

Question and Answer on the 3 Non-Borrowing Base Properties (Delta Woodbridge, Hilton Houston Galleria Area and Crowne Plaza Dallas Near Galleria-Addison) in EHT’s Portfolio

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings as given in Update Announcement #24 dated 2 March 2021 (as the context requires).

Question	Answer
<p>Why were the EH-REIT subsidiaries that hold the 3 properties, the Delta Woodbridge (“DW”), Hilton Houston Galleria Area (“HHG”) and Crowne Plaza Dallas Near Galleria-Addison (“CPDG”), not included in the Chapter 11 Filing?</p>	<p>Under the advice of its professional advisers, the REIT Trustee considers there to be value-maximising strategies or propositions for the benefit of all stakeholders (including unitholders of EH-REIT) to include only the other 15 properties in EHT’s portfolio in the Chapter 11 Filing.</p> <p>In addition, with respect to each of these three EH-REIT subsidiaries, a Chapter 11 filing would trigger recourse guarantee obligations under the respective guarantee of EHT US 1, Inc. (being a subsidiary of EH-REIT) as well as EH-REIT (in the case of a Chapter 11 filing of the HHG).</p>
<p>What are the current plans with regards to these 3 properties?</p>	<p>As mentioned in Update Announcement #24 dated 2 March 2021, the lenders of the DW Mortgage Loan and the HHG Mortgage Loan have commenced actions to foreclose on the DW and HHG, respectively.</p> <p>A foreclosure sale for the HHG has been set for 2 March 2021. The lender of the DW Mortgage Loan has filed with the Superior Court of New Jersey an application for the appointment of a receiver and the right to foreclose. A hearing to appoint a receiver for the DW has been scheduled for mid-March 2021.</p> <p>Lastly, the REIT Trustee has been advised that the CPDG has retained enough value to compel an effort to sell the hotel, and as such the EH-REIT subsidiary holding the CPDG has commenced a sale process to actively market and auction the CPDG. In this regard, an auction for the CPDG will be conducted in early April 2021.</p> <p>The REIT Trustee will continue to work together with its professional advisers to consider all viable options and value-maximising strategies or propositions in respect of the CPDG and the other 15 properties that are subject to the Chapter 11 Filing, in the interests of all stakeholders, including EH-REIT and the Stapled Securityholders.</p>