



# NO MORE MONTY



BLACKWELLS CAPITAL

MAY 02, 2024

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Dear Fellow Braemar Shareholders,

Blackwells Capital LLC (“Blackwells”), a fellow shareholder of Braemar (“Braemar” or the “Company”), is soliciting your vote to elect Jennifer M. Hill, Betsy L. McCoy, Steven J. Pully, and Michael Cricenti to the board of directors of Braemar (the “Board”) at the Company’s annual meeting of shareholders, which is scheduled to be held on July 30, 2024.

Braemar’s Board has categorically failed shareholders. Under the jackboot of the external Advisory Agreement (the “Advisory Agreement”) between the Company and Ashford Hospitality Advisors LLC (“Ashford LLC” and collectively with Ashford Inc. and its affiliates, “Ashford”), which seems to get sweeter each year for Mr. Montgomery Bennett and Ashford, shareholders are left holding an empty bag. Proper governance at Braemar must be restored, and the Blackwells’ nominees are here to ensure that happens. Make no mistake: the current Board cannot be trusted to look after Braemar’s assets, which rightfully belong to shareholders.

**The time has finally come for Braemar shareholders to have a Board that will make decisions to benefit ALL shareholders, not just Ashford and Mr. Montgomery Bennett.**

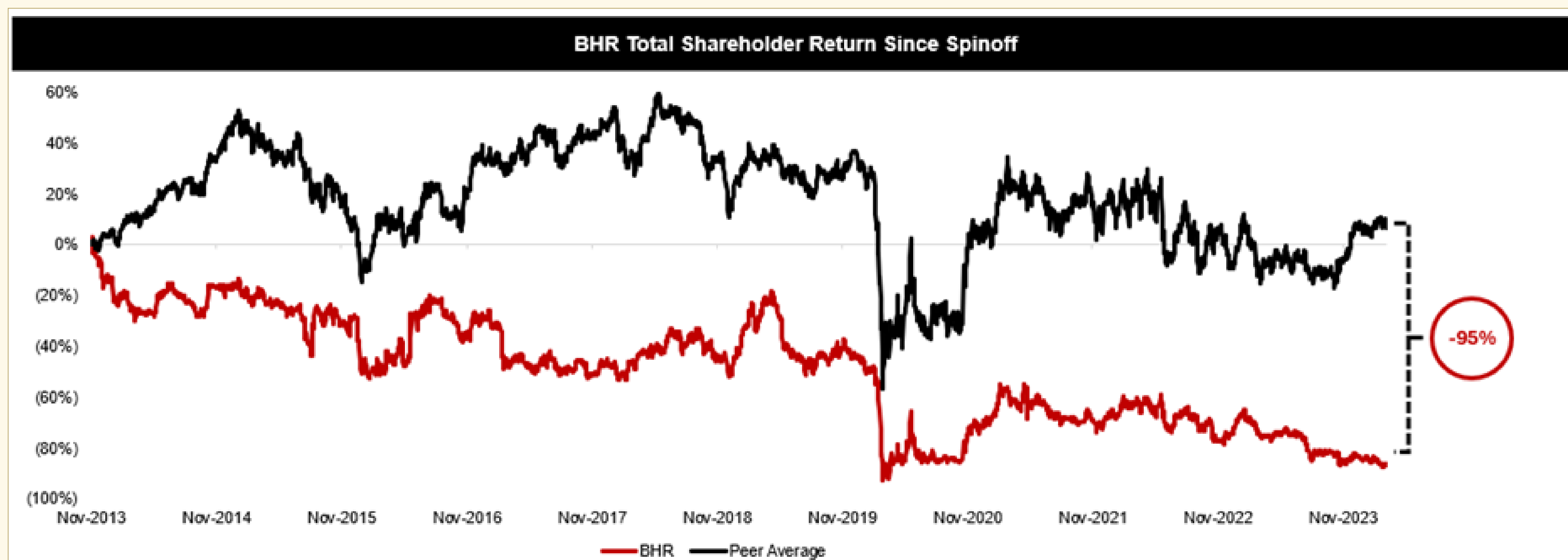
By now you’ve likely seen press releases, proxy filings, and news articles about Blackwells’ campaign. We implore shareholders to consider the following:

## 1 Destruction of Value

## 2 The Extortionary Advisory Agreement

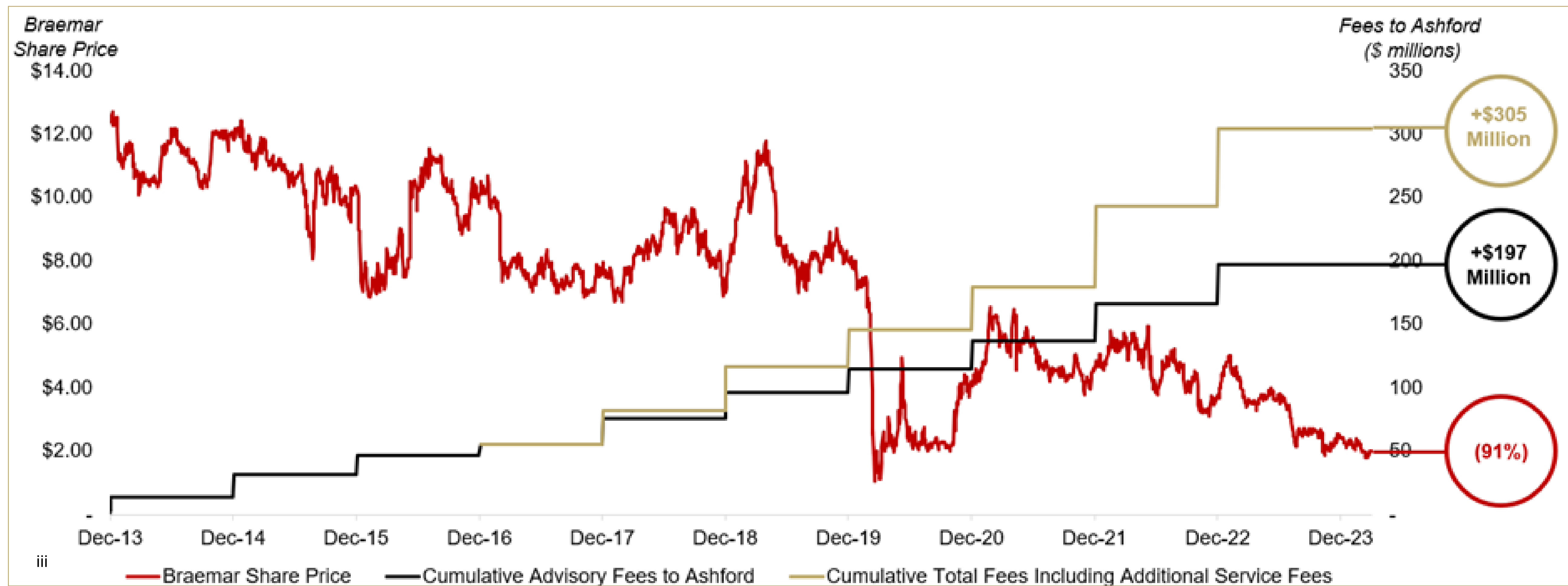
## 3 Mr. Bennett and Ashford’s Termination Fee

# 1. DESTRUCTION OF VALUE



Braemar’s management and Board have presided over significant value destruction since 2013.<sup>i</sup> Braemar’s share price during that period declined by approximately 91% and underperformed its peers by a whopping 95%.<sup>ii</sup>

## 2. THE EXTORTIONARY ADVISORY AGREEMENT



Braemar is paying Ashford \$31 million per year for its services per the Advisory Agreement, plus roughly \$30 million of “additional service fees” for services and products provided by entities in which Ashford has an interest.<sup>iv</sup> All told, Ashford’s fees have increased nearly 575% since 2013.<sup>v</sup> A rudimentary examination of Braemar’s share performance versus Ashford’s fees paints a miserable story.

## 3. MR. BENNETT AND ASHFORD’S TERMINATION FEE

**As the fees paid to Ashford Inc. have increased dramatically, Mr. Bennett and Ashford’s termination fee has also increased unacceptably.** Astonishingly, the termination fee Mr. Bennett and Ashford think they are owed—after having presided over this disaster—outstrips the entire market value of Braemar. **If this is not corporate piracy, we simply do not know what is.**



## THREE STRIKES AND MONTY BENNETT IS OUT

Blackwells' message to Mr. Bennett and the Braemar Board is clear: three strikes and you are out. We will not stand by while shareholder value is destroyed or be held captive by what we believe to be an extortionary Advisory Agreement that transfers wealth from Braemar shareholders to Mr. Bennett's pocketbook any longer. We believe there may be sufficient grounds to terminate the Advisory Agreement **for cause**. Until independent Board members can evaluate all options properly, shareholders must remain on high alert that the current Board will take further actions to entrench itself, which we believe will surely be motivated by Mr. Bennett's self-preservation and self-enrichment, ahead of shareholder needs.

Please vote your proxy today on the **WHITE** universal proxy card "**FOR**" each of the Blackwells nominees and "**FOR**" each of Blackwells' proposals.

## **HOW TO VOTE**

Braemar's 2024 Annual Meeting of Shareholders will be held on July 30, 2024, and all shareholders of record as of the close of business on May 2, 2024 are entitled to vote at the meeting.

Braemar Shareholders – Please vote your proxy today on the WHITE universal proxy card “FOR” each of the Blackwells nominees and the Blackwells proposals. Blackwells recommends shareholders vote “AGAINST” Braemar’s executive compensation resolution.

If you have any questions about voting your proxy or need replacement proxy materials, contact:



**Mackenzie Partners, Inc.**

1407 Broadway, 27th Floor

New York, NY 10018

Call Toll Free: 1-800-322-2885

Email: [proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com)



## IMPORTANT ADDITIONAL INFORMATION

Blackwells, Blackwells Onshore I LLC, Jason Aintabi, Michael Cricenti, Jennifer M. Hill, Betsy L. McCoy and Steven J. Pully (collectively, the "Participants") are participants in the solicitation of proxies from the shareholders of the Corporation for the 2024 Annual Meeting. On April 3, 2024, the Participants filed with the Securities and Exchange Commission (the "SEC") their definitive proxy statement and accompanying **WHITE** proxy card in connection with their solicitation of proxies from the shareholders of the Corporation.

ALL SHAREHOLDERS OF THE CORPORATION ARE ADVISED TO READ THE DEFINITIVE PROXY STATEMENT, THE ACCOMPANYING **WHITE** UNIVERSAL PROXY CARD AND OTHER DOCUMENTS RELATED TO THE SOLICITATION OF PROXIES BY THE PARTICIPANTS, AS THEY CONTAIN IMPORTANT INFORMATION, INCLUDING ADDITIONAL INFORMATION RELATED TO THE PARTICIPANTS AND THEIR DIRECT OR INDIRECT INTERESTS IN THE CORPORATION, BY SECURITY HOLDINGS OR OTHERWISE.

The definitive proxy statement and an accompanying **WHITE** universal proxy card will be furnished to some or all of the Corporation's shareholders and are, along with other relevant documents, available at no charge on the SEC's website at <http://www.sec.gov/>. In addition, the Participants will provide copies of the definitive proxy statement without charge, upon request. Requests for copies should be directed to Blackwells.

The Company's board of directors has purported to reject as invalid our nominations to elect each of Blackwells' nominees and determined that our notice is purportedly non-compliant with the Bylaws and defective. On March 24, 2024, Braemar brought suit against each of the Participants, Blackwells Holding Co. LLC, Vandewater Capital Holdings, LLC, Blackwells Asset Management LLC and BW Coinvest Management I LLC in the United States District Court for the Northern District of Texas, seeking injunctive relief against solicitation of proxies by Blackwells and a declaratory judgment that Blackwells' nomination is invalid due to Blackwells' alleged violations of the Company's Bylaws, and, as a result, Blackwells' slate of purported nominees is invalid and ineligible to stand for election by the Company's shareholders. Ultimately, we believe the Company's claims have no merit. The outcome of the Company's lawsuit and any related litigation may affect our ability to deliver proxies submitted to us on the **WHITE** Universal Proxy Card.

<sup>1</sup>Source: Capital IQ Pro since Braemar's spin-off from Ashford Hospitality Trust November 19, 2013.

<sup>2</sup>Source: Capital IQ Pro from Braemar's spin-off from Ashford Hospitality Trust November 19, 2013 to the unaffected date of March 28, 2024. Peers are from Braemar Definitive Proxy, filed on March 28, 2024 and include; DiamondRock Hospitality Company, Hersha Hospitality Trust, Host Hotels & Resorts, Inc., Park Hotels and Resorts, Inc., Pebblebrook Hotel Trust, RLJ Lodging Trust, Summit Hotel Properties, Inc., Sunstone Hotel Investors, Inc., and Xenia Hotels & Resorts, Inc. Chatham Lodging Trust has been excluded due to its size, as its revenue is less than \$500 million, and lower budget portfolio.

<sup>3</sup>Fees to Ashford include base advisory fee, reimbursable expenses, and equity-based compensation (Braemar's Annual Report for the year ended December 31, 2023, filed on Form 10-K with the SEC on March 14, 2024 ("2023 Form 10-K"), pg. 143). Total fees include the advisory fees and additional services to Ashford Inc. including insurance claims services, broker/dealer, audio visual services, debt placement and related services, mobile key app, design and construction services, hypoallergenic premium rooms, watersports activities/transportation services, hotel management services (2023 Form 10-K, pg. 118).

<sup>4</sup>Source: 2023 Form 10-K, pg. 118.

<sup>5</sup>Based on the percentage change from (i) approximately \$61.4 million (consisting of the combined total fees paid to Ashford LLC in the year ended 2023 discussed in footnote i) as compared to (ii) approximately \$9.1 million (calculated by annualizing the total advisory fees paid to Ashford LLC from November 19, 2013 through December 31, 2013, as disclosed in Braemar's Annual Report for the year ended December 31, 2013, filed on Form 10-K with the SEC on March 31, 2014).