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Alex Rose
Executive Vice President, General Counsel and Secretary
Braemar Hotels & Resorts, Inc.
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Via Email

Dear Sirs:

I write on behalf of Blackwells Capital LLC (“***Blackwells***”), an investment manager that beneficially owns approximately 920,100 shares of common stock of Braemar Hotels & Resorts, Inc. (NYSE: BHR, BHR-PB, BHR-PD) (the “***Company***” or “***Braemar***”), to express its concern to the independent members of the Company’s board of directors (the “***Board***”) that Braemar Founder and Chairman, Monty Bennett (“***Mr. Bennett***”), has misused Dallas Express Media (the “***Dallas Express***”), a purported 501(c)(3) non-profit corporation, for the private benefit of the Company. As discussed below, these improper actions expose Braemar to litigation, expense, and liability. Blackwells thus demands that the Board immediately investigate the potential breaches of fiduciary duty and/or other wrongdoing related to Mr. Bennett’s dealings with the Dallas Express.

Mr. Bennett and his wife, Sarah Zubiate-Bennett, are the co-founders of the Dallas Express. Together, they make up two-thirds of the Dallas Express’s three member board.¹ In order for the Dallas Express to maintain its status as a tax-exempt 501(c)(3) non-profit corporation, it must be able to establish “that it is not organized or operated for the benefit of private interests such as designated individuals, the creator or his family . . . or persons controlled, directly or indirectly, by such private interests.”²

Nonetheless, in recent months it has become apparent that Mr. Bennett has used the Dallas Express as a private public relations agency for the benefit of his private interests, including Braemar. Numerous examples of such activity can be found through a simple online search. For example, since November

¹ See <https://dallasexpress.com/org-structure/>

² 26 CFR 1.501(C)(3)-1(d)(1)(ii).

2023, the Dallas Express has drafted five separate articles lodging attacks upon Blackwells' Chief Investment Officer, Jason Aintabi.³ Beyond the articles' inaccuracies, it is clear that the only reason these articles were published at all is because Mr. Bennett has instructed the Dallas Express to assist Braemar in its dealings with Mr. Aintabi.

The first of the articles, dated November 1, 2023, for instance, takes issue with a letter that Blackwells sent to the Board. The *only* quotations in the article are from Mr. Bennett himself—attacking Mr. Aintabi for supposedly “harassing” Braemar.⁴ In a subsequent article, the Dallas Express lodges accusations against Mr. Aintabi concerning his purported “past hotel dealings.”⁵ Yet another contends that Mr. Aintabi has a “history of petty lawsuits.”⁶ The other articles are similar.

No objective reader of these articles would have any question about their intent: Mr. Bennett is plainly using the Dallas Express as a conduit to conduct a public relations campaign against Blackwells in order to advance his private interests in a potential proxy campaign by Braemar against Blackwells. Indeed, Blackwells is aware of no other media outlet that covered Blackwells' interactions with Braemar in any respect prior to the filing of litigation between the parties. It is beyond implausible to suggest that it is a mere coincidence that the *only* media outlet to find this subject newsworthy—and not merely newsworthy, but worthy of *five* articles—just so happens to have been founded by the Founder and Chairman of Braemar.

Mr. Bennett's improper seizing of the Dallas Express to act as a public relations arm for his private interests places the Dallas Express at grave risk of having its 501(c)(3) tax-exempt status revoked.⁷ In turn, because these actions are taking place at the behest of Braemar, these actions place Braemar at risk of (i) litigation brought on behalf of the Dallas Express and/or its independent board member for bringing about the revocation of its 501(c)(3) status and (ii) the expense and distraction of an Internal Revenue Service investigation into Mr. Bennett's malfeasance.

Blackwells thus hereby demands that the Board immediately investigate Mr. Bennett's improper actions and the potential breaches of fiduciary duty and/or other wrongdoing related to the Dallas Express.

Moreover, the Board has a fiduciary duty to oversee its management. Mr. Bennett's improper actions in connection with the Dallas Express have been flaunted on the Dallas Express's public website for months and should have been well known by any Board member exercising his or her fiduciary duties.

³ See <https://dallasexpress.com/?s=aintabi>

⁴ See <https://dallasexpress.com/business-markets/vinson-elkins-helps-new-york-activist-investor-invade-texas/>

⁵ See <https://dallasexpress.com/national/blackwells-aintabi-accused-of-improper-conduct-in-past-hotel-dealings/>

⁶ See <https://dallasexpress.com/national/litigious-investor-aintabi-has-history-of-petty-lawsuits/>

⁷ 26 CFR 1.501(C)(3)-1(d)(1)(ii) (an organization may qualify as a 501(c)(3) only if “it serves a public rather than private interest”).

Blackwells thus further demands that the Board investigate its system of oversight and the negligent and/or willful misconduct of the Board—and any committee thereof, such as the Related Party Transactions Committee—in failing to adequately oversee Mr. Bennett’s improper actions with respect to the Dallas Express.

Please promptly let us know how the Board will respond to this letter.

Very truly yours,

/s/ Robert Ritchie

Robert Ritchie