



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)

Termination of Purchase and Sale Agreement for the Disposal of Crowne Plaza Dallas Near Galleria-Addison

1. INTRODUCTION

1.1. 12 April Announcement on the CPDG Disposal

DBS Trustee Limited, in its capacity as trustee (the "**REIT Trustee**") of Eagle Hospitality Real Estate Investment Trust ("**EH-REIT**") refers to the announcement dated 12 April 2021 in relation to the entry into a purchase and sale agreement (the "**Purchase and Sale Agreement**") by EH-REIT's wholly-owned indirect subsidiary, 14315 Midway Road Addison LLC (the "**Seller-Owner**"), with Lockwood Development Partners LLC (the "**Buyer**") for the sale of the Crowne Plaza Dallas Near Galleria-Addison property located at 14315 Midway Road, Addison, Texas 75001 ("**CPDG**") (the "**12 April Announcement**"), being one (1) of 18 of the hotels in Eagle Hospitality Trust's ("**EHT**") portfolio, by EH-REIT's wholly-owned indirect subsidiary, 14315 Midway Road Addison LLC (the "**Seller-Owner**"), for a purchase price of US\$18 million (approximately S\$23.80 million)¹ (the "**Sale Consideration**") and upon the terms and subject to the conditions of the Purchase and Sale Agreement (the "**CPDG Disposal**").

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings as given in the 12 April Announcement.

1.2. Rationale for the CPDG Disposal as set out in the 12 April Announcement

As set out in paragraph 2 of the 12 April Announcement, the rationale for the CPDG Disposal include, *inter alia*, (a) the Chapter 11 Entities' limited ability to support CPDG, whether in respect of payment of the outstanding amount under the CPDG Mortgage Loan, the upkeeping of CPDG

DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of Eagle Hospitality Trust.

¹ Unless otherwise stated, the S\$ equivalent of the US\$ figures in this Announcement have been arrived at based on the exchange rate of US\$1.00:S\$1.3385 as of 7 April 2021 (Singapore time).

or the operating costs of CPDG, (b) an ever increasing risk that the CPDG Lender would exercise its right to foreclose on CPDG as a result of the defaults under the CPDG Mortgage Loan, and (c) CBRE having advised that it was unlikely that any bidder in the CPDG Auction would submit a bid with a consideration for CPDG higher than the Sale Consideration and the terms of the Purchase and Sale Agreement and the timeline for the CPDG Disposal presented an attractive proposal.

2. TERMINATION OF THE PURCHASE AND SALE AGREEMENT

2.1. Supplemental Agreements to the Purchase and Sale Agreement

As stated in the 12 April Announcement, closing of the CPDG Disposal (the "**Closing**") was scheduled to take place on 30 April 2021 and between the date of the entry of the Purchase and Sale Agreement and the Closing, the Buyer was required to place an additional deposit in the Escrow Account by 16 April 2021. As the Buyer had required additional time for the placement of the additional deposit prior to 16 April 2021, the Seller-Owner and the Buyer had entered into supplemental agreements to the Purchase and Sale Agreement (collectively, the "**Supplemental Agreements**"), and the CPDG Disposal as revised in accordance with the terms of the Supplemental Agreements, the "**Revised CPDG Disposal**") to document the extension and amended terms of the Purchase and Sale Agreement.

Pursuant to the Supplemental Agreements, the Seller-Owner and the Buyer had mutually agreed, *inter alia*, that the Sale Consideration of US\$18 million (approximately S\$23.80 million) was to be revised upwards to US\$18.50 million (approximately S\$24.80 million) (the "**Revised Sale Consideration**"), and the original deposits of an aggregate of US\$2 million (approximately S\$2.70 million) was to be increased to US\$2.50 million (approximately S\$3.35 million) (the "**Revised Deposit Amount**"). The Revised Sale Consideration (including the Revised Deposit Amount) was to be fully satisfied in cash by the Buyer and below is a summary of the terms and the events that had transpired:

- (a) deposits amounting to US\$1.45 million (approximately S\$1.94 million) (the "**Initial Deposits**") had been placed in the Escrow Account and were released to the Seller-Owner's designated account and/or paid directly to the Seller-Owner's designated account;
- (b) an additional deposit of US\$1.05 million (approximately S\$1.41 million) (the "**3 May Additional Deposit**") was to be paid directly to the Seller-Owner's designated account by 3 May 2021 (United States time); and
- (c) the balance of the Revised Sale Consideration, being US\$16 million (approximately S\$21.4 million) was to be placed in the Escrow Account one (1) business day immediately preceding the New Closing Date (as defined below).

In addition, pursuant to the Supplemental Agreements, the Closing of the Revised CPDG Disposal was scheduled to take place on 14 May 2021 (the "**New Closing Date**"), instead of 30 April 2021, unless (i) the Buyer exercised a one-time right to extend the New Closing Date up to an additional seven (7) days (i.e., no later than 21 May 2021) (subject to the deposit with the Seller-Owner of an additional US\$500,000) or (ii) as otherwise agreed to in writing by both the Seller-Owner and the Buyer.

2.2. Termination of Purchase and Sale Agreement

Subsequent to the entry into the Supplemental Agreements, the Buyer had failed to timely deposit the 3 May Additional Deposit by the stipulated deadline of 3 May 2021 (United States time) as required under the Purchase and Sale Agreement (as amended by the Supplemental Agreements). As the Seller-Owner had previously agreed to enter into the Supplemental Agreements to, *inter alia*, provide for longer timelines for the remittance of the deposit amounts and the Buyer was still unable to meet the deadline for the payment of the 3 May Additional Deposit, the Seller-Owner has exercised its right to terminate the Purchase and Sale Agreement (as amended by the Supplemental Agreements) by notice to the Buyer on 4 May 2021 effective immediately (the "**Termination Date**").

As a result of the Buyer's failure to timely fund the 3 May Additional Deposit and in accordance with the terms of the Purchase and Sale Agreement (as amended by the Supplemental Agreements), the Initial Deposits that have already been released to the Seller-Owner's designated account are and shall remain non-refundable to the Buyer and shall be retained from and after the Termination Date.

Following the Termination Date, neither the Buyer nor the Seller-Owner has any further rights or obligations to the other party with respect to the Purchase and Sale Agreement (as amended by the Supplemental Agreements), save for certain surviving provisions contained therein.

In light of the termination of the Revised CPDG Disposal, the REIT Trustee, with the assistance of its professional advisers, is in the midst of exploring all available options in respect of CPDG and will provide further updates on any material developments 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 in the event of a disposal of EHT's properties whether pursuant to the Chapter 11 cases, 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: 7 May 2021

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