

Robert Ritchie rritchie@velaw.com  
Tel +1.214.220.7823

May 15, 2024

Alex Rose  
Executive Vice President, General Counsel and Secretary  
Braemar Hotels & Resorts, Inc.  
14185 Dallas Parkway, Suite 1200  
Dallas, Texas 75254

Richard M. Brand  
200 Liberty Street  
New York, NY 10281  
richard.brand@cwt.com

*Via Email*

Dear Sirs:

I write on behalf of Blackwells Capital LLC (“**Blackwells**”), an investment manager and stockholder of record of Braemar Hotels & Resorts, Inc. (NYSE: BHR, BHR-PB, BHR-PD) (the “**Company**”), to follow up on the letter Blackwells sent the Company on May 2, 2024 (the “**May 2 Letter**”). The May 2 Letter expressed Blackwells’ concern about the ways in which 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 himself and the Company. Having not received a response to our May 2 Letter, Blackwells renews its demand that the Company’s board of directors (the “**Board**”) immediately investigate the potential breaches of fiduciary duty and/or other wrongdoing related to Mr. Bennett’s dealings with the Dallas Express.

Since the writing of the May 2 Letter, accusations have been brought to our attention that employees of Ashford Inc. have been working directly for the Dallas Express. While the nature of this work has never been publicly disclosed by either the Dallas Express or Ashford Inc, Blackwells’ understanding is that such work has occurred during Ashford Inc.’s regular business hours and that the Dallas Express has not compensated Ashford Inc. for such services. As you know, Mr. Bennett is the founder and chairman of Ashford Inc., the Company, and the Dallas Express. The uncompensated services Ashford Inc. employees have provided to the Dallas Express thus strongly suggests that Mr. Bennett has failed to respect the corporate separateness of these entities, and treated each of his companies as a mere alter ego of his own personal interests.

This possibility is troubling for multiple reasons. For one, as explained in our prior letter, the use of a 501(c)(3) non-profit corporation, such as the Dallas Express, for any private interest, including that

of Mr. Bennett, Ashford Inc., or the Company is unlawful. Such conduct subjects the Dallas Express to potential revocation of its status as a 501(c)(3), and places the Company at risk of litigation, distraction, reputational risk, and loss of stockholder confidence related to such an action.<sup>1</sup>

For another, the Company “rel[ies] on [Ashford Inc.’s subsidiary, Ashford LLC] and its employees for the day-to-day operation of [the Company’s] business.”<sup>2</sup> Key employees of Ashford LLC already “face conflicts in allocating their time and resources between [the Company], Ashford, Inc. and Ashford Trust.”<sup>3</sup> Thus, as the Company disclosed in its recent Form 10-K, a key risk faced by the Company’s stockholders has long been that the Company “may not receive the necessary support and assistance [it] require[s] or would otherwise receive if [it] were internally managed by persons working exclusively for [the Company].”<sup>4</sup> This key risk is only exacerbated by employees of Ashford Inc. further diverting their attention by taking on unlawful and undisclosed positions at the Dallas Express. Blackwells thus calls on the Board to immediately investigate and take steps to put an end to this practice, which is detrimental to stockholder value.

Moreover, although the Company has implicitly conceded the materiality of the divided attention of Ashford Inc. employees, it has failed to disclose that the attention of Ashford Inc. employees has been further diverted through unpaid engagements for the Dallas Express. Blackwells calls upon the Company to promptly investigate these issues and determine whether further disclosure is necessary to avoid potential liability under the federal securities laws and/or scrutiny from the Securities and Exchange Commission.

Finally, the employment of Ashford Inc. employees in the service of the Dallas Express suggests a failure to maintain corporate separateness across Mr. Bennett’s various entities, which could expose stockholders of the Company to liabilities and obligations of the Dallas Express and/or one of Mr. Bennett’s other entities under an alter ego or veil piercing theory.

The Board has a fiduciary duty to oversee the Company’s management and ensure that it is being operated in the best interests of the stockholders as a whole—as opposed to the personal interests of Mr. Bennett. Blackwells thus implores the Board to include these new accusations into their investigation as it is Blackwells’ belief that these new allegations, as well as the concerns expressed in the May 2 letter, create substantial risk of liability, litigation, and reputational harm to both the Company and the Dallas Express.

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<sup>1</sup> See May 2 Letter at 2.

<sup>2</sup> Braemar Hotels & Resorts Inc., Annual Report on Form 10-K for the fiscal year ending December 31, 2023 at 64 (Mar. 14, 2024), available at <https://perma.cc/UVO9-3K47>.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

We have not yet heard from you in response to Blackwells' May 2 Letter. Please let me know by May 21, 2024, how and when the Board will respond to this letter and the May 2 Letter.

Very truly yours,

*/s/ Robert Ritchie*

Robert Ritchie