



EAGLE HOSPITALITY TRUST

Comprising:

EAGLE HOSPITALITY REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 11 April 2019 under the laws of the Republic of Singapore)

EAGLE HOSPITALITY BUSINESS TRUST

(a business trust constituted on 11 April 2019 under the laws of the Republic of Singapore)

Update Announcement #39 – Update on Foreclosure of Delta Woodbridge Hotel

1. INTRODUCTION

- 1.1 DBS Trustee Limited, in its capacity as trustee (the “**REIT Trustee**”) of Eagle Hospitality Real Estate Investment Trust (“**EH-REIT**”) wishes to provide an update to stapled securityholders (the “**Stapled Securityholders**”) of Eagle Hospitality Trust (“**EHT**”) on the foreclosure of the Delta Woodbridge (“**DW**”).
- 1.2 References are also made to the announcement “Update Announcement #26” dated 29 March 2021 (“**Announcement #26**”). Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings as given in Announcement #26.

2. UPDATE ON FORECLOSURE OF DELTA WOODBRIDGE HOTEL

- 2.1 As disclosed in Announcement #26, upon an application made by Wells Fargo, National Association (“**Wells Fargo**”) (being the lender of the DW Mortgage Loan), the Superior Court of New Jersey had granted an order (the “**Receiver Order**”) for a rent receiver (the “**Receiver**”) to be appointed to take charge of the DW and to, *inter alia*, manage the DW (including hotel operations) and to collect and receive rent and profits from the tenants, occupants and hotel guests.
- 2.2 The REIT Trustee has been informed that following the grant of the Receiver Order, the Receiver engaged Eastdil Secured, L.L.C. (“**Eastdil**”) to market and sell the DW. After marketing the DW for about three (3) months, Eastdil determined that the highest and best offer that it received for the DW was a purchase price of US\$23.5 million. In addition, on the application of Wells Fargo, the Superior Court of New Jersey also entered a Final Judgment for Foreclosure of the DW in the amount of approximately US\$37.6 million on 23 July 2021.
- 2.3 The REIT Trustee was subsequently informed that Wells Fargo conducted a virtual public auction on 23 August 2021 (the “**DW UCC Auction**”) for a Uniform Commercial Code sale with respect to certain personalty at DW (including machinery, equipment, furniture, software used in or to operate the DW) (the “**DW Personal Property**”). The REIT Trustee understands that Wells Fargo did not receive any bids for the DW, and at the DW UCC Auction, Wells Fargo assigned the right to credit the bid for the DW Personal Property to the Receiver and the Receiver was the successful bidder at the DW UCC Auction for the DW Personal Property with a bid of US\$100.
- 2.4 The REIT Trustee further understands that on 27 August 2021, upon an application filed by Wells Fargo, the Superior Court of New Jersey entered an order approving, *inter alia*, the sale of the DW and other assets by the Receiver to a third party for a purchase price of US\$23.5

million. Pursuant to the Final Judgment for Foreclosure, the outstanding principal balance of the DW Mortgage Loan (plus other sums due and payable under the DW Mortgage Loan, including, without limitation, advances made by Wells Fargo, interest at the default rate, late fees and attorneys' fees and costs) is approximately US\$37.6 million, with such amount to generally be offset by the proceeds of the sale of the DW.

- 2.5 The remaining outstanding balance of the DW Mortgage Loan following any offset of the proceeds of the sale of the DW will allegedly continue to be payable by EHT US1, Inc. pursuant to, *inter alia*, the Guaranty of Recourse Obligations granted by EHT US1, Inc. (among other guarantors) to Wells Fargo in connection with the DW Mortgage Loan. Nothing set forth herein shall be construed as a waiver of or prejudice the rights, remedies, claims, objections and/or defenses of EHT US1, Inc., and the Chapter 11 Entities with respect to any claims that Wells Fargo may have in respect of the DW Mortgage Loan.
- 2.6 The REIT Trustee will update Stapled Securityholders of any material developments in respect of the above matter as and when appropriate.

Stapled Securityholders are advised to read this Announcement issued by the REIT Trustee and any further announcements by the REIT Trustee carefully. Stapled Securityholders should note that there is no certainty or assurance that there will be a restructuring and/or reorganisation under Chapter 11 or that Stapled Securityholders will receive any value from the disposal of EHT's properties whether pursuant to the Chapter 11 cases and/or the Section 363 sale process, a foreclosure sale or otherwise. Stapled Securityholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

Issued by:

DBS Trustee Limited
(Company Registration No.: 197502043G)
as trustee of Eagle Hospitality Real Estate Investment Trust

Date: 1 September 2021

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