(C) of the Bylaws requires a nominating stockholder to disclose any “substantial interest, direct or indirect (including without limitation any existing or prospective commercial, business or contractual relationship) . . . of such stockholder . . . in the Corporation.”

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Regulation 14A requires disclosure of, among other things, “any arrangement or understanding . . . with respect to any future transactions to which the registrant or any of its affiliates will or may be a party.” 17 C.F.R. § 240.14a-101, Item 5(b)(1). A potential future acquisition of the registrant qualifies as an “arrangement or understanding” with respect to a “future transaction” for which disclosure is required under Item 5(b)(1).

Blackwells states on page 11 of the Notice that “[o]n December 1, 2023, [Blackwells] made a bid to acquire the equity interests of the [Company].” However, on page 24 of the Notice, Blackwells contends that it “currently has no interest in making an offer to acquire the [C]ompany.” Based on information contained in the Notice itself, the Company has determined that assertion to be false. Exhibit C of the Notice includes a Blackwells investor presentation on the Company dated “March 2024” (the “March 2024 Presentation”) that is entirely premised on taking the Company “private.” The March 2024 Presentation notes that Blackwells believes that “an expensive/contentious proxy fight is unlikely to produce an optimal result,” but that “the unspoken threat of public criticism/action by Blackwells will compel [Monty J.] Bennett to open discussions with Blackwells at which point an appeal to Bennetts [sic] pocketbook may produce win-win-win (Shareholders, Take Private Interested Parties, Bennett) range of options.” The March 2024 Presentation goes on to detail multiple topics related to a potential acquisition. For example, a slide on “Take Private Considerations” discusses factors in favor of “Privatiz[ing] a Large and High-Quality Luxury Hotel Portfolio Primed for Growth” and Braemar’s “Exceptional Returns with Significant Margin of Safety.” As a result of such information contained in the March 2024 Presentation, among other reasons, the Company has determined that Blackwells’ assertion that it “currently has no interest in making an offer to acquire the [C]ompany” is not credible.

In addition, according to the Notice, Blackwells beneficially owns 10,100 shares of the Company’s common stock (with 10,000 shares purchased on March 4, six days before it submitted the Notice). Yet, on page 20 of the Notice, Blackwells estimates that it will spend \$5,000,000 in furtherance of its solicitation, of which approximately \$500,000 has been spent to date in support of the proxy campaign. The Company believes that Blackwells currently intends to pursue an acquisition of or other extraordinary transaction with the Company, as spending \$5,000,000 on a proxy campaign in light of Blackwells’ small ownership stake defies economic sense. Indeed, Blackwells states on page 7 of the Notice that it “could in the future make a bid to acquire the Corporation.”

Accordingly, the Company has determined that, due to Blackwells’ failure to disclose its true intention and interests pursuant to Item 5(b)(1) of Regulation 14A and Article I, Sections 11(a)(3)(C) and 11(a)(3)(D)(iii) of the Bylaws, the Notice is materially inaccurate and deficient.

2. Failure to Provide Required Information with Respect to “Stockholder Associated Persons”

Article I, Section 11(a)(3) of the Bylaws requires certain disclosures with respect to Blackwells, the Nominees and “any Stockholder Associated Person”. As set forth in Article I,

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Section 11(a)(6) of the Bylaws, a “Stockholder Associated Person” of any stockholder is defined to include, among other categories, any person (i) “acting in concert with such stockholder” and (ii) “that, together with such stockholder and/or its affiliates and associates, has engaged in activities undertaken with the purpose or effect of changing or influencing control of the [Company] or in connection with or as a participant in any transaction having such purpose or effect.”

On page 1 of the Notice, Blackwells identifies only the following as “Stockholder Associated Persons”: Blackwells Onshore I LLC, Blackwells Holding Co. LLC, Vandewater Capital Holdings LLC, Blackwells Asset Management LLC, BW Coinvest Management I LLC, and Jason Aintabi (collectively, the “Blackwells SAPs”). Where information is required to be provided under the Bylaws as to Stockholder Associated Persons, the Notice only provides information as to the Blackwells SAPs.

However, in its bid letter dated December 1, 2023, Blackwells stated that it expected to finance any acquisition “with a combination of debt and equity” from investors. Likewise, in a letter from Blackwells’ counsel dated December 22, 2023, Blackwells’ counsel asserted that Blackwells would finance such a transaction “with a combination of debt and equity from internal and external sources,” and offered to provide “additional confidential information” regarding its “financing sources,” but only “after Blackwells receives confirmation that the Board is interested in engaging in a discussion regarding Blackwells’ proposal.” The Company has determined that these equity and debt investors, which Blackwells has indicated would provide financing for an acquisition of the Company, would qualify as persons who, “together with” Blackwells, have engaged in “activities undertaken with the purpose or effect of changing or influencing control of the Corporation or in connection with or as a participant in any transaction having such purpose or effect.” However, the Notice fails to provide the information required as to Stockholder Associate Persons for these persons, let alone their identities.

In addition, page 12 of the Notice discloses that, in connection with the proposed acquisition, Blackwells “contacted representatives of the following complex financial institutions, and high net worth individuals and in some instances, provided them with marketing materials relating to the Proposed Acquisition: TPG Real Estate Finance Trust, Barclays plc, Hudson Bay Capital Management, Invesco, Sixth Street, Willett Advisors, Spartan Investment Management Ltd., Related Fund Management, Berkadia, Tom Barrack, Todd Schuster and Karim Khatoun.” Blackwells failed to identify these entities and individuals with whom it admittedly communicated with respect to a potential acquisition as Stockholder Associated Person, nor did the Notice contain the information required under the Bylaws for such persons.

Accordingly, the Company has determined that, due to Blackwells’ failure to disclose the identity of and provide the required information with respect to Stockholder Associated Persons under 11(a)(3) of the Bylaws, the Notice is materially inaccurate and deficient.

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3. Additional Inaccuracies and Omissions

In addition to the above deficiencies, the Notice contains additional inaccuracies and omissions. For example, pursuant to Article I, Section 11(a)(4) of the Bylaws, a stockholder's notice, with respect to any proposed nominee, must attach "a completed Proposed Nominee questionnaire" to be provided by the Company upon request. Among the questions in the questionnaire provided by the Company to Blackwells was for the proposed nominee to "describe your comprehensive business history and experience," including "your current and prior principal occupations and employment" and "the reason for your departure from any prior position." The questionnaire submitted with respect to Jennifer M. Hill, however, includes a material misstatement in identifying Ms. Hill as having served as "the Chief Financial Officer of Bank of America Merrill Lynch (NYSE: BAC), an investment bank and financial services holding company, from July 2011 to December 2014." Based on the Company's investigation, in fact, Ms. Hill served as the Chief Financial Officer of a *division* of Bank of America. Further, with regard to the "reason" for Ms. Hill's departure from her various prior positions, the questionnaire states only that "[i]n each case, I left willingly to pursue another business opportunity." The questionnaire does not offer any substantive discussion of the circumstances surrounding her departures, rendering her response materially incomplete. The questionnaire for Betsy L. McCoy also, upon information and belief, contains material deficiencies, including with respect to failure to disclose bankruptcy matters, which are required by the questionnaire and incomplete information with respect to other financial matters.

Further, Article I, Section 11(a)(3)(D)(iv) of the Bylaws requires, for any stockholder that "has in the twenty-four months immediately preceding" the date of the notice "made a proposal to acquire control" of the Company, disclosure of "all information relating to the stockholder . . . that would be disclosed in any notices, forms or filings required by U.S. federal laws or the rules and regulations of any agency, department or other instrumentality of the U.S. federal government ('U.S. Federal Agency') in connection with the direct or indirect acquisition by such person of control of the Corporation." By its terms, this Bylaw provision encompasses "voluntary" filings by an acquirer under federal law, such as, where applicable, to CFIUS pursuant to the Defense Production Act of 1950, as amended. The Notice did not provide any disclosures required in a CFIUS filing, including basic information like the specific identity of the acquiring person, its ownership structure and parent and subsidiaries, whether that entity has foreign ownership, whether the proposed transaction would come within the scope of a transaction over which CFIUS has jurisdiction or involve the potential for control by a foreign government. The Notice also does not disclose any information of the sources of funding for a potential transaction or whether it has previously been a party to a transaction where a CFIUS filing was made. Upon information and belief, Blackwells is run by Jason Aintabi, a member of a wealthy family that hails from Lebanon and Canada and which has business interests around the globe. Various press reports indicate that Blackwells invests "family money." The Notice fails to disclose this fact and to make any of the disclosures required under Article I, Section 11(a)(3)(D)(iv) of the Bylaws.

For the foregoing reasons, each of the material inaccuracies, omissions and deficiencies independently renders the Notice non-compliant with the Bylaws and defective. As a result, the

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Company hereby rejects and disregards Blackwells' nomination of the Nominees. The Company hereby further demands that Blackwells immediately cease and desist any attempts to solicit proxies in support of the Nominees and any other business proposals set forth in the Notice.

Very truly yours,

Richard M. Brand

cc: Alex Rose, EVP, General Counsel & Secretary, Braemar Hotels & Resorts Inc. Gregory P. Patti, Jr., Cadwalader, Wickersham & Taft LLP