



BLACKWELLS CAPITAL

TOO LITTLE, TOO LATE

BRAEMAR'S MAY 6th ANNOUNCEMENT

[NOMOREMONTY.COM](https://nomoremonty.com)

PRESENTED BY BLACKWELLS CAPITAL

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Blackwells Capital LLC, 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 Company for the 2024 Annual Meeting of Shareholders (the "Annual Meeting"). On April 3, 2024, the Participants filed with the SEC their definitive proxy statement and accompanying WHITE Proxy Card in connection with their solicitation of proxies from the shareholders of the Company for the 2024 Annual Meeting.

All shareholders of the Company are advised to read the definitive proxy statement, the accompanying WHITE 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 Company, by security holdings or otherwise.

The definitive proxy statement and an accompanying WHITE proxy card will be furnished to some or all of the Company's shareholders and are, along with other relevant documents, publicly 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, when available, upon request. Requests for copies should be directed to Blackwells Capital LLC.

The Company's board of directors has purported to reject as invalid Blackwells' 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 Blackwells Capital, Blackwells Onshore I LLC, Blackwells Holding Co. LLC, Vandewater Capital Holdings, LLC, Blackwells Asset Management LLC, BW Coinvest Management I LLC, Mr. Aintabi and each of Blackwells' nominees in the United States District Court for the Northern District of Texas (the "District Court"), 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, Blackwells 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.

WHO IS MONTGOMERY BENNETT?

Montgomery Bennett took over his daddy's hotel business and here are the results:

- AHT – stock is down **(99%)** all time ⁽¹⁾
- BHR – stock is down **(91%)** all time ⁽²⁾
- AINC – stock is down **(95%)** all time ⁽³⁾

THE WALL STREET JOURNAL.

MARKETS

Texas Hotelier Monty Bennett's Companies Under SEC Investigation

Ashford Hospitality Trust said the SEC sent an administrative subpoena requesting documents and information



Source: Capital IQ and The Wall Street Journal, August 3, 2020. Note data has been split adjusted by Capital IQ. (1) Calculated from IPO date, August 26, 2003 to unaffected date March 28, 2024. (2) Calculated from first trading date, November 20, 2013, to unaffected date March 28, 2024. (3) Calculated from November 7, 2014 to unaffected date March 28, 2024.

MONTGOMERY SEEMS TO HAVE A LOT OF TIME ON HIS HANDS

“I can want a cemetery, and I can put it in the path,” Mr. Bennett told D Magazine in 2016 when discussing the burial plot, which he said contained the remains of a World War II veteran



Source: <https://therealdeal.com/magazine/national-may-2023/monty-bennetts-fire-and-brimstone-journey/>.

WE BELIEVE MONTY USES COMPANY RESOURCES FOR STUPIDITIES

Monty Bennett has a pattern of using Company resources for his pet projects, at Braemar and at Ashford Hospitality

Other than this common theme, Braemar and Ashford Hospitality also share the unhappy link of being among the worst performing REITs in history

We question whether Monty Bennett's distractions contribute to the value destruction he has wrought?

From: [REDACTED]
Sent: [REDACTED]
To: [REDACTED] <[REDACTED]@ashfordinc.com>; [REDACTED] <[REDACTED]@ashfordinc.com>
Cc: [REDACTED] <[REDACTED]@ashfordinc.com>
Subject: [REDACTED]

Monty and Rob,

From: [REDACTED] <[REDACTED]@ashfordinc.com>
Sent: [REDACTED]
To: [REDACTED]
Cc: [REDACTED] <[REDACTED]@ashfordinc.com>; [REDACTED]
Subject: [REDACTED]

This email was sent from an external source. Don't click links or open attachments from an unknown or unexpected sender. Report suspicious e-mails using the Phish-Alert button in Outlook, if available, or forward to [REDACTED]

Thanks Dawn,

MONTY'S PET PROJECTS DO NOT HELP BRAEMAR



Source: Capital IQ Pro.

Note: Braemar was spun off from Ashford Hospitality Trust (NYSE: AHT) on November 19, 2013. It's opening price on the New York Stock Exchange on November 20, 2013, its first day of trading, was \$21.35. The graph data is to the unaffected share date of March 28, 2024.

DOES BRAEMAR'S BOARD ENABLE MONTGOMERY'S BEHAVIOR?

We believe this Board is all smiles because they haven't looked at a Braemar stock chart lately



Rebeca Johnson

Both are involved with the North Texas Food Bank



Monty Bennett

Donated to Stefani Carter's Political Campaign in 2012 and 2013



Stefani Carter

Mr. Bennett helped fund Rinaldi's and Carters' Campaigns

Both served as an elected representative in the Texas House of Representatives



Kenneth Fearn

Mr. Fearn and Mr Bennett have served as Members of American Hotel & Lodging Association and are involved in the Cornell Hotel Society



Cornell University
School of Hotel Administration



Cornell University
School of Hotel Administration

The Dallas Express

The People's Paper

Candace Evans has written for The Dallas Express, a Newspaper of which Monty Bennett serves as the publisher and a board member



Candace Evans

Ms. Evans has worked with Abteen's sister, Dr. Ahou Line as a child therapist



Abteen Vaziri



Matthew Rinaldi



Richard Stockton

Mr. Stockton and Mr. Bennet were enrolled together in Cornell's Hotel Administration course in 1988 and Mr. Stockton is SVP at Ashford Inc.

Source: Capital IQ, Public Information, and Company filings.

IT'S TIME TO PRESS THE PAUSE BUTTON ON BENNETT

On May 6, 2024 Braemar announced the sale of their 75% stake in Hilton La Jolla Torrey Pines to JRK Property Holdings on a cash-free, debt-free basis for \$165 million

We demand the Board not approve any transactions that see a penny go to Monty and his father Archibald under their shady Advisory Agreement

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934
Date of Report (date of earliest event reported): May 6, 2024

BRAEMAR HOTELS & RESORTS INC.
(Exact name of registrant as specified in its charter)

Mainland	00013972	46248004
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(ISS employer identification number)
14000 Jolla Parkway Suite 1200 Jolla California		93204
(Address of principal executive offices)		(zip code)

Registrant's telephone number, including area code: (972) 490-9600

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 427 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 144-12 under the Exchange Act (17 CFR 240.144-12)
- Pre-commencement communications pursuant to Rule 144-201 under the Exchange Act (17 CFR 240.144-201)
- Pre-commencement communications pursuant to Rule 13e-4(i) under the Exchange Act (17 CFR 240.13e-4(i))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (226.12b-2 of this chapter):

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act:

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	BHR	New York Stock Exchange
Preferred Stock, Series B	BHR-PB	New York Stock Exchange
Preferred Stock, Series D	BHR-PD	New York Stock Exchange

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On May 6, 2024 (the "Effective Date"), CHH Torrey Pines Hotel Partners, LP and CHH Torrey Pines Tenant Corp. (together, "Seller"), indirect subsidiaries of Braemar Hotels & Resorts Inc. (the "Company"), entered into an Agreement of Purchase and Sale (the "Agreement") with JRK Torrey Pines Hotel Owner LLC ("Purchaser"), for the sale of the Hilton La Jolla Torrey Pines hotel ("Hilton Torrey Pines") for \$165 million in cash, subject to customary pro-rata and adjustments (the "Purchase Price"). The Company owns an indirect 75% equity interest in Seller. The sale of the hotel is expected to close in the second quarter of 2024, subject to customary closing conditions.

The Agreement contains terms, conditions, covenants, representations and warranties and indemnities from each of the respective parties that are customary and typical for a transaction of this nature. Several conditions to closing on the sale remain to be satisfied, and there can be no assurance that the sale transaction will be completed on the present terms described above or at all.

ITEM 8.01 OTHER EVENTS.

Shareholder Value Creation Plan

On May 3, 2024, the board of directors of the Company (the "Board"), reflecting its commitment to creating long-term value to shareholders, approved multiple capital market activities and strategic updates (the "Shareholder Value Creation Plan"), including:

- The repurchase of all of its 2024 debt maturities
- A \$50 million preferred share redemption program
- A \$50 million common share repurchase authorization

Share Repurchase Program

On May 3, 2024, the Board approved a new share repurchase program (the "Repurchase Program") pursuant to which the Board granted a repurchase authorization to acquire shares of the Company's common stock, par value \$0.01 per share, having an aggregate value of up to \$50 million. The Company intends to begin share repurchases as soon as practicable and may repurchase shares through open market transactions, privately negotiated transactions or other means. The timing and amount of any transactions will be subject to the discretion of the Company based upon market conditions, and the program may be suspended or terminated at any time by the Company at its discretion without prior notice. The Board's authorization replaced any previous repurchase authorization.

Press Release

A copy of the press release announcing the Company's entry into the Agreement, its Shareholder Value Creation Plan and the approval of the Repurchase Program is attached hereto as Exhibit 99.1.

Forward-Looking Statements

Certain statements and assumptions in this Item 7.01 contain or are based upon "forward-looking" information and are being made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this Item 7.01 include, among others, statements about the Company's intentions regarding the Repurchase Program. These forward-looking statements are subject to risks and uncertainties. When we use the words "will likely result," "may," "anticipate," "estimate," "intend," or similar expressions, we intend to identify forward-looking statements. Such statements are subject to numerous assumptions and uncertainties, many of which are outside the Company's control. The forward-looking statements included in this Item 7.01 are only made as of the date of this Current Report on Form 8-K. Readers should not place undue reliance on these forward-looking statements. The Company is not obligated to publicly update or revise any forward-looking statements, whether as a result of new information, future events or circumstances, changes in expectations or otherwise.

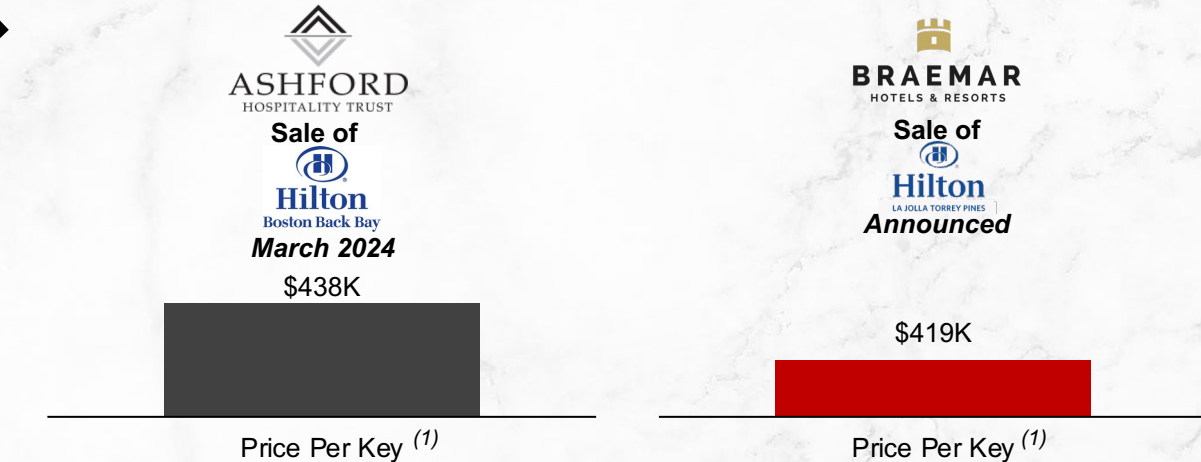
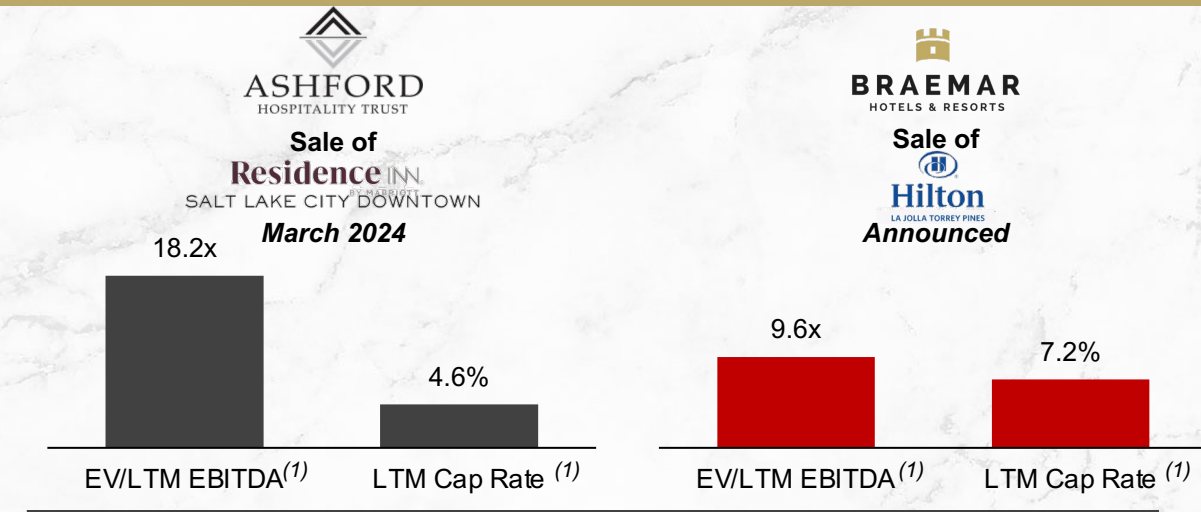
The Braemar Board is running scared

WAS THE SALE OF HILTON LA JOLLA TORREY PINES A FIRE SALE?

Ashford Hospitality Trust's sale of lower quality assets have achieved a far greater results than Braemar's sale of Hilton La Jolla Torrey Pines because they conducted a marketed process

In March 2024, Ashford Hospitality Trust sold a 3-star hotel for a 4.6% cap rate, or almost \$100 million more than the Torrey Hilton announced price⁽¹⁾ ⁽²⁾

In March 2024, Ashford also sold Hilton Back Bay for \$20,000 per key more than the Torrey Hilton, which we believe was likewise an inferior asset



The Braemar asset is superior, and yet achieved inferior pricing. Why?

Source: Company filings.
 Note: (1) Excludes anticipated capital spend.
 (2) Applying the same cap rate to Torrey Hilton would have yielded a purchase price of \$259 mm.

DÉJÀ VU



Press Release



Ashford Prime Announces Planned Sale Of Courtyard Seattle Downtown

Company Release - 5/23/2016

DALLAS, May 23, 2016 /PRNewswire/ -- Ashford Hospitality Prime, Inc. (NYSE: AHP) ("Ashford Prime" or the "Company") announced today that it has entered into a definitive agreement to sell the 250-room Courtyard Seattle Downtown for \$84.5 million in cash (\$338,000 per key).

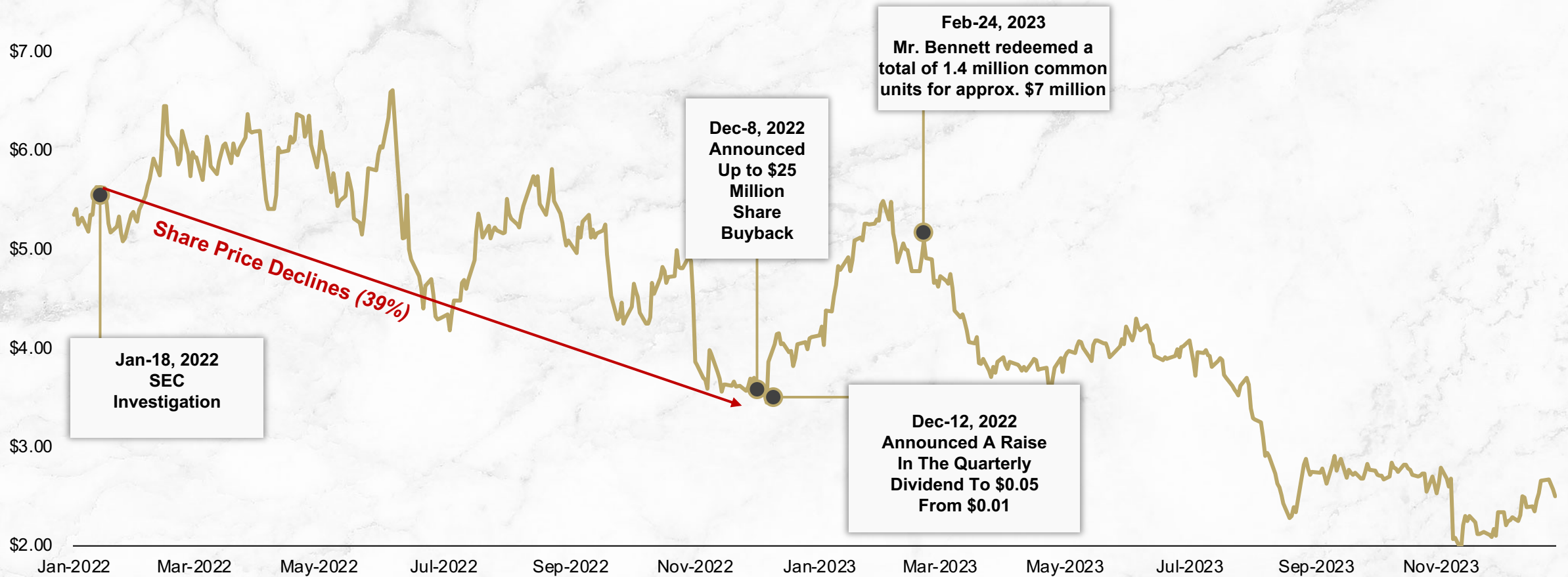
The purchase price represents a trailing 12-month cap rate of 6.7% on net operating income. On a trailing 12-month basis, the property achieved RevPAR of \$157, with occupancy of 80% and Average Daily Rate of \$196. The hotel has an existing allocated debt balance of approximately \$65 million, and the Company expects the net proceeds from the disposition to be approximately \$16 million after debt repayment and transaction costs. The transaction is scheduled to close in the next sixty days, subject to certain closing conditions.

"We are pleased to announce the planned sale of the Courtyard Seattle Downtown at an attractive value for our shareholders," said Monty J. Bennett, Ashford Prime's Chairman and Chief Executive Officer. "We will continue to execute on the other initiatives we announced at the conclusion of our strategic review in an effort to further maximize value for our shareholders."

Ashford Hospitality Prime is a real estate investment trust (REIT) focused on investing in luxury hotels located in resort and gateway markets.

Faced with activist pressure in 2016/2017, Braemar responded similarly: a series of transactions that did not add value- except to Monty Bennett, his father Archibald, and Braemar's external advisor

A DOUBLE DÉJÀ VU!



The SEC investigates Braemar for PPP loan fraud and related-party dealings, shares continue to fall until the announcement of a share buyback and dividend increase only to get cut in half over the following 24 months.

Source: Company filings, The Wall Street Journal and Capital IQ.

THREE STRIKES AND BRAEMAR'S BOARD MUST GO

We believe selling an asset at fire sale pricing, and announcing a buyback of a stock that has cratered under the jackboot of self-dealing, confirms that urgent change is needed

The incumbent directors may face personal liability for past actions and for continuing to enable Montgomery's behavior

We urge Shareholders to Scrutinize the Board's Craven Efforts after Destroying nearly all Braemar's Value

Whatever 'plan' the Board now claims to have is TOO LITTLE, TOO LATE

Blackwells Comments on Braemar's Too Little Too Late Shareholder Value Creation "Plan"

May 07, 2024 08:38 ET | Source: [Blackwells Capital LLC](#) [Follow](#)

Urges Shareholder to Scrutinize the Board's Craven Efforts after Destroying nearly all Braemar's Value

Demands the Board Immediately Disclose the Hilton La Jolla Torrey Pines Sale Agreement and all Benefits that Flow to Monty Bennett

Invites Shareholders to Visit www.NoMoreMonty.com For More Information

NEW YORK, May 07, 2024 (GLOBE NEWSWIRE) -- Blackwells Capital LLC ("Blackwells"), a shareholder of Braemar Hotels & Resorts Inc. ("Braemar" or the "Company") (NYSE: BHR), today commented on the recent disclosure that the Company has announced a shareholder value creation plan and entered into a definitive agreement to sell the iconic Hilton La Jolla Torrey Pines.

KEY QUESTIONS REGARDING THE MAY 6TH ANNOUNCEMENT

1

Why did the Board approve a transaction at what appears to be a fire sale price, knowing shareholders will soon vote on new leadership?

2

Was this transaction done to drive yet more money into Monty's pocket under the Advisory Agreement?

3

Why is there no disclosure around how much Monty plans to pocket from this transaction?

4

Will Monty agree to place all fees that he thinks are payable under the Advisory Agreement in escrow pending Blackwells' pursuit of its termination for cause?

5

Does the Board think that a share buyback will somehow solve the root issues that afflict Braemar- root issues that they have enabled?

VOTING INFORMATION



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.***

**MacKenzie Partners, Inc.
1-800-322-2885 (call toll free:)
proxy@mackenziepartners.com**