UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:	:	Chapter 11
EHT US1, Inc., *et al.*,	:	Case No. 21-10036 (CSS)
Debtors.[1]	:	(Jointly Administered)

DISCLOSURE STATEMENT FOR FIRST AMENDED JOINT PLAN OF LIQUIDATION OF EAGLE HOSPITALITY REAL ESTATE INVESTMENT TRUST AND CERTAIN OF ITS SUBSIDIARY DEBTORS UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

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[1] The Debtors in these chapter 11 cases, along with the last four digits of each debtor's tax identification number, as applicable, are as follows: EHT US1, Inc.(6703); 5151 Wiley Post Way, Salt Lake City, LLC (1455); ASAP Cayman Atlanta Hotel LLC (2088); ASAP Cayman Denver Tech LLC (7531); ASAP Cayman Salt Lake City Hotel LLC (7546); ASAP Salt Lake City Hotel, LLC (7146); Atlanta Hotel Holdings, LLC (6450); CI Hospitality Investment, LLC (7641); Eagle Hospitality Real Estate Investment Trust (7734); Eagle Hospitality Trust S1 Pte. Ltd. (7669); Eagle Hospitality Trust S2 Pte. Ltd. (7657); EHT Cayman Corp. Ltd. (7656); Sky Harbor Atlanta Northeast, LLC (6846); Sky Harbor Denver Holdco, LLC (6650); Sky Harbor Denver Tech Center, LLC (8303); UCCONT1, LLC (0463); UCF 1, LLC (6406); UCRDH, LLC (2279); UCHIDH, LLC (6497); Urban Commons 4th Street A, LLC (1768); Urban Commons Anaheim HI, LLC (9915); Urban Commons Bayshore A, LLC (2422); Urban Commons Cordova A, LLC (4152); Urban Commons Danbury A, LLC (4388); Urban Commons Highway 111 A, LLC (4497); Urban Commons Queensway, LLC (6882); Urban Commons Riverside Blvd., A, LLC (4661); and USHIL Holdco Member, LLC (4796). The Debtors' mailing address is 1166 Avenue of the Americas, 15th Floor, New York, NY 10036 c/o Alan Tantleff (solely for purposes of notices and communications).

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Dated: November 5, 2021

THE VOTING DEADLINE IS 4:00 P.M. PREVAILING EASTERN TIME ON DECEMBER 9, 2021 (UNLESS THE PLAN PROPONENTS EXTEND THE VOTING DEADLINE).

TO BE COUNTED AS A VOTE TO ACCEPT OR REJECT ANY OF THE PLANS, THE SOLICITATION AGENT MUST ACTUALLY RECEIVE YOUR BALLOT ON OR BEFORE THE VOTING DEADLINE AS SET FORTH IN THE SCHEDULING ORDER.

THE LIQUIDATING DEBTORS, THE COMMITTEE AND THE PREPETITION AGENT (EACH AS DEFINED BELOW), BELIEVE THAT ACCEPTANCE OF THE PLANS IS IN THE BEST INTERESTS OF THE LIQUIDATING DEBTORS' ESTATES, THEIR CREDITORS, AND ALL OTHER PARTIES IN INTEREST. ACCORDINGLY, THE LIQUIDATING DEBTORS, THE COMMITTEE AND THE PREPETITION AGENT RECOMMEND THAT YOU VOTE TO ACCEPT THE PLANS.

DISCLAIMER

THE DEBTORS IN THE ABOVE-CAPTIONED CHAPTER 11 CASES (OTHER THAN URBAN COMMONS QUEENSWAY, LLC) (THE "LIQUIDATING DEBTORS"), THE COMMITTEE, AND THE PREPETITION AGENT (COLLECTIVELY, THE "PLAN PROPONENTS") ARE PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT TO HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE *FIRST AMENDED JOINT PLAN OF LIQUIDATION OF EAGLE HOSPITALITY REAL ESTATE INVESTMENT TRUST AND CERTAIN OF ITS SUBSIDIARY DEBTORS UNDER CHAPTER 11 OF THE BANKRUPTCY CODE, DATED NOVEMBER 5, 2021* (EACH PLAN FOR A LIQUIDATING DEBTOR, A "PLAN" AND, COLLECTIVELY, THE "PLANS") FOR THE PURPOSE OF SOLICITING VOTES TO ACCEPT THE PLANS. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE RELIED UPON OR USED BY ANY ENTITY FOR ANY OTHER PURPOSE.

THIS DISCLOSURE STATEMENT SUMMARIZES CERTAIN PROVISIONS OF THE PLANS, STATUTORY PROVISIONS, DOCUMENTS RELATED TO THE PLANS, FINANCIAL INFORMATION, AND EVENTS IN THE CHAPTER 11 CASES OF EAGLE HOSPITALITY REAL ESTATE INVESTMENT TRUST ("EH REIT") AND CERTAIN OF ITS DIRECT AND INDIRECT SUBSIDIARIES THAT ARE DEBTORS IN THE CHAPTER 11 CASES (COLLECTIVELY, THE "DEBTORS").[2] PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT, INCLUDING THE EXECUTIVE SUMMARY HEREIN, ARE MADE ONLY AS OF THE DATE HEREOF, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN SHALL BE CORRECT AT ANY TIME AFTER THE DATE HEREOF.

[2] The term "Debtors" includes Urban Commons Queensway, LLC ("UC-Queensway"), which is jointly administered with the Liquidating Debtors in the Chapter 11 Cases. **However, UC-Queensway is not a Liquidating Debtor under the Plans and, therefore, does not participate in the Plan or the Plan Settlement**.

THE PLAN PROPONENTS URGE EACH HOLDER OF A CLAIM ENTITLED TO VOTE ON ONE OR MORE OF THE PLANS TO (I) READ THE ENTIRE DISCLOSURE STATEMENT AND THE PLANS, (II) CONSIDER ALL OF THE INFORMATION IN THE DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN ARTICLE X OF THE DISCLOSURE STATEMENT, AND (III) CONSULT WITH ITS OWN ADVISORS BEFORE DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLANS.

ALL EQUITYHOLDERS (ALSO REFERRED TO AS UNITHOLDERS) OF EH REIT ARE ALSO URGED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS) AND THE PLANS IN THEIR ENTIRETY. HOWEVER, AS FURTHER DETAILED IN THE PLANS AND HEREIN, THE PLAN PROPONENTS ARE NOT SOLICITING THE VOTES OF HOLDERS OF EQUITY INTERESTS OR UNITS IN EH REIT, AND THE CLASS OF SUCH EQUITYHOLDERS IS DEEMED TO HAVE REJECTED THE PLAN OF EH REIT.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016(b) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NON-BANKRUPTCY LAWS. PERSONS OR ENTITIES TRADING IN, OR OTHERWISE PURCHASING, SELLING, OR TRANSFERRING SECURITIES OF EH REIT SHOULD NOT RELY UPON THIS DISCLOSURE STATEMENT FOR SUCH PURPOSES AND SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLANS IN LIGHT OF THE PURPOSE FOR WHICH THEY WERE PREPARED.

THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT CONSTITUTES NEITHER A GUARANTY OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN NOR AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE MERITS OF THE PLANS.

ALTHOUGH THE PLAN PROPONENTS BELIEVE THAT THE PLANS AND RELATED DOCUMENT SUMMARIES ARE FAIR AND ACCURATE, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS. TO THE EXTENT THERE ARE ANY INCONSISTENCIES BETWEEN THIS DISCLOSURE STATEMENT, ON THE ONE HAND, AND THE PLANS (INCLUDING ANY ATTACHMENTS TO THE PLANS) OR THE PLAN SUPPLEMENT, ON THE OTHER HAND, THE LATTER SHALL CONTROL. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY MANAGEMENT AND VARIOUS ADVISORS OF THE DEBTORS, EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE LIQUIDATING DEBTORS ARE UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN, INCLUDING THE FINANCIAL INFORMATION, IS WITHOUT INACCURACY OR OMISSION.

THIS DISCLOSURE STATEMENT HAS NEITHER BEEN APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE

OR FOREIGN AUTHORITY, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE OR FOREIGN AUTHORITY (INCLUDING ANY SINGAPORE AUTHORITY) PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN AUDITED BY A CERTIFIED PUBLIC ACCOUNTANT AND HAS NOT BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

CERTAIN INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS BY ITS NATURE FORWARD-LOOKING AND CONTAINS ESTIMATES, ASSUMPTIONS AND PROJECTIONS THAT MAY BE MATERIALLY DIFFERENT FROM ACTUAL FUTURE RESULTS.

NOTHING IN THIS DISCLOSURE STATEMENT SHALL BE CONSTRUED TO BE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLANS AS TO HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE LIQUIDATING DEBTORS. THE PLAN PROPONENTS URGE ALL HOLDERS OF A CLAIM OR EQUITY INTEREST TO CONSULT WITH THEIR OWN LEGAL ADVISORS WITH RESPECT TO ANY SUCH ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT AND THE PLANS.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT, LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS.

EXECUTIVE SUMMARY[3]

A. INTRODUCTION

The Liquidating Debtors, the official committee of unsecured creditors appointed in the Chapter 11 Cases (the "Committee"), and Bank of America, N.A. (the "Prepetition Agent"), in its capacities as administrative agent and U.S. funding agent under the Prepetition Credit Agreement (the Prepetition Agent, together with the Liquidating Debtors and the Committee, the "Plan Proponents"), submit this Disclosure Statement pursuant to section 1125 of the Bankruptcy Code to Holders of Claims against and Equity Interests in the Liquidating Debtors in connection with the solicitation of acceptances of the *First Amended Joint Plan of Liquidation of Eagle Hospitality Real Estate Investment Trust and Certain of Its Subsidiary Debtors Under Chapter 11 of the Bankruptcy Code, Dated November 5, 2021* (each plan for a Liquidating Debtor, a "Plan" and, collectively, the "Plans"). The Plans consist of separate Chapter 11 Plans for each Liquidating Debtor. A copy of the Plans is attached to the Disclosure Statement as **Exhibit A**.

The Liquidating Debtors in the Chapter 11 Cases are as follows:

Liquidating Debtor	Abbreviation
ASAP Cayman Atlanta Hotel LLC	ASAP-Atlanta
ASAP Cayman Denver Tech LLC	ASAP-Denver
ASAP Cayman Salt Lake City Hotel LLC	ASAP-Cayman Salt Lake City
ASAP Salt Lake City Hotel, LLC	ASAP- Salt Lake City
Atlanta Hotel Holdings, LLC	Atlanta Holdings
CI Hospitality Investment, LLC	CI Hosp.
Eagle Hospitality Real Estate Investment Trust	EH-REIT
Eagle Hospitality Trust S1 Pte. Ltd.	EH Trust S1
Eagle Hospitality Trust S2 Pte. Ltd.	EH Trust S2
EHT Cayman Corp. Ltd.	EHT Cayman
EHT US1, Inc.	EHT US1
5151 Wiley Post Way, Salt Lake City, LLC	5151 Wiley
Sky Harbor Atlanta Northeast, LLC	Sky Harbor Atlanta
Sky Harbor Denver Holdco, LLC	Sky Harbor Denv. Holdco
Sky Harbor Denver Tech Center, LLC	Sky Harbor Denv. Tech
UCCONT1, LLC	UCCONT
UCF 1, LLC	UCF
UCRDH, LLC	UCRDH
UCHIDH, LLC	UCHIDH
Urban Commons 4th Street A, LLC	UC-4th St.
Urban Commons Anaheim HI, LLC	UC-Anaheim
Urban Commons Bayshore A, LLC	UC-Bayshore

[3] This executive summary is qualified in its entirety by the more detailed information contained in the Plans and elsewhere in this Disclosure Statement, and in the event of any inconsistencies the Plans shall control. Capitalized terms that are used but not defined in this Disclosure Statement have the meanings ascribed to them in the Plans. A term used but not defined in either this Disclosure Statement or the Plan has the meaning given it in the Bankruptcy Code or the Bankruptcy Rules.

Urban Commons Cordova A, LLC	UC-Cordova
Urban Commons Danbury A, LLC	UC-Danbury
Urban Commons Highway 111 A, LLC	UC-Highway 111
Urban Commons Riverside Blvd., A, LLC	UC-Riverside
USHIL Holdco Member, LLC	USHIL Holdco

Following the closing of the sale of 14 of the Debtors' 15 hotel properties in June 2021 for aggregate gross proceeds of $481,900,000, the Liquidating Debtors, the Committee, and the Prepetition Agent engaged in discussions to formulate chapter 11 plans of liquidation for the distribution of the net sale proceeds to the Debtors' creditors and other stakeholders. The negotiations ultimately resulted in the Plans that incorporate a global settlement (the "Plan Settlement") that reflects a good faith compromise and settlement of numerous inter-Debtor, Debtor-creditor, and intercreditor issues, including issues regarding substantive consolidation, the allocation of sale proceeds among the Liquidating Debtors, the validity and enforceability of Intercompany Claims, the allocation of Administrative Expense Claims, funding of the wind-down of the Singapore Debtors, and the treatment of Claims held by Entities that do not have contractual privity with the Liquidating Debtors. The Plan Settlement – which is conditioned upon the Plans going effective on or before December 31, 2021 – provides for certain guaranteed minimum distributions on the Effective Date to (i) the Prepetition Agent on behalf of the Prepetition Lenders and (ii) Holders of Other General Unsecured Claims (e.g., general unsecured creditors other than the Prepetition Lenders) and Convenience Claims against the Debtor Propcos. There is the potential for additional recoveries post-Effective Date as well.

Among other things, as part of the Plan Settlement, the Prepetition Lender Claims are being Allowed in each Plan, on a joint and several basis against each Liquidating Debtor, in an aggregate amount of no less than $380,513,355 (plus postpetition interest and Postpetition Charges to the extent entitled thereto under applicable law). On the Effective Date, the Prepetition Agent, on behalf of the Prepetition Lenders, will receive a guaranteed distribution in cash of $360,161,000 on account of such Prepetition Lender Claims as well as interests in a liquidating trust entitling additional distributions. The exercise by the Prepetition Agent of certain setoff rights against various accounts are also being approved in each of the Plans.

As part of the Plan Settlement, the Guaranteed Other GUC Distribution on the Effective Date will be in the amount of $15,083,000.00 and there will be a separate allocation of $1,601,000 for distribution to Holders of Convenience Claims (claims under $50,000). The Prepetition Agent, on behalf of the Prepetition Lenders, will voluntarily allocate its Distributions on account of the Prepetition Lender Claims (without reducing the aggregate Distributions to be made on account of Prepetition Lender Claims) for the benefit of Other General Unsecured Creditors of the Debtor Propcos, among the Debtor Propcos such that Holders of Allowed Other General Unsecured Claims against each Debtor Propco receive materially the same recovery percentage from the Plan Distributions. Importantly, the allocation of Distributions may be modified from time to time with retroactive effect to the extent necessary to normalize the percentage recoveries of Allowed Other General Unsecured Claims and to ensure that **no Holder of an Allowed Other General Unsecured Claim against a Debtor Propco will receive a lower percentage recovery on account of such Claim as a result of the Plan Settlement Allocation than they otherwise would have been entitled to absent the Plan Settlement** (*i.e.*, under a "pure" waterfall scenario on a Debtor-by-Debtor basis, without any reallocations of

distributions), nor shall any Holders of Allowed Other General Unsecured Claims against any Debtor Propco receive a greater percentage recovery on account of such Claims than the aggregate percentage recovery on account of Prepetition Lender Claims.

Furthermore, under the Plans and as part of the Plan Settlement, funding will be provided to the Singapore Debtors to conduct an orderly wind-down of the Singapore Debtors (specifically, EH REIT, EH Trust S1, and EH Trust S2), which shall be handled by the REIT Trustee, in coordination with the Liquidating Trustee, all as further described below and in accordance with the Plans. To implement the Plans, the Committee and the Prepetition Agent shall jointly select the Liquidating Trustee, who shall (subject to the provisions relating to the REIT Trustee taking actions with respect to the Singapore Debtors) administer the Plans and the Liquidating Trust and shall serve as a representative of the Estates under section 1123(b) of the Bankruptcy Code for the purpose of investigating and prosecuting Causes of Action belonging to the Estates.

The Liquidating Debtors believe that the Plans will enable them to accomplish the objectives of chapter 11 of the Bankruptcy Code and that acceptance of the Plans is in the best interests of the Liquidating Debtors and their stakeholders. The Committee and the Prepetition Agent, co-proponents of the Plans, support confirmation of the Plans. **The Liquidating Debtors, the Committee, and the Prepetition Agent urge creditors to vote to accept the Plans.**

ARTICLE XII OF THE PLANS CONTAINS RELEASE, EXCULPATION, AND INJUNCTIVE PROVISIONS IN FAVOR OF THE RELEASED PARTIES AND EXCULPATED PARTIES (AS APPLICABLE), INCLUDING THE LIQUIDATING DEBTORS' CURRENT MANAGEMENT, THE REIT TRUSTEE, THE PLAN PROPONENTS, AS WELL AS EACH OF THEIR PROFESSIONALS. YOU ARE ADVISED TO CAREFULLY REVIEW AND CONSIDER THESE PROVISIONS BECAUSE YOUR RIGHTS MIGHT BE AFFECTED THEREUNDER.

ALL HOLDERS OF CLAIMS, WHETHER OR NOT ALLOWED, WHO (1) VOTE IN FAVOR OF THE PLANS AND DO NOT OPT OUT OF THIS RELEASE ON A TIMELY SUBMITTED BALLOT, (2) (A) ABSTAIN FROM VOTING, ARE DEEMED TO HAVE REJECTED THE PLANS, OR VOTE TO REJECT THE PLANS AND (B) DO NOT OPT OUT OF THE THIS RELEASE ON A TIMELY SUBMITTED BALLOT OR THE OPT-OUT ELECTION FORM, (3) ARE PAID IN FULL UNDER THE PLANS, OR (4) ARE DEEMED TO HAVE ACCEPTED THE PLANS, SHALL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASES IN SECTION 12.3 OF THE PLANS.

Subject to the restrictions on modifications set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, the Plans may be altered, amended, or modified one or more times before substantial consummation thereof, in accordance with the terms of the Plans.

B. SOLICITATION AND ACCEPTANCE OF PLANS

1. General

On November 4, 2021, the Bankruptcy Court entered the Disclosure Statement Order approving this Disclosure Statement as containing "adequate information" (*i.e.*, information of a kind and in sufficient detail to enable a hypothetical reasonable investor typical of the Holders of Claims and Equity Interests to make an informed judgment regarding the Plans). This Disclosure Statement is submitted pursuant to Section 1125 of the Bankruptcy Code and is being furnished to Holders of Claims in the Voting Classes (as defined herein) (i) for the purpose of soliciting their votes on one or more of the Plans and (ii) in connection with the hearing scheduled for **December 20, 2021, at 9:00 a.m. (prevailing Eastern Time)** to consider an order confirming the Plans.

This Disclosure Statement is also being furnished to certain other creditors and other entities for notice or informational purposes. The primary purpose of this Disclosure Statement is to provide adequate information to Holders of Claims in the Voting Classes to make a reasonably informed decision with respect to the Plans prior to exercising the right to vote to accept or reject the Plans.

A copy of the Disclosure Statement Order entered by the Bankruptcy Court and a notice of, among other things, voting procedures and the dates set for objections to and the hearing on confirmation of the Plan (the "Notice of Confirmation Hearing") are also being transmitted with this Disclosure Statement. The Disclosure Statement Order and the Notice of Confirmation Hearing set forth in detail the deadlines, procedures, and instructions for casting votes to accept or reject the Plans, for filing objections to confirmation of the Plans, the treatment, for balloting purposes, of certain types of Claims, and the assumptions for tabulating Ballots. In addition, detailed voting instructions accompany each Ballot. **The last day by which a Ballot must be actually received in order to vote to accept or reject the Plans is December 9, 2021 at 4:00 p.m. (prevailing Eastern Time) (the "Voting Deadline").**

Each Holder of a Claim within a Class entitled to vote should read the Disclosure Statement, the Plans, the Disclosure Statement Order, the Notice of Confirmation Hearing, and the instructions accompanying the Ballots in their entirety before voting on the Plan. These documents contain important information concerning how Claims are classified for voting purposes, how votes must be transmitted, and how votes will be tabulated.

2. Overview of Chapter 11 Process

In accordance with the provisions of the Bankruptcy Code, a debtor may propose to either reorganize or liquidate its assets. The commencement of a chapter 11 bankruptcy case creates an estate that is comprised of all of the legal, contractual, and equitable interests of the debtor as of the commencement of the case. The Bankruptcy Code provides authority for a debtor to continue to manage and operate its business and remain in possession of its property. The consummation of a plan is the primary objective of the chapter 11 process.

A chapter 11 plan (i) divides claims and equity interests into classes, (ii) sets forth the consideration (if any) each class will receive under the plan and (iii) provides a mechanism for

implementation of the plan.[4] Confirmation of a plan by a bankruptcy court binds the debtor, creditors, and equity security holders to the terms of the plan.

Generally, certain holders of claims against, and equity interests in, the debtor are permitted to vote to accept or reject a plan. A plan will designate whether a class of claims is "impaired" or "unimpaired" and whether holders of claims in such class are entitled to vote on the plan. Prior to soliciting votes on the plan, the bankruptcy court must approve a disclosure statement as containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment to accept or reject the plan.

The Liquidating Debtors, the Committee, and the Prepetition Agent are the Plan Proponents of the Plan. The Liquidating Debtors are distributing this Disclosure Statement to Holders of Claims against the Liquidating Debtors that are expected to receive a distribution under the Plans in satisfaction of the requirements of section 1125 of the Bankruptcy Code.

3. Who Is Entitled to Vote

Under the Bankruptcy Code, only holders of allowed claims that are "impaired" are entitled to vote to accept or reject a plan. The Bankruptcy Code defines acceptance of a plan by a class of claims as acceptance by holders of at least two-thirds (⅔) in dollar amount and more than one-half (½) in number of the claims of that class that cast ballots for acceptance or rejection of the plan. Thus, acceptance by a class of claims occurs only if at least two-thirds (⅔) in dollar amount **and** a majority in number of the holders of claims voting cast their ballots to accept the plan. ***See Section VII ("Voting Requirements") and Section VIII ("Confirmation of the Plan")***.

Your vote on the Plans is important. The Bankruptcy Code requires as a condition to confirmation of a chapter 11 plan that each class that is impaired and entitled to vote under a plan votes to accept such plan, unless the plan is being confirmed under the "cramdown" provisions of section 1129(b) of the Bankruptcy Code. Section 1129(b) permits confirmation of a chapter 11 plan, notwithstanding the non-acceptance of the plan by one or more impaired classes of claims or equity interests, so long as at least one impaired class of claims or interests votes to accept a proposed plan. Under that section, a plan may be confirmed by a bankruptcy court if it does not "discriminate unfairly" and is "fair and equitable" with respect to each non-accepting class.

The Plan Proponents are seeking acceptances of the Liquidating Debtors' respective Plans from Holders of Claims in each of the following Classes (collectively, the "Voting Classes"):

- Class 4 (Prepetition Lender Claims) under the Plan of each Debtor Propco;
- Class 5 (Other General Unsecured Claims) under the Plan of each Debtor Propco;

[4] In the case of a reorganization, which is not the case here, a plan would also set forth the future conduct of a reorganized debtor.

- Class 6 (Convenience Claims) under the Plan of each Debtor Propco;
- Class 8 (Prepetition Lender Claims) under the Plan of each Debtor Non-Propco; and
- Class 9 (Other General Unsecured Claims) under the Plan of each Debtor Non-Propco (other than EH REIT).

For the avoidance of doubt, there is no substantive consolidation of the Liquidating Debtors' Estates. Accordingly, the Plan of each Debtor Propco will contain Classes 4, 5, and 6 (but not Classes 7, 8, and 9), and the Plan of each Debtor Non-Propco will contain Classes 7, 8, and 9 (but not Classes 4, 5, and 6).

Certain Classes under the Plans are not entitled to vote. Claims in Class 10 (Intercompany Claims) under the Plan of each Liquidating Debtor and Claims in Class 11 (Liquidating Debtor Intercompany Equity Interests) under the Plan of each Liquidating Debtor (other than EH REIT) will receive no Distributions under the Plans,[5] and, therefore, Claims in these Classes are conclusively deemed to have rejected the Plans, and are not entitled to vote, in accordance with section 1126(g) of the Bankruptcy Code.

Furthermore, the following Claims against and Equity Interests in EH REIT are not entitled to vote on the Plan of EH REIT and presumed to have rejected such Plan:

- Class 9 (Other General Unsecured Claims) under the Plan of EH REIT;
- Class 12 (EH REIT Equity Interests) under the Plan of EH REIT; and
- Class 13 (EH REIT Section 510(b) Claims) under the Plan of EH REIT.

Holders of such Claims against and Equity Interests in EH REIT will receive beneficial interests in the Liquidating Trust that will entitle them to a Distribution **only if** funds become available at EH REIT, all as detailed in the Plans. **No assurances can be provided that Holders of Other General Unsecured Claims against EH REIT, EH REIT Equity Interests, or EH REIT Section 510(b) Claims will receive any Distributions on account of such beneficial interests in the Liquidating Trust.** For additional information regarding the treatment of EH REIT Equity Interests, please see Section D below.

Finally, Claims in Class 1 (Priority Non-Tax Claims), Claims in Class 2 (Secured Tax Claims), Claims in Class 3 (Other Secured Claims) under the Plans of each Liquidating Debtor, and Class 7 (Secured Prepetition Lender Non-Propco Claims) are Unimpaired, and the Holders of Claims in these Classes are conclusively presumed to have accepted the Plans pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote.

[5] The Liquidating Debtor Intercompany Equity Interests will be retained solely to the extent necessary to make Distributions in accordance with the Plans.

For a description of the Classes, Claims, and Equity Interests, and their treatment under the Plans, see Articles III, IV, and V of the Plans.

4. Ballots

If you are entitled to vote to accept or reject the Plans, ***see Section VII.B ("Voting Requirements—Holders of Claims Entitled to Vote")***, a Ballot or Ballots, specific to the Claim or Claims held, is/are enclosed for voting on one or more of the Plans. As further detailed below, on the Ballot you will also have the option to opt out of the third party releases set forth in Section 12.3 of the Plans in favor of the Released Parties. If you are the Holder of a Claim in Classes 4, 5, 6, 8 or 9 entitled to vote to accept or reject the Plans, you may submit your Ballot as follows:

- By first first-class mail, in the return envelope provided with each Ballot (after applying postage), to Donlin, Recano & Company, Inc., Re: EHT US1, Inc., *et al.*, Attn: Voting Department, P.O. Box 199043, Blythebourne Station, Brooklyn, NY 11219;

- By overnight courier or hand delivery to Donlin, Recano & Company, Inc., Re: EHT US1, Inc., *et al.*, Attn: Voting Department, 6201 15th Avenue, Brooklyn, NY 11219; or

- Use the online balloting portal at https://www.donlinrecano.com/Clients/eagle/vote.

IN ORDER FOR YOUR BALLOT TO BE COUNTED, YOUR BALLOT MUST BE PROPERLY COMPLETED AND RECEIVED SO THAT IT IS **ACTUALLY RECEIVED** BY THE VOTING AGENT NO LATER THAN THE VOTING DEADLINE, *I.E.*, **DECEMBER 9, 2021 AT 4:00 P.M. (PREVAILING EASTERN TIME)**. ***See Section VII.A ("Voting Requirements—Voting Deadline") and Section VII.D.1 ("Voting Requirements— Voting Procedures—Ballots")***.

If you hold Claims in more than one Class and are entitled to vote such Claims in more than one Class, you must use separate Ballots for each Class of Claims. If you hold more than one Claim classified in a single class of Claims, you must vote all your Claims within that Class to either accept or reject the applicable Plan, and may not split your votes within a particular Class; thus, a Ballot (or group of Ballots) within a particular Class that partially accepts and partially rejects a Plan shall not be counted. Importantly, when you vote, you must use only the Ballot or Ballots sent to you (or copies if necessary) with this Disclosure Statement.

Prior to the Voting Deadline, if you cast more than one Ballot voting the same Claim, the last received, validly executed Ballot received before the Voting Deadline shall be deemed to reflect your intent and thus to supersede any prior Ballots. After the Voting Deadline, if you wish to change your vote, you can do so, if you meet the requirements of Bankruptcy Rule 3018(a), by filing a motion with the Bankruptcy Court with sufficient advanced notice so that it can be heard at or prior to the Confirmation Hearing scheduled for December 20, 2021. Any

such application must be filed and served in accordance with the procedures set forth in detail in the Disclosure Statement Order.

5. Confirmation Hearing

The hearing to determine whether to confirm the Plans has been scheduled to commence on **December 20, 2021, at 9:00 p.m. (prevailing Eastern Time)** before the Honorable Christopher S. Sontchi, United States Bankruptcy Judge, of the United States Bankruptcy Court for the District of Delaware, 824 North Market St., 3rd Floor, Wilmington Delaware 19801.

The Zoom registration link for the Confirmation Hearing is as follows:

https://debuscourts.zoomgov.com/meeting/register/vJIsdeGhqjwtGDVL7siL6AVIk94BXjKDVag

The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice, except for an announcement of the adjourned date made at the Confirmation Hearing. In addition, except as expressly provided in the Plans, the Plans may be modified pursuant to section 1127 of the Bankruptcy Code, prior to, during or as a result of the Confirmation Hearing, without further notice to parties in interest. At the Confirmation Hearing, the Bankruptcy Court will determine whether the requirements for confirmation of the Plan under section 1129 of the Bankruptcy Code have been satisfied and, if appropriate, will enter an order confirming the Plan. ***See Section VII ("Voting Requirements") and Section VIII ("Confirmation of the Plans")***. As set forth in Article X of the Plans, both confirmation and consummation of the Plans are subject to certain conditions, which may be waived as provided in the Plans.

6. Inquiries

If you wish to obtain an additional copy of the Plans, this Disclosure Statement, or any exhibits to such documents, at your own expense (unless specifically required by Bankruptcy Rule 3017), or if you have any questions, please contact the Voting Agent by: (a) calling the Voting Agent at (800) 416-3743 (toll free); or (b) emailing DRCVote@DonlinRecano.com. Copies of the Plans, this Disclosure Statement, or any exhibits to such documents may also be obtained free of charge on the Voting Agent's website for these chapter 11 cases at https://www.donlinerecano.com/Clients/eagle/Index.

C. JOINT PLAN OF LIQUIDATION

1. Overview of the Plans

The following is a brief summary of certain material provisions of the Plans. These descriptions are qualified in their entirety by the provisions of the Plans, a copy of which is attached hereto as **Exhibit A**.

Following the closing of the sale of the Debtor Propcos' 14 Hotel Assets in June 2021, the Liquidating Debtors, the Committee, and the Prepetition Agent engaged in discussions to formulate a chapter 11 plan of liquidation for the distribution of net sale proceeds to the Debtors' creditors and other stakeholders.

The negotiations ultimately resulted in the Plans that incorporate the Plan Settlement reflected in a Plan Support Agreement ("Plan Support Agreement") among the Liquidating Debtors, the Committee, the Prepetition Agent, certain members of the Committee (in their individual capacities), and certain Holders of Prepetition Lender Claims (collectively, the "PSA Parties"). The Plan Settlement reflects a good faith compromise and settlement of numerous inter-Debtor, Debtor-creditor, and intercreditor issues, including issues regarding substantive consolidation, the allocation of sale proceeds among the Liquidating Debtors, the validity and enforceability of Intercompany Claims, the allocation of Administrative Expense Claims, the funding of the wind-down of the Singapore Debtors, and the treatment of Claims held by Entities that do not have contractual privity with the Liquidating Debtors.

Among other things, the Plan Settlement is designed to achieve a reasonable economic settlement of disputed Claims against the Liquidating Debtors and an efficient resolution of the Chapter 11 Cases.

The Plan Settlement – which is conditioned upon the Plans going effective on or before December 31, 2021 – provides for certain guaranteed minimum distributions on the Effective Date to (i) the Prepetition Agent on behalf of the Prepetition Lenders and (ii) Holders of Other General Unsecured Claims (e.g., general unsecured creditors other than the Prepetition Lenders) and Convenience Claims against the Debtor Propcos. There is the potential for additional recoveries post-Effective Date as well.

In addition, as part of the Plan Settlement, the Plan provides, among other things, that

- As part of the Plan Settlement, the Prepetition Lender Claims will be Allowed in each Plan, on a joint and several basis against each Liquidating Debtor, in an aggregate amount of no less than $380,513,355 (which is calculated as the sum of principal, accrued prepetition interest, prepetition charges, Swap obligations (but not post-petition interest), gross-up obligations, agent fees,and professional fees, after taking into account the reduction of such amounts as a result of the exercise of the Lender Setoff Rights);

- On the Effective Date, the Prepetition Agent will receive, on account of the Prepetition Lender Claims, (a) the Guaranteed Prepetition Agent Distribution in the amount of $360.161 million on account of the Prepetition Lender Claims, (b) beneficial interests in the Liquidating Trust which entitle the Prepetition Agent, on account of the Prepetition Lender Claims, to additional Distributions on account of both Liquidating Trust Interests (Propcos) and Liquidating Trust Interests (Non-Propcos) in accordance with the Plans, including, but not limited to, the Prepetition Agent Fee Payment in the amount of $2.64 million, and (c) postpetition default interest and Postpetition Charges (to the extent not included in the $380,513,355) to the extent entitled thereto under applicable law and in accordance with the Plans;

- Holders of Other General Unsecured Claims against the Debtor Propcos will receive (a) their *pro rata* share of the Guaranteed Other GUC Distribution in the amount of $15.083 million and (b) beneficial interests in the Liquidating Trust

that entitle such Holders to additional Distributions from the Liquidating Trust Propco Assets (*i.e.*, the Other GUC Distribution) in accordance with the predetermined formula under the Plans. In particular, under that formula, the Distributions on account of Liquidating Trust Propco Assets and the proceeds thereof shall be allocated as follows (in each case, to the extent there is sufficient cash available): first, a one-time payment of $2.64 million to the Prepetition Agent, on behalf of the Prepetition Lenders, on account of the Prepetition Lender Claims; second, with respect to the next $12.5 million of available cash (*i.e.*, the Tier 1 Value Range), the Prepetition Agent, on behalf of the Prepetition Lenders, will receive 75% of such cash and Class 5 creditors will receive 25% of such cash; and third, with respect to any further available cash (*i.e.*, the Tier 2 Value Range), the Prepetition Agent, on behalf of the Prepetition Lenders, will receive 25% of such cash and Class 5 creditors will receive 75% of such cash. These distributions were heavily negotiated as part of the Plan Settlement (all as further detailed in Section V.A below and in Sections 6.2 and 6.3 of the Plans). To be clear, no assurances can be given at this time as to the extent, if any, of any distributions from the Liquidating Trust Propco Assets which will depend upon various factors including (i) available Cash after payment of all Allowed Administrative Expense Claims, Priority Claims and Secured Claims and (ii) proceeds from the liquidation of any remaining assets which may largely consist of future litigation recoveries (if any); and

- Holders of Convenience Claims against the Debtor Propcos will receive a *pro rata* share of the Convenience Class Distribution in the aggregate amount of $1.601 million.

Importantly, the allocation of Distributions may be modified from time to time with retroactive effect to the extent necessary to normalize the percentage recoveries of Allowed Other General Unsecured Claims and to ensure that **no Holder of an Allowed Other General Unsecured Claim against a Debtor Propco will receive a lower percentage recovery on account of such Claim as a result of the Plan Settlement Allocation than they otherwise would have received in the absence of the Plan Settlement** (*i.e.*, under a "pure" waterfall scenario on a Debtor-by-Debtor basis, without any reallocations of distributions) nor shall any Holders of Allowed Other General Unsecured Claims against any Debtor Propco receive a greater percentage recovery on account of such Claims than the aggregate percentage recovery on account of Prepetition Lender Claims.

In addition to providing for certain guaranteed recoveries, the Plan Settlement also resolves and settles potential defenses that might otherwise have been raised to certain types of Claims; specifically Claims held by parties that had provided goods and/or services to a Debtor Propco Hotel but at the time had no contract with such Debtor Propco in its legal name. In particular, the Plans provide that the Settled Vendor Claims[6] will be entitled to a Distribution as

[6] "Settled Vendor Claim" means an Other General Unsecured Claim for goods and/or services actually provided to a Debtor Propco Hotel, that is not identified on Exhibit C to the Plans, if (i) the Holder of such Other General Unsecured Claim had no contract with the applicable Debtor Propco identifying the Debtor Propco by its legal name when such goods and/or services were provided and (ii) the Holder of such Other General Unsecured

Other General Unsecured Claims, notwithstanding the Liquidating Debtors' belief that such parties lack contractual privity with the Liquidating Debtors (while preserving the Liquidating Trustee's ability to object to such Claims on any other basis).[7] This settlement does not address all potentially disputed Claims and, consistent with the Plan Settlement, the Debtors have already filed objections against the Claims of certain sophisticated creditors who *specifically contracted with the Master Lessees but not the Debtor Propcos.*[8] To date, and as further detailed in Sections IV.M below, the Debtors have reached agreements in principle to settle the Non-Privity Claims of one Hotel Manager and one Franchisor by granting such claimants Allowed Other General Unsecured Claims in amounts of less than 10% of the asserted Claim amounts.

Furthermore, the Plans will distribute beneficial interests in the Liquidating Trust to creditors of the Debtor Non-Propcos (including the Prepetition Lenders and, for the avoidance of doubt, creditors of EH REIT) and equityholders of EH REIT, which will entitle such creditors and equityholders to a Distribution to the extent there is sufficient value available at the corresponding Debtor Non-Propco level (in accordance with their relative priorities, and as further detailed in the Plans). However, no assurance can be provided that Holders of Other General Unsecured Claims against EH-REIT, EH REIT Equity Interests, or EH REIT Section 510(b) Claims will receive any Distribution on account of such beneficial interests. For additional discussion of the EH REIT Equity Interests, please see Section D below.

Finally, the Plan Settlement resolves disputes among the Plan Proponents concerning the funding request relating to the wind-down of the Singapore Debtors. Under the Plan Settlement, the Plan Proponents have agreed to make available certain additional Cash to the Singapore Debtors to fund the orderly wind-down of the Singapore Debtors under Singapore law. The REIT Trustee will have authority over the wind-down of the Singapore Debtors. Furthermore, the REIT Trustee will have standing and be entitled to investigate, and, if appropriate, pursue certain potential Causes of Action that EH REIT may have, including against the former REIT Manager and/or its directors and/or officers. The net proceeds of any such litigation recoveries (after first making certain payments to the Debtor Propcos in consideration for the provision of funding for the wind-down of the Singapore Debtors and the investigation of EH REIT Causes of Action, if any) would be distributed to Holders of Allowed Claims against EH REIT, and, if such Claims are paid in full, to Holders of EH REIT Equity Interests. Notably, the Liquidating Trustee shall investigate and prosecute any Causes of Action belonging to the Estates other than the EH REIT Causes of Action.

Absent the Plan Settlement, many of the aforementioned issues would remain unresolved, which would likely result in lengthy and expensive litigation to the detriment of Liquidating Debtors' Estates and all stakeholders. The Plan Settlement also provides for more certain and earlier recoveries for Holders of Other General Unsecured Claims and Holders of Convenience Class Claims. Through the integrated Plan Settlement, the Plan

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Claim had no contract in effect with the Master Lessee to such Debtor Propco when such goods and/or services were provided. The Claims identified on Exhibit C to the Plans are referred to as the "Non-Privity Claims."

[7] The Holders of the Settled Vendor Claims will only be entitled to assert Claims against those Debtor Propcos that owned the Hotels that received the goods and/or services provided by such claimant.

[8] The Debtors, with the consent of the other Plan Proponents, have already settled certain such Disputed Claims which settlements are subject to the execution of definitive documents.

Proponents believe the Liquidating Debtors will be able to avoid the incurrence of significant litigation costs and delays in connection with the disputed intercompany and inter-creditor issues and exit bankruptcy protection expeditiously with the Effective Date to occur on or before December 31, 2021 – which condition is required under the Plan Settlement.

The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Plan Settlement and all other compromises and settlements provided for in the Plans, and the Bankruptcy Court's findings shall constitute its determination that such compromises and settlements are in the best interests of the Liquidating Debtors, their Estates, their creditors, and other parties-in-interest, and are fair, equitable, and within the range of reasonableness. The provisions of the Plan Settlement will be deemed non-severable from each other and from the remaining terms of the Plans.

2. Summary of Classification and Treatment under Plan

Only holders of "allowed" claims or equity interest may receive a distribution under a chapter 11 plan. A claim is "allowed" if the debtor agrees with the claim or, if there is a dispute regarding the claim, the bankruptcy court determines that the claim, including the amount, is a valid obligation of the debtors. Section 502(a) of the Bankruptcy Code provides that a timely filed claim is allowed unless the debtor or another party in interest objects to the claim. Section 502(b) of the Bankruptcy Code, however, specifies certain claims that may not be allowed even if a proof of such claim is filed. In addition, Bankruptcy Rule 3003(c)(2) prohibits the allowance of any claim that is either not listed in the debtor's filed schedules or is listed as disputed, contingent, or unliquidated if the holder of such claim did not timely file a proof of claim.

Your ability to vote and your Distribution under the Plans, if any, depend on the type of Claim or Equity Interest you hold. The following table summarizes the classification and treatment of prepetition Claims and Equity Interests under the Plan. This classification and treatment for all Classes is described in more detail in Article IV of the Plans.

Estimated Claim amounts set forth in the following table are based upon the Debtors' books and records and analysis of proofs of claim filed during the Chapter 11 Cases. **There can be no assurance that the actual Claim amounts will not be significantly different from the estimates.** This table is only a summary of the classification and treatment of Claims and Equity Interests under the Plan. Reference should be made to the entire Disclosure Statement and the Plan for a complete description of the classification and treatment of Claims and Equity Interests. Accordingly, this summary is qualified in its entirety by reference to the provisions of the Plan, a copy of which is attached as **Exhibit A** hereto.

Class	Claim/Equity Interest	Applicable Debtor	Treatment	Estimated Aggregate Amount of Allowed Claims	Estimated Percentage Recovery of Allowed Claims or Equity Interests
1	Priority Non-Tax Claims	Each Liquidating Debtor	Except to the extent that a Holder of a Priority Non-Tax Claim agrees to a less favorable treatment or has been paid prior to the Effective Date, each Holder of an Allowed Priority Non-Tax Claim shall receive, in full, final, and complete satisfaction, settlement, release, and discharge of such Allowed Priority Non-Tax Claim, (a) Cash in the amount equal to such Allowed Claim, without interest, on or as soon as practicable after the later of (x) the Effective Date and (y) the date that such Claim becomes an Allowed Claim against the applicable Liquidating Debtor, or (b) such other treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.	$0	100%
2	Secured Tax Claims	Each Liquidating Debtor	Except to the extent that a Holder of an Allowed Secured Tax Claim agrees to a less favorable treatment or has been paid prior to the Effective Date, each Holder of an Allowed Secured Tax Claim shall receive, in full, final, and complete satisfaction, settlement, release, and discharge of such Allowed Secured Tax Claim and any Liens securing such Claim, either (a) Cash in the amount of such Allowed Secured Tax Claim on, or as soon as practicable after, the latest of: (i) the Effective Date and (ii) the date such Allowed Secured Tax Claim becomes an Allowed Claim against the applicable Liquidating Debtor, or (b) otherwise treated in accordance with section 1129(a)(9)(C) of the Bankruptcy Code.	$2.0 million	100%
3	Other Secured Claims	Each Liquidating Debtor	Except to the extent that a Holder of an Allowed Other Secured Claim agrees to a less favorable treatment or has been paid prior to the Effective Date, each Holder of an Allowed Other Secured Claim shall receive, in full, final, and complete satisfaction, settlement, release, and discharge of such Allowed Other Secured Claim and any Liens securing such Claim, at the option of the Plan Proponents or the Liquidating Trustee, as applicable, (i) Cash in an amount equal to such Allowed Other Secured Claim on the later of the Effective Date and the date that is ten (10) business days after the date such Other Secured Claim becomes an Allowed Claim, in each case, or as soon as reasonably practicable thereafter; (ii) such other treatment sufficient to render such Holder's Allowed Other Secured Claim Unimpaired; or (iii) delivery of the Collateral securing its Allowed Other Secured Claim and payment of any interest required under section 106(b) of the Bankruptcy Code, in full and complete satisfaction of such Allowed Other Secured Claim.	$0.5 million	100%

Class	Claim/Equity Interest	Applicable Debtor	Treatment	Estimated Aggregate Amount of Allowed Claims	Estimated Percentage Recovery of Allowed Claims or Equity Interests
4	Prepetition Lender Claims against Propcos	Each Propco	On the Effective Date, the Prepetition Agent shall receive on account of the Prepetition Lender Claims (a) the Guaranteed Prepetition Agent Distribution and (b) Liquidating Trust Interests (Propco) which entitle the Prepetition Agent, on account of the Prepetition Lender Claims, to the Prepetition Agent Fee Payment,[9] net sale proceeds from sale of real property owned by Non-Debtor Dallas to the extent set forth in the definition of Liquidating Trust Propco Assets, and the Prepetition Lender Trust Distribution until such Claims are paid in full (including any postpetition default interest and Postpetition Charges to the extent entitled thereto under applicable law). The Prepetition Agent, on behalf of the Prepetition Lenders, shall receive Liquidating Trust Interests (Propco) evidencing the right to receive any Distributions that cannot be made as of the Effective Date.	$380.5 million	97.4%

[9] "Prepetition Agent Fee Payment" means a one-time payment of $2.64 million from the Liquidating Trust to the Prepetition Agent, on behalf of the Prepetition Lenders, to be paid before the payments to the Holders of Liquidating Trust Interests (Propco). For the avoidance of doubt, the Prepetition Agent Fee Payment does not represent an additional charge, but instead is included in, and not in addition to, the calculation of the Allowed amount (*i.e.*, $380,513,355) of the Prepetition Lender Claims.

Class	Claim/Equity Interest	Applicable Debtor	Treatment	Estimated Aggregate Amount of Allowed Claims	Estimated Percentage Recovery of Allowed Claims or Equity Interests
5	Other General Unsecured Claims against Propcos	Each Propco	Except to the extent that a Holder of an Allowed Other General Unsecured Claim against a Debtor Propco agrees to less favorable treatment or has been paid by a Debtor Propco prior to the Effective Date, each Holder of an Allowed Other General Unsecured Claim against a Debtor Propco, on the later of the Effective Date of the Plans or the date that is ten (10) business days after the date on which such Other General Unsecured Claim becomes an Allowed Other General Unsecured Claim, or as soon as reasonably practicable thereafter as determined by the Liquidating Trustee, shall receive (i) its *pro rata* share of the Guaranteed Other GUC Distribution and (ii) Liquidating Trust Interests (Propco) which entitle such Holder to receive on account of its Allowed and unpaid Other General Unsecured Claim, its *pro rata* share of the Other GUC Trust Distribution until such Allowed Other General Unsecured Claim is paid in full (including any postpetition interest to the extent entitled thereto under applicable law), in each case subject to the Plan Settlement. Holders of Allowed Other General Unsecured Claims against the Debtor Propcos shall receive Liquidating Trust Interests (Propco) evidencing the right to receive any such Distributions that cannot be made as of the Effective Date. To the extent necessary to effectuate Distributions, Holders of Other General Unsecured Claims are the beneficiaries of the Plan Settlement Allocation. To the extent that any portion of the Guaranteed Other GUC Distribution cannot be made to Other General Unsecured Claims on the Effective Date, such portion of the Guaranteed Other GUC Distribution shall be made to the Liquidating Trust, for the benefit of Holders of Other General Unsecured Claims, and such Distributions to Holders of Other General Unsecured Claims shall be made as soon as reasonably practicable after the Effective Date and in any event no later than March 31, 2022 unless further extended by the Liquidating Trustee with the consent of the Oversight Committee.	$31.1 million	55.7%

Class	Claim/Equity Interest	Applicable Debtor	Treatment	Estimated Aggregate Amount of Allowed Claims	Estimated Percentage Recovery of Allowed Claims or Equity Interests
6	Convenience Claims against Propcos	Each Propco	Except to the extent that a Holder of an Allowed Convenience Claim against a Debtor Propco agrees to less favorable treatment or has been paid by a Debtor Propco prior to the Effective Date, each Holder of an Allowed Convenience Claim against a Debtor Propco shall receive its pro rata share, not to exceed the amount of the Allowed Convenience Claim, of the Convenience Class Distribution on the later of (i) the Effective Date of the Plan or (ii) ten (10) business days after the date on which such Convenience Claim becomes an Allowed Convenience Claim, or as soon as reasonably practicable thereafter as determined by the Liquidating Trustee; provided, however, that in no event shall the recovery percentage on account of a Convenience Claim be less than 50%. To the extent necessary to effect Distributions to Holders of Convenience Claims, such Holders shall also be deemed beneficiaries of the Plan Settlement Allocation.	$2.3 million	68.8%
7	Secured Prepetition Lender Non-Propco Claims against Non-Propcos	Each Non-Propco	After the payment in full of all A/P/S Claims (to the extent required), the Prepetition Agent shall receive, to the extent the Secured Prepetition Lender Non-Propco Claims against the applicable Debtor Non-Propco are Secured Claims, one or more Distributions of Cash from the proceeds of the Liquidating Trust Non-Propco Assets with respect to such Debtor Non-Propco (including, but not limited to, any properties, Causes of Action or rights to Liquidating Trust Non-Propco Assets to the extent they constitute Collateral of the Prepetition Agent or the Prepetition Lenders) until the Prepetition Lender Claims are paid in full (in accordance with the Prepetition Credit Agreement and including any postpetition default interest and Postpetition Charges to the extent entitled thereto under applicable law). The Prepetition Agent shall receive, on account of the Secured Prepetition Lender Non-Propco Claims, Liquidating Trust Interests (Non-Propco) evidencing the right to receive any such Distributions that cannot be made as of the Effective Date.	Subject to Reservation of Rights	Not applicable

Class	Claim/Equity Interest	Applicable Debtor	Treatment	Estimated Aggregate Amount of Allowed Claims	Estimated Percentage Recovery of Allowed Claims or Equity Interests
8	Prepetition Lender Non-Propco Claims against Non-Propco	Each Non-Propco	After payment in full of all A/P/S Claims (to the extent required) and Secured Prepetition Lender Non-Propco Claims, any remaining Cash at each Debtor Non-Propco shall be distributed on a *pro rata* basis to the Prepetition Agent (on account of the Prepetition Lender Claims) until the Prepetition Lender Claims are paid in full (including any postpetition interest to the extent entitled thereto under applicable law) and Holders of Allowed Other General Unsecured Claims, subject to (a) all third party contractual rights of subordination and pay-over available to the Prepetition Agent and/or the Prepetition Lenders and (b) with respect to the Plan for EHT US1, the subordination and pay-over rights of the Prepetition Agent and the Prepetition Lenders under the EHT Cayman Subordination Agreement for any Distributions on account of the EHT Cayman Loan, to the extent provided in such document and subject to applicable law. Such *pro rata* share shall be a fraction where the numerator shall be the aggregate amount of Prepetition Lender Claims and the denominator the sum of the aggregate amount of Prepetition Lender Claims (to the extent such Prepetition Lender Claims are not Secured Prepetition Lender Non-Propco Claims) and all Allowed Other General Unsecured Claims against such Debtor Non-Propco. Holders of Prepetition Lender Claims shall receive Liquidating Trust Interests (Non-Propco) evidencing the right to receive any such Distributions that cannot be made as of the Effective Date.	$380.5 million[10]	Not applicable.

[10] Subject to Section 7.12 of the Plans, to the extent the Prepetition Lender Claims are entitled to postpetition interest and Postpetition Charges under applicable law, the Prepetition Lender Claims shall be increased to include postpetition interest at the default rate under the Prepetition Credit Agreement and any Postpetition Charges, without the need for any further order of the Bankruptcy Court and all references to payment in full of the Prepetition Lenders in the Plans shall be deemed to include all such postpetition amounts.

Class	Claim/Equity Interest	Applicable Debtor	Treatment	Estimated Aggregate Amount of Allowed Claims	Estimated Percentage Recovery of Allowed Claims or Equity Interests
9	Other General Unsecured Claims against Non-Propcos	Each Non-Propco	After payment in full of all A/P/S Claims (to the extent required) and Secured Prepetition Lender Non-Propco Claims, any remaining Cash at each Debtor Non-Propco shall be distributed on a *pro rata* basis to the Prepetition Agent (on account of the Prepetition Lender Claims) and Holders of Allowed Other General Unsecured Claims until such Allowed Other General Unsecured Claim are paid in full (including any postpetition interest to the extent entitled thereto under applicable law), subject to (a) all third party contractual rights of subordination and pay-over available to the Prepetition Agent and/or the Prepetition Lenders and (b) with respect to the Plan for EHT US1, the subordination and pay-over rights of the Prepetition Agent and the Prepetition Lenders under the EHT Cayman Subordination Agreement for any Distributions on account of the EHT Cayman Loan, to the extent provided in such document and subject to applicable law. Such pro rata share shall be a fraction where the numerator shall be the amount of the Allowed Other General Unsecured Claim and the denominator the sum of the aggregate amount of Prepetition Lender Claims (to the extent such Prepetition Lender Claims are not Secured Prepetition Lender Non-Propco Claims) and all Allowed Other General Unsecured Claims against such Debtor Non-Propco. Holders of Other General Unsecured Claims against the Debtor Non-Propcos shall receive Liquidating Trust Interests (Non-Propco) evidencing the right to receive any such distributions that cannot be made as of the Effective Date.	$137.2 million[11]	0.0%

[11] For the avoidance of doubt, certain of the claims of Class 9 may be subject to disallowance and/or subordination under section 510(b) of the Bankruptcy Code, and all parties' rights in this regard are reserved.

Class	Claim/Equity Interest	Applicable Debtor	Treatment	Estimated Aggregate Amount of Allowed Claims	Estimated Percentage Recovery of Allowed Claims or Equity Interests
10	Intercompany Claims	Each Liquidating Debtor	Intercompany Claims shall receive no distribution and shall be cancelled and expunged under the Plans; provided, however, that any post-petition Intercompany Claims by a Debtor Propco or a Debtor Non-Propco against a Debtor Non-Propco (other than Intercompany Claims against any Singapore Debtor, which shall be waived to facilitate the wind-down of the Singapore Debtors as part of the Plan Settlement) shall be preserved. For the avoidance of doubt, (i) the Claims under the EHT Cayman Loan are not Intercompany Claims and shall not be released or waived for the purpose of the Prepetition Agent and the Prepetition Lenders asserting their rights to subordination and pay-over of any amounts payable in respect of the EHT Cayman Loan pursuant to the EHT Cayman Subordination Agreement, to the extent provided in such documents and subject to applicable law and (ii) the Claims of the Liquidating Trust against the Singapore Debtors for the payment of the Singapore Funding Repayment Amount and any unused amounts of the Total Singapore Wind-down Funds (in each case, to the extent the Liquidating Trust is entitled thereto) are expressly reserved and not waived or released and any such amounts shall be paid to the Liquidating Trust within ten (10) Business Days of becoming available in accordance with the terms of the Plans.	--	0.0%
11	Liquidating Debtor Intercompany Equity Interests	Each Liquidating Debtor (other than EH REIT)	On the Effective Date, all Liquidating Debtors Intercompany Equity Interests shall be retained solely to the extent necessary to make Distributions in accordance with the Plans.	--	0.0%
12	EH REIT Equity Interests	EH REIT	On the Effective Date, the Holders of the EH REIT Equity Interests shall be entitled to receive contingent Liquidating Trust Interests (Non-Propco) and shall be entitled to a Distribution only if all Holders of Allowed Claims against EH REIT have been paid in full.	--	0.0%
13	EH REIT Section 510(b) Claims	EH REIT	Any Section 510(b) Claim shall receive a Distribution on account of such Claim only if there are sufficient assets available at EH REIT to make Distributions on account of EH REIT Equity interests. The rights of any party in interest (including the Plan Proponents, the REIT Trustee, and the Liquidating Trustee) to argue as to whether the Claims of EH REIT equityholders for unpaid dividends or otherwise should be subordinated or not are reserved.	--	0.0%

E. EH REIT EQUITYHOLDERS

As noted above, Holders of EH REIT Equity Interests will receive contingent Liquidating Trust Interests (Non-Propco) **that will entitle them to a Distribution only if all Holders of Allowed Claims against EH REIT have been paid in full**.

Based on the net proceeds available from the Sale Transactions, and given the structural priority of creditors at the Debtor Propco level and the Debtor Non-Propco level, the Plan Proponents do not believe, at this time, that Holders of EH REIT Equity Interests will receive a Distribution on account of such Liquidating Trust Interests (Non-Propco). Whether any such Distributions can ultimately be made will depend on, among other things, whether (and the extent to which) additional funds can be realized from the REIT Trustee's pursuit of the EH REIT Causes of Action or from other Causes of Action of the Liquidating Debtors (to the extent any net proceeds remain after all creditors of the Liquidating Debtors have been paid in full). **No assurance can be provided as to (i) whether there are any such meritorious Causes of Action, (ii) whether such Causes of Action will ever be prosecuted, and (iii) whether, if successfully prosecuted, there will be any actual collection of material recoveries from defendants. Therefore, no assurance can be provided as to whether sufficient funds will ever be realized so as to allow for Distributions to Holders of EH REIT Equity Interests.**

Separately, Claims for the dividend declared by EH REIT on February 17, 2020 may receive a Distribution on account of Other General Unsecured Claims against EH REIT (i.e., Class 9 under the EH REIT Plan), to the extent such Claims are ultimately Allowed (and not subordinated as Section 510(b) Claims in Class 13).[12] In that case, such Claims would be entitled to a Distribution on account of the Liquidating Trust Interests (Non-Propco) to the extent that net proceeds from the Liquidating Trust Non-Propco Assets at the EH REIT level or from EH REIT Causes of Action become available for Distributions to Holders of Allowed Other General Unsecured Claims against EH REIT. To be clear, at this time, the Plan Proponents do not believe that there are any funds available at the EH REIT level to make any Distributions to holders of such Claims.

<u>IMPORTANT</u>: Under the Plan for EH REIT, the Class of Other General Unsecured Claims (Class 9), the Class of EH REIT Equity Interests (Class 12), and the Class of EH REIT Section 510(b) Claims (Class 13) are each deemed to have <u>rejected</u> the Plan of EH REIT. Accordingly, such Holders are not entitled to vote and will not receive a Ballot.

By deeming these Classes to be rejecting Class, the Liquidating Debtors can avoid incurring the substantial expense of soliciting the votes of thousands of Holders of EH REIT Equity Interests when a recovery to such Holders is unlikely).

[12] Under the Plans, the rights of any party in interest (including the Plan Proponents, the REIT Trustee, and the Liquidating Trustee) to argue as to whether the Claims of EH REIT equityholders for unpaid dividends or otherwise should be subordinated or not to the Allowed Claims against EH REIT are reserved.

E. PLAN RELEASES AND EXCULPATIONS

The Plans include usual and customary releases and exculpation provisions, including for the Plan Proponents and other PSA Parties, to the fullest extent permitted under applicable law. As discussed below, there are also certain releases in favor of Trade Vendors who do not return a Ballot rejecting the Plans. Importantly, the Plan releases and exculpations shall not release any claims against (i) Woods and Wu (and their relatives), Urban Commons, LLC, the Master Lessees or any of their respective Related Persons (collectively, as further detailed in the Plan, the "Urban Commons Parties"), (ii) Former Professionals to any Debtor, and (iii) officers and directors of the Debtors other than Persons serving in such capacities on or after the Petition Date. These claims shall be preserved for investigation and, if appropriate, pursuit by (i) the Liquidating Trustee and/or (ii) the REIT Trustee (on behalf of the Singapore Debtors).

Other than causes of action settled during the Chapter 11 Cases or released under the Plans, all actual or potential claims and causes of action of the Liquidating Debtors whether arising under chapter 5 of the Bankruptcy Code, including sections 544, 545, 547, 548, 549, 550, 551, and 553(b) of the Bankruptcy Code or otherwise, shall be preserved and shall vest in the Liquidating Trust on the Effective Date (other than the EH REIT Causes of Action, which shall remain with the Singapore Debtors for so long as they are being pursued by the REIT Trustee in accordance with the Plans); provided, however, that, (i) avoidance actions under section 547 of the Bankruptcy Code against vendors (defined to include suppliers, merchants, manufacturers, service providers, factors and/or assignee(s) of such party) that actually provided goods and/or services to a hotel previously owned or leased by the Propcos (collectively, such vendors, the "Trade Vendors") and (ii) any other avoidance actions against the Trade Vendors that provided goods and/or services in the ordinary course of a hotel's business and received payments which were reasonable relative to the value of the goods and/or services provided, to the extent that the Trade Vendor does not vote to reject the Plan, shall, in each case, be released under the Plans, provided further, however, that such claims will not be released and shall be preserved and may be asserted by the Liquidating Trustee as counterclaims or defenses to disputed Claims asserted against the Debtors by such Trade Vendors but shall not be asserted for any affirmative recoveries.

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TABLE OF CONTENTS

Table of Contents
(continued)

Page

Table of Contents
(continued)

Page

Table of Contents
(continued)

Page

Table of Contents
(continued)

Page

TABLE OF EXHIBITS

DISCLOSURE STATEMENT FOR FIRST AMENDED JOINT PLAN OF LIQUIDATION OF EAGLE HOSPITALITY REAL ESTATE INVESTMENT TRUST AND CERTAIN OF ITS SUBSIDIARY DEBTORS UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

I. INTRODUCTION

The Plan Proponents submit this Disclosure Statement in accordance with section 1125 of the Bankruptcy Code, to Holders of Claims against and Equity Interests in the Liquidating Debtors for use in the solicitation of votes on the *First Amended Joint Plan of Liquidation of Eagle Hospitality Real Estate Investment Trust and Certain of Its Subsidiary Debtors Under Chapter 11 of the Bankruptcy Code* (each plan of a Liquidating Debtor, a "Plan" and, collectively, the "Plans"), which is attached as **Exhibit A** to this Disclosure Statement. The Plans consist of separate Chapter 11 Plans for each Liquidating Debtor, *i.e.*, the Debtors in the Chapter 11 Cases other than UC-Queensway. The Liquidating Debtors have not filed any other chapter 11 plan in connection with the Chapter 11 Cases.

On November 4, 2021, Liquidating Debtors, the Committee, certain members of the Committee signatory thereto (in their individual capacities), the Prepetition Agent, and certain Prepetition Lenders signatory thereto, entered into the Plan Support Agreement, which embodied the key terms of the Plan Settlement and key provisions of the Plan.

The Liquidating Debtors, the Committee, and the Prepetition Agent are the proponents of the Plans within the meaning of section 1129 of the Bankruptcy Code.

This Disclosure Statement sets forth specific information regarding the Debtors' pre-bankruptcy history, significant events that have occurred during the Chapter 11 Cases, and the projected Distributions to Holders of Allowed Claims against and Equity Interests in the Liquidating Debtors. This Disclosure Statement also describes the Plans, alternatives to the Plans, effects of confirmation of the Plans, and certain risk factors regarding the Plans. In addition, this Disclosure Statement discusses the confirmation process and the voting procedures that Holders of Impaired Claims must follow for their votes to be counted.

THE PLANS HAVE THE SUPPORT OF THE LIQUIDATING DEBTORS, THE COMMITTEE, CERTAIN MEMBERS OF THE COMMITTEE, THE PREPETITION AGENT, AND CERTAIN PREPETITION LENDERS.

IN THE VIEW OF THE LIQUIDATING DEBTORS AND THE OTHER PLAN PROPONENTS, THE TREATMENT OF HOLDERS OF CLAIMS UNDER THE PLANS PROVIDES A RECOVERY FOR HOLDERS OF CLAIMS THAT IS NOT LESS THAN THE RECOVERY THAT WOULD BE AVAILABLE IN A CHAPTER 7 LIQUIDATION. ACCORDINGLY, THE PLANS ARE IN THE BEST INTERESTS OF HOLDERS OF CLAIMS AND, THUS, THE PLAN PROPONENTS RECOMMEND THAT ALL HOLDERS OF IMPAIRED CLAIMS THAT ARE ENTITLED TO CAST BALLOTS VOTE TO ACCEPT THE PLAN.

FOR A SUMMARY OF THE PLANS AND VARIOUS RISKS AND OTHER FACTORS PERTAINING TO THE PLANS AS IT RELATES TO HOLDERS OF CLAIMS,

PLEASE SEE SECTION V ("SUMMARY OF CHAPTER 11 PLAN") AND SECTION X ("CERTAIN RISK FACTORS TO BE CONSIDERED"). SECTIONS II THROUGH IV FOLLOWING THIS INTRODUCTION DISCUSS THE BACKGROUND OF THE LIQUIDATING DEBTORS' BUSINESSES AND THE CHAPTER 11 CASES.

A. Definitions

Capitalized terms not otherwise defined in this Disclosure Statement have the meanings ascribed to them in the Plans. A term used but not defined in this Disclosure Statement or the Plans has the meaning given it in the Bankruptcy Code or the Bankruptcy Rules.

For purposes herein: (a) in the appropriate context, each term, whether stated in the singular or the plural, will include both the singular and the plural, and pronouns stated in the masculine, feminine or neutral gender will include the masculine, feminine, and the neutral gender; (b) any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document, including any document contained in the Plan Supplement, being in a particular form or on particular terms and conditions means that the referenced document will be substantially in that form or substantially on those terms and conditions; (c) any reference herein to an existing document or exhibit having been filed or to be filed will mean that document or exhibit, as it may thereafter be amended, modified, or supplemented; (d) unless otherwise stated, the words "herein," "hereof," and "hereto" refer to the Disclosure Statement in its entirety rather than to a particular portion of the Disclosure Statement; (e) captions and headings to sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (f) the rules of construction set forth in section 102 of the Bankruptcy Code will apply; and (g) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules will have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

B. Notice to Holders of Claims in Voting Classes

This Disclosure Statement is being furnished to Holders of Claims in the Voting Classes for the purpose of soliciting their votes on the Plan. This Disclosure Statement is also being furnished to certain other creditors, equityholders, and other entities for notice or informational purposes. The primary purpose of this Disclosure Statement is to provide adequate information to Holders of Claims in the Voting Classes to enable such Holders to make a reasonably informed decision with respect to the Plan prior to exercising the right to vote to accept or reject the Plan.

On November 4, 2021, the Bankruptcy Court entered the Disclosure Statement Order approving the Disclosure Statement as containing information of a kind and in sufficient detail to enable Holders of Claims in Voting Classes to make an informed judgment about the Plan. **THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT CONSTITUTES NEITHER A GUARANTEE OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN NOR AN ENDORSEMENT OF THE PLANS BY THE BANKRUPTCY COURT.**

IF THE BANKRUPTCY COURT CONFIRMS THE PLANS, THE PLANS WILL BIND ALL HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE LIQUIDATING DEBTORS, WHETHER OR NOT THEY ARE ENTITLED TO VOTE OR DID VOTE ON THE PLANS AND WHETHER OR NOT THEY RECEIVE OR RETAIN ANY DISTRIBUTIONS OR PROPERTY UNDER THE PLANS WHEREVER LOCATED. THUS, IN PARTICULAR, ALL HOLDERS OF IMPAIRED CLAIMS AGAINST THE LIQUIDATING DEBTORS ARE ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND ITS EXHIBITS CAREFULLY AND IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLANS.

This Disclosure Statement contains important information about the Plans, the Debtors' businesses and operations, considerations pertinent to acceptance or rejection of the Plans, and developments concerning the Chapter 11 Cases.

No solicitation of votes may be made except pursuant to this Disclosure Statement, and no person has been authorized to use any information concerning the Debtors other than the information contained herein. Other than as explicitly set forth in this Disclosure Statement, you should not rely on any information relating to the Liquidating Debtors, their Estates, the value of their properties, the nature of their Liabilities, their creditors' Claims, or the value of any securities or instruments issued under the Plans. **This Disclosure Statement is the only document authorized by the Bankruptcy Court to be used in connection with the solicitation of votes on the Plans.**

CERTAIN INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS BY ITS NATURE FORWARD-LOOKING AND CONTAINS ESTIMATES, ASSUMPTIONS AND PROJECTIONS THAT MAY BE MATERIALLY DIFFERENT FROM ACTUAL FUTURE RESULTS. ACCORDINGLY, THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL NOT UNDER ANY CIRCUMSTANCE IMPLY THAT THE INFORMATION HEREIN IS CORRECT OR COMPLETE AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN AUDITED BY A CERTIFIED PUBLIC ACCOUNTANT AND HAS NOT BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

IRS CIRCULAR 230 NOTICE: TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, HOLDERS OF CLAIMS AND EQUITY INTERESTS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY HOLDERS OF CLAIMS OR EQUITY INTERESTS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE DEBTORS OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS OF CLAIMS AND EQUITY INTERESTS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

C. Solicitation Package

For the Holders of Claims in Voting Classes as of the Voting Record Date (as defined in the Disclosure Statement Order), accompanying this Disclosure Statement are copies of the following documents (collectively with this Disclosure Statement, the "Solicitation Package"): (a) the Plans, a copy of which is annexed to this Disclosure Statement as **Exhibit A**; (b) a copy of the Disclosure Statement Order (excluding exhibits attached thereto); (c) a Notice of Confirmation Hearing; (d) an appropriate Ballot to vote to accept or reject the Plan, and instructions on how to complete the Ballot; and (e) such other materials as the Bankruptcy Court may direct.

The Holders of Claims in Classes 1, 2, 3, 7, 10, and 13, and Holders of Equity Interests in Classes 11 and 12 will receive a Notice of Confirmation Hearing and a notice of non-voting status.

If you did not receive a Ballot in your package and believe that you should have, or if you have any questions, please contact the Voting Agent at no charge by: (a) calling the Voting Agent at (800) 416-3743 (toll free); or (b) emailing DRCVote@DonlinRecano.com.

D. Voting Procedures

1. General Information

Under the Bankruptcy Code, certain classes of creditors and equityholders are deemed to accept or reject a plan, and the vote of these classes will not be solicited. Thus, if a creditor holds claims included within a class that is not impaired under a plan, under Bankruptcy Code section 1126(f), the creditor is conclusively presumed to have accepted the plan with respect to such claims, and its vote of such Claims will not be solicited. Pursuant to the Bankruptcy Code, a class of claims or interests is "impaired" if the legal, equitable or contractual rights attaching to the claims or interests of that class are altered, other than by curing defaults and reinstating maturity. The Plans provide that Classes 1, 2, 3 and 7 are Unimpaired. Any holder of a Claim in any of these Classes may, however, object to the Plans, including to contest the Plans' characterization of the creditor's non-impaired status.

2. Voting on the Plan

If a Holder of a Claim is classified in a Voting Class under the Plans, such Holder's acceptance or rejection of the Plan must be in writing and submitted by the Voting Deadline, *i.e.*, **December 9, 2021 at 4:00 p.m. (prevailing Eastern Time)**.

If Claims are held in more than one Class and the Holder of such Claims is entitled to vote in more than one Class, separate Ballots must be used for each Class of Claims. The Holder of more than one Claim classified in a single Class of Claims must vote all its Claims within that Class to either accept or reject the Plans, and may not split its votes within a particular Class; thus, a Ballot (or group of Ballots) within a particular Class that partially accepts and partially rejects the Plans shall not be counted. When voting, a creditor must use only the Ballot or Ballots sent to it (or copies if necessary) with this Disclosure Statement or submit the Ballot

electronically using the Unique E-Ballot ID number set forth on the Ballot(s) sent to such creditor.

After carefully reviewing the Plans, this Disclosure Statement, and the detailed instructions accompanying your Ballot, please check the appropriate boxes on the enclosed Ballot to indicate your vote to accept or reject the Plan(s).

Furthermore, Holders of Claims entitled to vote on the Plan(s) may elect on their Ballot to opt out of the releases set forth in Section 12.3 of the Plans. Section 12.3 of the Plans provides, among other things, that **all Holders of Claims who (1) vote in favor of the Plans and do not opt out of this release on a timely submitted Ballot, (2) (A) abstain from voting, are deemed to have rejected the Plans, or vote to reject the Plans and (B) do not opt out of the this release on a timely submitted Ballot or the Opt-Out Election Form, (3) are paid in full under the Plans, or (4) are deemed to have accepted the Plans shall be deemed to have released and discharged each Released Party from any and all claims and causes of action, whether known or unknown, including any derivative claims asserted on behalf of the Liquidating Debtors, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Liquidating Debtors, the Liquidating Debtors' prepetition operations and activities, the PSA, the Plans or the Plan Settlement existing or hereinafter arising in law, equity, or otherwise, based in whole or in part on any act, omission, transaction, event or other occurrence taking place before the Effective Date**.

A Claim as to which an objection has been filed is not entitled to vote unless and until the Bankruptcy Court rules on the objection and allows the Claim. Consequently, although Holders of Claims subject to a pending objection may receive Ballots, their votes will not be counted unless the Bankruptcy Court (a) prior to the Voting Deadline (as defined herein), rules on the objection and allows the Claim or (b) on proper request under Bankruptcy Rule 3018(a), temporarily allows the Claim in an amount which the Court deems proper for the purpose of voting on the Plan. If the Liquidating Debtors have served an objection or request for estimation as to a claim at least fourteen (14) calendar days before the Voting Deadline, such Claim is temporarily disallowed for voting purposes only and not for purposes of allowance or distribution, except as ordered by the Bankruptcy Court at or prior to the Confirmation Hearing.

PLEASE COMPLETE AND SIGN YOUR BALLOT(S) AND RETURN IT IN THE ENCLOSED ENVELOPE (AFTER APPLYING POSTAGE), BY OVERNIGHT OR HAND DELIVERY, OR ELECTRONICALLY SO THAT IT IS RECEIVED BY NO LATER THAN THE VOTING DEADLINE, *I.E.*, **DECEMBER 9, 2021, AT 4:00 P.M. (PREVAILING EASTERN TIME)**. IN ORDER FOR YOUR BALLOT TO BE COUNTED, YOUR BALLOT MUST BE PROPERLY COMPLETED AS SET FORTH ABOVE AND IN ACCORDANCE WITH THE VOTING INSTRUCTIONS ON THE BALLOT, AND RECEIVED BEFORE THE VOTING DEADLINE BY THE VOTING AGENT.

If you have any questions about the procedure for voting your Claim or the packet of materials that you received, please contact the Voting Agent at the telephone number or address indicated in subsection C above.

Prior to the Voting Deadline, if you cast more than one Ballot voting the same Claim, the last received, validly executed Ballot received before the Voting Deadline shall be deemed to reflect your intent and thus to supersede any prior Ballots. After the Voting Deadline, if you wish to change your vote, you can do so, if you meet the requirements of Bankruptcy Rule 3018(a), by filing a motion with the Bankruptcy Court with sufficient advanced notice so that it can be heard at or prior to the Confirmation Hearing scheduled for December 20, 2021. Any such application must be filed and served in accordance with the procedures set forth in detail in the Disclosure Statement Order.

Copies of the Plan, this Disclosure Statement, or any exhibits to such documents may also be obtained free of charge on the Voting Agent's website for these chapter 11 cases at https://www.donlinerecano.com/Clients/eagle/Index. Alternatively, you may obtain an additional copy of the Plan, this Disclosure Statement, or any exhibits to such documents, at your own expense (unless specifically required by Bankruptcy Rule 3017(d)), or if you have any questions, please contact the Voting Agent by: (a) calling the Voting Agent at (800) 416-3743 (toll free); or (b) emailing DRCVote@DonlinRecano.com.

E. Confirmation Hearing

Pursuant to section 1128 of the Bankruptcy Code and Bankruptcy Rule 3017(c), the Bankruptcy Court has scheduled the Confirmation Hearing to commence on **December 20, 2021 at 9:00 a.m. (prevailing Eastern Time)**, or as soon thereafter as counsel may be heard, before the Honorable Christopher S. Sontchi, United States Bankruptcy Judge, of the United States Bankruptcy Court for the District of Delaware, 824 North Market St., 3rd Floor, Wilmington Delaware 19801.

The Zoom registration link for the Confirmation Hearing is as follows:

https://debuscourts.zoomgov.com/meeting/register/vJIsdeGhqjwtGDVL7siL6AVIk94BXjKDVag

The Bankruptcy Court has directed that objections, if any, to confirmation of the Plans must be in writing and filed with the Clerk of the Bankruptcy Court and served so that they are received on or before December 9, 2021 at 4:00 p.m. (prevailing Eastern Time) by:

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and

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Boston, MA 02110

and

United States Trustee:

Office of the United States Trustee
District of Delaware
844 King Street
Suite 2207
Lockbox 35
Wilmington, DE 19801
Attn: Richard L. Schepacarter

and

all other parties in interest that have filed requests for notice pursuant to Bankruptcy Rule 2002 in these Chapter 11 Cases.

The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of the adjourned date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

II. OVERVIEW OF THE EAGLE HOSPITALITY GROUP[13]

A. General

The "Eagle Hospitality Group" consists of EH REIT and its direct and indirect subsidiaries. The Eagle Hospitality Group was established in May 2019 with the principal investment strategy of investing on a long-term basis in a diversified portfolio of income-producing real estate properties located in the United States—exclusively hotels. EH REIT is a publicly-held Singapore-based real estate investment trust ("REIT"). EH REIT is part of a stapled trust, Eagle Hospitality Trust ("EHT"), consisting of EH REIT and Eagle Hospitality Business Trust ("EH-BT"). EH-BT is not a Debtor in these Chapter 11 Cases and is a dormant Entity and is managed by a trustee-manager entity called Eagle Hospitality Business Trust Management Pte. Ltd. ("EH-BT Trustee Manager").

On May 24, 2019, securities of EHT were issued in Singapore to the public through an initial public offering (the "IPO") on the Mainboard of the Singapore Exchange Securities Trading Limited. These publicly traded securities are "stapled securities" comprising 1 unit of EH REIT and 1 unit of EH-BT stapled together and treated as a single instrument. (The Equity Interests represented by the units of EH REIT are referred to in the Plans and this Disclosure Statement as the "EH REIT Equity Interests.") At that time, and prior to December 30, 2020,

[13] While this Disclosure Statement is in support of the Plans proposed by all of the Plan Proponents, the information contained herein was derived, in part, from information provided by the Debtors and not the other Plan Proponents. Without limitation on the foregoing, statements set forth in this Section II are made solely by the Liquidating Debtors and not the other Plan Proponents, and the Committee and the Prepetition Agent (and their Related Persons) make no representations or warranties as to information and conclusions set forth in Section II, their completeness or accuracy. Additional information regarding the Eagle Hospitality Group's business, corporate history, organizational structure, and prepetition capital structure may be found in the *Declaration of Alan Tantleff, Chief Restructuring Officer of Eagle Hospitality Group, in Support of Debtors' Chapter 11 Petitions and First Day Motions*, filed on the Petition Date [Docket No. 13] (the "First Day Declaration"), which is incorporated herein by reference.

EH REIT was managed by a manager entity called Eagle Hospitality REIT Management Pte. Ltd. (the "Former REIT Manager"). Woods and Wu owned and controlled the equity interests in the Former REIT Manager and the EH-BT Trustee Manager.

Through direct and indirect wholly-owned subsidiaries of EH REIT, the Eagle Hospitality Group owned a portfolio of eighteen full-service hotels (collectively, the "Hotels"), all of which are located in the United States and each of which was owned by a separate LLC entity that is a member of the Eagle Hospitality Group (each a "Propco"). Fifteen of the Propcos are Debtors in the Chapter 11 Cases and fourteen of these fifteen Propcos (such fourteen Propcos, the "Debtor Propcos") are Liquidating Debtors under these Chapter 11 Plans.[14] Three of the Propcos are not Debtors in the Chapter 11 Cases (such Propcos, the "Non-Debtor Propcos"). The Hotels were licensed (with the exception of the Queen Mary Hotel) through franchise agreements (the "Franchise Agreements") with subsidiaries of premium and well-recognized hotel brands (collectively the "Franchisors") and consisted of 5,418 rooms located through eight states in primarily corporate, leisure and airport locations. The general features of the three types of Hotels in the Eagle Hospitality Group portfolio are as follows:

- Upper Upscale: Typically offer a full range of on-property amenities and services, including full service, all-day restaurants, room service (in most cases), meeting facilities, lounges, recreational facilities, a fitness center, and a business center. In some cases, the hotels feature concierges and spas, valet parking and luggage assistance.

- Upscale: Offer an array of on-property amenities and services, including a food and beverage outlet, limited meeting facilities, recreational facilities (in some cases), a fitness center, and a business center.

- Upper Midscale: Limited food and beverage options, selected on-property amenities to include a fitness center and selected business services.

All but one of the Eagle Hospitality Group's Hotels were owned as freehold assets; the remaining Hotel, the Queen Mary Long Beach, was held through a long-term ground lease with the City of Long Beach, California (the "City of Long Beach"), and, as of the Petition Date, the remaining term of that lease was approximately 62 years.

The chart below identifies the market segment, number of rooms, and operating status for each of the Eagle Hospitality Group's eighteen Hotels as of the Petition Date (Hotels previously owned by Debtor Propcos are **underlined and in bold**):

[14] The Propco that previously leased the Queen Mary Hotel from the City of Long Beach, *i.e.*, UC-Queensway, is a Debtor in the Chapter 11 Cases, but not a Liquidating Debtor under the Plans. For the avoidance of doubt, the term "Debtor Propcos" does not include UC-Queensway.

Name of Hotel	Market Segment	Status as of Petition Date	Number of Hotel Rooms
Sheraton Pasadena (CA)	Upper Upscale	Closed	311
Holiday Inn Hotel & Suites Anaheim (CA)	Upper Midscale	Closed	255
Embassy Suites by Hilton Anaheim North (CA)	Upper Upscale	Closed	223
Holiday Inn Hotel & Suites San Mateo (CA)	Upper Midscale	Closed	219
Four Points by Sheraton San Jose Airport (CA)	Upscale	Closed	195
The Westin Sacramento (CA)	Upper Upscale	Closed	101
Embassy Suites by Hilton Palm Desert (CA)	Upper Upscale	Closed	198
The Queen Mary Long Beach (CA)	Upscale	Closed	346
Renaissance Denver Stapleton (CO)	Upper Upscale	Open	400
Holiday Inn Denver East – Stapleton (CO)	Upper Midscale	Open	298
Sheraton Denver Tech Center (CO)	Upper Upscale	Closed	263
Holiday Inn Resort Orlando Suites – Waterpark (FL)	Upper Midscale	Closed	777
Crowne Plaza Dallas Near Galleria-Addison (TX)	Upscale	Closed	428
Hilton Houston Galleria Area (TX)	Upper Upscale	Closed	292
Delta Woodbridge (NJ)	Upper Upscale	Open	311
Crowne Plaza Danbury (CT)	Upscale	Closed	242
Doubletree by Hilton Salt Lake City Airport (UT)	Upscale	Closed	288
Hilton Atlanta Northeast (GA)	Upper Upscale	Open	271
Total			**5,418**

B. Prepetition Operations

At the time of the IPO, largely through the offering prospectus, dated May 16, 2019, the Eagle Hospitality Group touted the experience of its sponsor, Urban Commons, LLC ("Urban Commons"). Woods and Wu own and control Urban Commons. Through a series of interrelated agreements, the Eagle Hospitality Group's Hotel portfolio was, until shortly before the commencement of the Chapter 11 Cases, leased to eighteen subsidiaries of Urban Commons (the "Master Lessees") under certain Master Lease agreements (the "Master Leases"). The

Master Lessees, which are not Debtors in the Chapter 11 Cases, are wholly owned by Woods and Wu through a series of holding companies.

Among other things, under the Master Leases, the Eagle Hospitality Group (through its Propcos) was to receive rental payments from the Master Lessees including a set amount of fixed rent and a variable rent component. In fact, the prospective rental income from the Master Lessees was the Eagle Hospitality Group's sole material source of income. The variable rent component was typically calculated based upon operating metrics such as the projected gross operating revenue and/or gross operating profit for each Hotel property. Each Master Lessee was to provide a security deposit, in cash or by letter of credit, to the Eagle Hospitality Group, which was originally established as an amount equal to nine months of fixed rent and due shortly after the commencement date under the Master Leases, for a total of $43.6 million.[15]

In addition, under the Master Leases, the Master Lessees, and not the Eagle Hospitality Group, were responsible for all operational expenses incurred at the property—including, but not limited to, insurance costs, management fees, franchise fees, and repair and maintenance expenses — and were responsible for upkeep and maintenance of the premises, based on annual budgets pre-approved by the Eagle Hospitality Group. On the other hand, the Propcos were generally responsible for certain costs associated with fee ownership, such as real estate taxes.

The Master Lessees entered into or assumed obligations under various hotel management agreements ("HMAs") with third-party hotel management companies (the "Hotel Managers") to manage the properties owned by the Eagle Hospitality Group. Under the HMAs, in exchange for payments to be made by the Master Lessees, the Hotel Managers were engaged by the Master Lessees to operate the Hotels and provide certain necessary services, such as employment of personnel and payment of personnel costs, utility costs, and general repair and maintenance expenses. The Hotel Managers would pay all property level expenses of the Hotels (including payroll and utilities), contract with service providers, and purchase all goods and materials utilized in the operation of the business. To be clear, however, although the Hotel Managers were to make the payments to vendors in connection with these expenses, the HMAs generally provided that property level obligations were the ultimate responsibility of the Master Lessees, who were required to provide the necessary "working capital" to fund operating expenses as and when needed pursuant to the terms of the HMAs (*e.g.*, in the event the Hotel does not generate sufficient revenues from its operations to cover such expenses).

The Master Lessees—and not the Propcos or any other Eagle Hospitality Group entity—are also the counterparties to the Franchise Agreements with the Franchisors. Pursuant to the Franchise Agreements, the Master Lessees were entitled to use the name and marks of the Franchisors' brands with respect to a Hotel, subject to certain terms and restrictions set forth in the Franchise Agreements, and, in exchange, the Master Lessees were obligated to pay certain specified fees to the Franchisors. The Franchise Agreements also provided the Hotels with

[15] In December 2019, and again in February 2020, the Propcos (at the time influenced by Woods and Wu) provided extensions of the time (initially until February 21, 2020, and then later until June 8, 2020) for the posting of complete security deposit amounts. Despite such extensions, the Master Lessees nevertheless failed to post the entire security deposit amount required for each Hotel, except for the Crowne Plaza Dallas, Hilton Houston Galleria, and Delta Woodbridge Hotels.

access to the Franchisors' reservation systems, thus allowing potential guests to search available rooms and/or make reservations on that Franchisor's website or through its phone-based reservation system. Generally, under the Franchise Agreements, the Master Lessees were required to perform certain regular maintenance and periodic renovations to the Hotels and to participate in certain programs promulgated by the Franchisors related to marketing, reservations, or other functions of the Hotels in order to comply with the standards of the Franchisors' brands.

All of the Eagle Hospitality Group's Hotels, other than the Queen Mary Long Beach, were branded pursuant to Franchise Agreements with the Franchisors and operated under HMAs with third-party Hotel Managers. The Queen Mary Long Beach was operated pursuant to a caretaker agreement and subject to an HMA, but it was not branded pursuant to any Franchise Agreement.

Certain of the Propcos were also parties to ancillary agreements with Hotel Managers and Franchisors, as applicable, in connection with the ownership of certain of the Hotels and the Master Lessees' execution of HMAs and Franchise Agreements, respectively. Pursuant to non-disturbance agreements ("NDAs") with respect to certain Hotels among Propcos, Master Lessees, and Hotel Managers, signatory Propcos may be obligated to (i) guarantee Master Lessees' obligations under the applicable HMA in the event the Master Lessee fails to do so and/or (ii) assume (or cause a replacement lessee entity to assume) the obligations under the applicable HMA upon termination of the Master Lease between the applicable Propco and Master Lessee. Further, pursuant to owner agreements[16] among certain Propcos, Master Lessees, and Franchisors (including Marriott International, Inc. ("Marriott")) with respect to certain Hotels, signatory Propcos may be required to cure outstanding obligations owed by Master Lessees to Franchisors in order to maintain franchise relationships.

Certain Hotel Managers and Franchisors had no such NDAs or guarantee agreements in place with the Debtor Propcos but have nevertheless asserted Claims against certain of the Debtor Propcos. *See also* Section IV.M below. It is the position of the Plan Proponents that such non-privity claimants are Disputed Claims against the Debtor Propcos.

C. Pre-Petition Capital Structure

On the Petition Date, the Eagle Hospitality Group was liable in connection with funded indebtedness in an aggregate outstanding principal amount of approximately $509.9 million consisting of: (i) the $341 million in principal amount owed under Prepetition Credit Agreement secured, among things, by a pledge of the equity interests in fifteen Debtor Propcos, but not secured by mortgages on the Hotels owned by the Debtor Propcos; (ii) approximately $18.3 million of obligations incurred by Debtor USHIL Holdco in connection with a the Swap Agreement with Bank of the West, which shares in the collateral securing the obligations under the Prepetition Credit Agreement as described further below; (iii) approximately $61.6 million of

[16] NDAs refer to agreements between lessors, lessees, and hotel management companies, while owner agreements refers to agreements between lessors, lessees, and franchisors. That being said, in the hotel industry (and in connection with certain of the Hotels discussed herein) there is not a hard definitional separation between these terms—for example, an agreement between lessors, lessees, and management companies may also be titled "Owner Agreements" instead of "Non-Disturbance Agreements."

loans secured by mortgages on the Hotels owned by the Non-Debtor Propcos; and (iv) an $89 million unsecured loan provided by Lodging USA Lendco, LLC ("Lendco") to Debtor EHT US1, as borrowed thereunder.[17] A chart summarizing these obligations, along with further discussion regarding same, is set forth below.

Funded Debt	Total Outstanding Amount[18]	Debtors' Outstanding Amount	Non-Debtors' Outstanding Amount
Prepetition Credit Facility	$341 million	$341 million	n/a
Swap Termination	$18.3 million	$18.3 million	n/a
Mortgage Loans	$61.6 million	n/a	$61.6 million
Lendco Loan	$89 million	$89 million	n/a
Total	**$509.9 million**	**$448.3 million**	**$61.6 million**

1. Prepetition Credit Facility

Certain members of the Eagle Hospitality Group are borrowers and guarantors under the Prepetition Credit Agreement, including all of the Liquidating Debtors. As of the Petition Date, the aggregate outstanding principal amount of approximately $341 million was owed under the Prepetition Credit Agreement (excluding obligations under the Prepetition Swap Agreement), consisting of term and revolving credit facilities.

The borrowers under the Prepetition Credit Facility are Debtors USHIL Holdco, Atlanta Holdings, ASAP-Salt Lake City, Sky Harbor Denv. Holdco, EH Trust S1, and EH Trust S2, EH REIT and non-Debtor EH-BT (collectively, the "Prepetition Credit Facility Borrowers"). The Prepetition Credit Facility Borrowers and all the other Debtors guaranteed the obligations under the Prepetition Credit Agreement. As of December 31, 2019, the facility under the Prepetition Credit Agreement (the "Prepetition Credit Facility") was fully drawn.

The obligations under the Prepetition Credit Agreement are secured by, among other things, a pledge of the Eagle Hospitality Group's wholly-owned equity interests in the fifteen Propcos that are Debtors in the Chapter 11 Cases. The obligations under the Prepetition Credit Agreement are not secured by mortgages on any of the Hotels, but are joint and several obligations of each of the Liquidating Debtors. Thus, other than with respect to setoff rights against certain Debtor Propco accounts, the Prepetition Lenders are unsecured creditors of the Debtor Propcos.

[17] In connection with the investigation of Woods and Wu, the Special Committee and REIT Trustee attempted to determine whether the Lendco loan is held directly or indirectly by Woods and/or Wu. The registered agent, for notice purposes, of Lendco is Woods, and Wu has represented that he is an authorized signatory for this entity. The principals of Lendco or their affiliates are the former owners of certain of the Hotels prior to the contribution of such Hotels into the Eagle Hospitality Group.

[18] Amounts are approximate principal amount outstanding as of the Petition Date.

2. Prepetition Swap Agreement with Bank of the West

USHIL Holdco and Bank of the West entered into the Prepetition Swap Agreement pursuant to the terms of the Prepetition Credit Agreement. Under the Prepetition Swap Agreement, USHIL Holdco and Bank of the West entered into an interest rate hedging transaction for the purpose of mitigating interest rate risks associated with the loans under the Prepetition Credit Agreement. USHIL Holdco's obligations under the Prepetition Swap Agreement are secured by the same collateral that secures the obligations of the borrowers under the Prepetition Credit Facility, and such obligations are guaranteed by the same entities that guaranteed the Prepetition Credit Facility. USHIL Holdco's right, title, and interest in the Prepetition Swap Agreement are also pledged as collateral to support the obligations of the borrowers under the Prepetition Credit Facility.

On April 23, 2020, Bank of the West notified the Eagle Hospitality Group that the Transactions (as defined in the Prepetition Swap Agreement) entered into pursuant to the Prepetition Swap Agreement had been terminated on April 23, 2020. Bank of the West asserted that USHIL Holdco owed $18,283,031.20 in connection with the terminated transactions and other amounts owing under the Prepetition Swap Agreement.

3. Non-Debtor Mortgage Loans

The Non-Debtor Propcos own three Hotels located in Houston, Texas (Hilton Houston Galleria), Dallas (Addison), Texas (Crowne Plaza Dallas Galleria), and Woodbridge, New Jersey (Delta Woodbridge) respectively. Each Non-Debtor Propco is a stand-alone borrower in connection with a mortgage loan secured by such Non-Debtor Propco's respective Hotel.[19] Thus, these Mortgage Loans are effectively a separate silo of indebtedness from the Prepetition Credit Facility.[20]

As of the Petition Date, the outstanding combined amount owed under the three mortgage loans (the "Mortgage Loans") is approximately $61.6 million. A chart summarizing the Mortgage Loans is set forth below:

Mortgaged Hotel	Current Mortgage Lender	Outstanding Amount[21]
Crowne Plaza Dallas Galleria	CMBS[22]	$12 million

[19] The Mortgage Loans are also secured by pledges of certain of the Non-Debtor Propcos' accounts. Further, the Mortgage Loan with respect to the Crowne Plaza Dallas Hotel was secured by a cash collateralized letter of credit in an amount of $16,581,982 pursuant to a letter of credit agreement dated July 2, 2019. Such letter of credit was drawn down in full and applied to then-outstanding balance of the applicable Mortgage Loan on September 5, 2020, thereby reducing the principal balance thereunder to approximately $12 million.

[20] Defaults under the Prepetition Credit Facility do not result in cross-defaults under the terms of the agreements governing the Mortgage Loans.

[21] Amounts are approximate principal amount outstanding as of the Petition Date.

[22] "CMBS" refers to commercial mortgage backed securities. Wilmington Trust, N.A. serves as trustee in connection with the CMBS mortgage loans secured by the Crowne Plaza Dallas and Hilton Houston Galleria.

Hilton Houston Galleria	CMBS	$14.9 million
Delta Woodbridge	Wells Fargo Bank, N.A.	$34.7 million
Total		**$61.6 million**

As further detailed below, each of the Mortgage Loans is secured, on a stand-alone basis, by: (a) a mortgage[23] over the underlying Property; (b) the cash reserve accounts associated with such Property; and (c) the deposit accounts into which the security deposits and rents attributed to such Property are deposited. Obligations under each Mortgage Loan are guaranteed by Woods, Wu, and Debtor EHT US1 on an unsecured basis pursuant to (i) a limited recourse carve-out guaranty (also known as "bad boy" or "springing recourse" guarantee, and, herein, a "Springing Recourse Guarantee") that could be triggered by, among other things, a bankruptcy filing by the applicable Non-Debtor Propco and (ii) an environmental indemnity (together with the Springing Recourse Guarantees, the "Mortgage Loan Guarantees"). In addition, EH REIT is a guarantor with respect to the Mortgage Loan Guarantees applicable to the Houston Mortgage Loan (as defined below). Pursuant to an indemnification agreement entered into in connection with the Mortgage Loans, EHT US1 also agreed to indemnify Wu and Woods for all liabilities arising under the Springing Recourse Guarantee, except that Wu and Woods remain liable for any liabilities to the extent resulting from fraud, gross negligence, misappropriation of funds, intentional misrepresentation, willful misconduct or breach of applicable law by Wu, Woods, or their controlled affiliates. The Liquidating Debtors reserve all their rights in regard to any such indemnification.

(a) Woodbridge Mortgage Loan Agreement

Wells Fargo Bank, N.A. ("Wells Fargo"), as lender, and the Non-Debtor Propco 44 Inn America Woodbridge Associates, L.L.C. (the "Woodbridge Propco"), as borrower, are parties to that certain Loan Agreement, dated as of May 21, 2019 (the "Woodbridge Mortgage Loan Agreement"). The Woodbridge Mortgage Loan Agreement provides a mortgage loan in the original principal amount of $35 million secured by (a) a mortgage on the Delta Woodbridge Hotel located in Woodbridge, New Jersey, (b) the cash reserve accounts or letters of credit, the security deposit accounts, and the rent collection accounts associated with such Hotel, and (c) a pledge of the equity of Debtor Woodbridge Hotel Urban Renewal L.L.C. (which is 100% owned by Woodbridge Propco). The Woodbridge Mortgage Loan Agreement matured on June 1, 2021. The payment obligations under the Woodbridge Mortgage Loan Agreement are guaranteed by Woods, Wu, and EHT US1 pursuant to the Mortgage Loan Guarantees described above. As of the Petition Date, $34.7 million remained outstanding under the Delta Woodbridge Mortgage Loan Agreement. The balance was $37.6 million as of July 23, 2021. *See* Final Judgment for Foreclosure of the Delta Woodbridge Hotel (entered by the Superior Court of New Jersey on July 23, 2021

[23] As a technical matter, certain of the Mortgage Loans are secured by deeds of trust instead of mortgages, but in the interest of convenience this Disclosure Statement refers to deeds of trust and mortgages interchangeably as "mortgages."

Upon application by Wells Fargo, the Superior Court of New Jersey granted an order for the appointment of a receiver for the Delta Woodbridge Hotel (the "DW Receiver") to, among other things, manage the Delta Woodbridge Hotel and receive revenues derived therefrom on March 17, 2021. The DW Receiver subsequently engaged Eastdil Secured, L.L.C. to market and sell the Delta Woodbridge Hotel. On August 27, 2021, the Superior Court of New Jersey entered an order approving, among other things, the sale of the Delta Woodbridge Hotel and other assets by the DW Receiver to a third party for a purchase price of $23.5 million.

Given that the outstanding balance on the mortgage loan exceeds the purchase price, no value is expected to be recovered by the Liquidating Debtors from the Delta Woodbridge sale.

Moreover, Wells Fargo has filed a proof of claim against EHT US1 [Claim No. 226] asserting Claims against EHT US1 under the Springing Recourse Guarantee. The Liquidating Debtors reserve all their rights in regard to these Claims.

(b) Houston Mortgage Loan Agreement

Wells Fargo, as original lender, and the Non-Debtor Propco 6780 Southwest Fwy, Houston, LLC (the "Houston Propco"), as borrower, executed that certain Loan Agreement, dated as of October 24, 2017 (the "Houston Loan Agreement"). The Houston Mortgage Loan Agreement, which predates the formation of the Eagle Hospitality Group, provided a mortgage loan in the original principal amount of $15.6 million, secured by (a) a mortgage on the Hilton Houston Galleria Hotel, located in Houston, Texas, and (b) the cash reserve accounts or letters of credit, the security deposit accounts, and the rent collection accounts associated with such Hotel. The Houston Mortgage Loan Agreement matures on November 11, 2022. The payment obligations due under the Houston Loan Agreement are guaranteed by Woods, Wu, Debtor EHT US1, and Debtor EH REIT pursuant to the Mortgage Loan Guarantees described above. As of the Petition Date, approximately $14.9 million remained outstanding under the Houston Mortgage Loan Agreement.

Upon application by the holder of the mortgage loan with respect to the Hilton Houston Galleria Hotel (being COMM 2017-C41 SW Freeway LLC as successor-in-interest to Wells Fargo), the District Court of Harris County, Texas granted an order for the appointment of a receiver for the Hilton Houston Galleria Hotel (the "HHG Receiver") to among other things, hold possession of the Hilton Houston Galleria Hotel and take such other actions to preserve its interests (including without limitation the power to sell or dispose of the Hilton Houston Galleria Hotel) on March 12, 2021.

The HHG Receiver has the authority to, among other things, take possession of the Hilton Houston Galleria Hotel in order to determine if the current mold remediation efforts are sufficient to prevent further deterioration of the Hilton Houston Galleria Hotel and to take remediation action as the HHG Receiver determines. The order appointing the HHG Receiver also requires the HHG Receiver to file a written report with the District Court of Harris County, Texas on a quarterly basis to update the court on the status of activities occurring during the receivership and to make necessary recommendations. The first quarterly report was filed on June 16, 2021, and the second quarterly report was filed on or about September 10, 2021.

On March 21, 2021, the HHG Receiver concluded that mold remediation at the Hilton Houston Galleria Hotel was necessary and should proceed. With Houston Propco's willingness to fund remediation expenses, HHG Receiver directed Pyramid Project Management LLC to take the necessary steps to commence remediation and submit all bids for HHG Receiver's pre-approval. HHG Receiver subsequently approved certain third party vendors to oversee the remediation work. Based on the second quarterly report filed by HHG Receiver, the remediation work was to be completed on or around September 21, 2021 with the HHG Receiver recommending that the receivership continue through the completion of the remediation work and anticipating that HHG Receiver would have approximately 30-45 days after completion of the remediation work to complete any necessary follow-up work to wind down the receivership (at which time, HHG Receiver would file a motion and final report with the District Court of Harris County, Texas seeking to terminate the receivership.

The Liquidating Debtors, which (through intermediate holding companies) own the equity in the Houston Propco, are not expecting to recover any value through their equity interest in the Houston Propco.

(c) Dallas Mortgage Loan Agreement

Deutsche Bank AG, New York Branch ("Deutsche Bank"), as original lender, and Non-Debtor Propco 14315 Midway Road Addison LLC (the "Dallas Propco"), as borrower, executed that certain Loan Agreement, dated as of December 20, 2017 (the "Dallas Mortgage Loan Agreement"). The Dallas Mortgage Loan Agreement, which predates the formation of the Eagle Hospitality Group, provides a mortgage loan in the original principal amount of $27,630,250 and is secured by (a) a mortgage on the Crowne Plaza Dallas Hotel and (b) the cash reserve accounts or letters of credit, the security deposit accounts, and the rent collection accounts associated with such Hotel. The Dallas Mortgage Loan Agreement matures on January 6, 2028. The payment obligations due under the Dallas Mortgage Loan Agreement are guaranteed by Woods, Wu, and Debtor EHT US1 pursuant to the Mortgage Loan Guarantees described above. As of the Petition Date, approximately $12 million remained outstanding under the Dallas Mortgage Loan Agreement.[24]

On July 23, 2021, Dallas Propco entered into that certain Purchase and Sale Agreement and Joint Escrow Instructions (as amended from time to time, the "Dallas Purchase Agreement"), with Lockwood Development Partners LLC ("Dallas Buyer"), pursuant to which Dallas Propco would sell the Crowne Plaza Dallas Hotel to Dallas Buyer (or an affiliate assignee thereof). On July 29, 2021, the Debtors filed a motion authorizing EHT US1 to cause Dallas Propco (its wholly-owned, indirect, and non-debtor subsidiary) to sell the Crowne Plaza Dallas pursuant to the terms of the Dallas Purchase Agreement [Docket No. 967].[25] The Bankruptcy Court granted the motion by order dated August 20, 2021 [Docket No. 1067]. The sale of the Crowne Plaza Dallas Hotel pursuant to the Dallas Purchase Agreement closed on October 8, 2021, and the

[24] The relatively low outstanding balance of the Dallas Mortgage Loan as of the Petition Date as compared to the original principal amount is the result of the September 5, 2021 drawdown on a $16,581,982.00 collateralized letter of credit securing such loan.

[25] A copy of the Dallas Purchase Agreement was attached to the motion as **Exhibit B** thereto.

mortgage loan with respect to the Crowne Plaza Dallas Hotel (and evidenced by, among other things, the Dallas Mortgage Loan Agreement) was paid in full on October 12, 2021.

Under the Plans, net proceeds of the Dallas Propco asset sale (i.e., after payment of claims against Dallas Propco) to which any Liquidating Debtor is entitled to receive will be used to repay postpetition advances made by the Liquidating Debtors to the Dallas Propco and will be included in Liquidating Trust Propco Assets. Up to $750,000 of any such remaining net proceeds from the Dallas Propco sale after repayment of postpetition intercompany claims against the Dallas Propco shall be distributed to the Prepetition Lenders on account of Prepetition Lender Claims. If any net sale proceeds remain after the foregoing distribution on account of the Prepetition Lender Claims, then such amount shall be held by the Liquidating Trust as Liquidating Trust Propco Assets.

4. Unsecured Lendco Loan Agreement

Lendco, as lender, and EHT US1, as borrower, are parties to that certain loan agreement dated as of May 16, 2019 (the "Lendco Loan Agreement"), in the original principal amount of $89 million, which matures on August 25, 2024. The obligations owing under the Lodging USA Loan Agreement are unsecured. Further, Lendco and the Prepetition Agent are parties to that certain Subordination Agreement, dated as of May 24, 2019 (the "Lendco Subordination Agreement") whereby Lendco agreed to subordinate the obligations owing under the Lendco Loan Agreement to the obligations owing under the Prepetition Credit Facility and any distributions made on account of the Lendco Loan Agreement are subject to pay-over provisions to the Prepetition Agent (on behalf of the Prepetition Lenders). Moreover, under the Lendco Subordination Agreement, Lendco cannot exercise remedies until the obligations owing under the Prepetition Credit Facility are paid in full. As of the Petition Date, approximately $89.3 million was purportedly outstanding under the Lendco Loan Agreement.

Lendco is an entity registered to Woods,[26] and the managing members of Lendco, its parent, and its affiliates were owned and/or controlled by the former owners of certain of the Hotels prior to the contribution of such Hotels into the Eagle Hospitality Group. The Liquidating Debtors further understand that, in June 2019, Messrs. Woods and Wu acquired an approximately 75% interest in the Lendco Loan through their indirect ownership and control of US Hospitality Investments, LLC, which acquired an approximately 75% interest in the parent company of Lendco, USA Lendco Holdings, LLC. The Liquidating Debtors and the REIT Trustee reserve all rights with respect to the disallowance of any Claims under the Lendco Loan Agreement.

5. Equity Ownership

Equity interests in EHT are held as the Stapled Securities, which were publicly traded on the Singapore Exchange until March 19, 2020, when trading was halted and voluntarily suspended on March 24, 2020. Approximately 15% of the EHT's equity interests, immediately after the IPO, were held by Wu and Woods, with the remaining balance of approximately 85%

[26] The Liquidating Debtors are currently examining the role of Woods and Wu in connection with Lendco as part of their investigation into Woods' and Wu's prepetition transactions.

owned by others. As of December 31, 2019, Woods and Wu held approximately 13.69% of EHT's equity interests.[27] The equity interests in each of the other members of the Eagle Hospitality Group are 100% owned, directly or indirectly, by EH REIT.

D. Corporate Structure

A chart showing the Eagle Hospitality Group's prepetition corporate ownership structure is annexed hereto as **Exhibit C**.

III. CERTAIN KEY EVENTS LEADING TO THE COMMENCEMENT OF THE CHAPTER 11 CASES[28]

A. Master Lessees Default on Their Obligations

As noted above, EH REIT, parent entity of the Eagle Hospitality Group, was established as a REIT under Singapore law. As part of this REIT structure, it was contemplated that the Propco entities, as lessors under Master Leases, would own Hotels and receive, as their sole source of revenue, rental income from the Master Lessees. As was permitted under Singapore law, the Propcos were 100% indirectly owned by EH REIT and, by extension, EH REIT's equityholders. By contrast, the Master Lessees were 100% indirectly owned by Woods and Wu. As lessors and lessees, their interests were not aligned.

Prior to April 2020, Woods and Wu used their ability to assert control over the Propcos in their business dealings with the Woods/Wu-owned Master Lessees to benefit the Master Lessees (or themselves) at the expense of the Propcos and the Eagle Hospitality Group.

Most notably, the Liquidating Debtors believe that Woods and Wu put the interests of the Master Lessees (and thus, their own interests) ahead of the interests of the Eagle Hospitality Group by causing the Master Lessees, beginning in January 2020, to fail to pay rent and other amounts owed to the Propcos. In addition, Woods and Wu caused the Master Lessees to fail to post the full amount of security deposits, meaning that the Propcos could not look to security deposits to mitigate the absence of lease payments as contemplated under the Master Leases.

Further, even prior to January 2020, the Master Lessees had begun to default on their payment obligations under various HMAs throughout the portfolio, and these defaults eventually resulted, by the end of May 2020, in the closure of all but three of the Hotels by the Hotel Managers as well as the accrual of $52.9 million of unmet obligations to vendors, contractors,

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[27] The Eagle Hospitality Group does not have a current estimate of the equity position of Woods and Wu in EH REIT.

[28] The discussion set forth in Section III below was also prepared with information provided by the Liquidating Debtors and not the other Plan Proponents. The statements set forth in this Section III are made solely by the Debtors and not the other Plan Proponents, and the Committee and the Prepetition Agent (and their Related Persons) make no representations or warranties as to information and conclusions set forth in Section III, their completeness or accuracy.

taxing authorities, and others, which in turn led to the commencement of litigation and the imposition of statutory liens against some of the Hotels.[29]

On September 21, 2020, the Eagle Hospitality Group served notices of termination with respect to each of the Master Leases upon the Master Lessees, which resulted in the automatic termination of the Master Leases pursuant to their terms ten days later, on October 1, 2020.[30] Subsequently, the Eagle Hospitality Group began unlawful detainer actions against the Master Lessees in the applicable state courts with the goal of obtaining legal control of the Hotels. As of the Petition Date, the Master Lessees failed to contest any of these unlawful detainer actions and the Eagle Hospitality Group obtained legal control of eleven of its eighteen Hotels.

As further detailed below, with respect to the actions in which judgments in the unlawful detainer actions had not been entered as of the Petition Date, certain Debtors filed adversary proceedings seeking rulings from the Bankruptcy Court declaring, among other things, that (a) the Master Leases terminated according to their terms prepetition, and (b) the continued legal control of any of the Debtors' Hotels by the Master Lessees would constitutes a violation of the automatic stay as an attempt to maintain control of assets of the Debtors' estates that is prohibited by 11 U.S.C. § 362(a)(3). These adversary proceedings also included claims against the Master Lessees for damages on account of breaches of the Master Lease Agreements (including failures to pay rent beginning before the pandemic). The resolution of the various claims in these adversary proceedings is further detailed in Section III.I below.

B. Master Lessees Default Lead to Acceleration of Prepetition Credit Facility

The Master Lessees' default under the Master Leases led, in March 2020, to the assertion of defaults and ultimately the acceleration of the Prepetition Credit Facility by the Prepetition Agent. As a result of such actions by the Prepetition Agent, most of the cash accounts throughout the Eagle Hospitality Group's portfolio were frozen, and such accounts were only accessible under the conditions of a series of forbearance agreements reached between Eagle Hospitality Group and the Prepetition Agent.

The Eagle Hospitality Group and the Prepetition Agent engaged in prepetition discussions regarding a proposed bridge facility (the "Proposed Bridge Facility") that was conditioned upon, among other things, the appointment of a new manager to replace the Former REIT Manager. As detailed in Section III.G below, a new manager was never appointed and the much-needed liquidity that the Proposed Bridge Facility could have provided was never obtained.

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[29] For example, the Master Lessees failed to pay: (a) Marriott fees dating back to May 2019; (b) property insurance dating back to November 2019; (c) tourism and occupancy taxes at the Sheraton Pasadena dating back to May 2019; (d) numerous contractors and architects, resulting in mechanic's liens dating to September 2019; and (e) healthcare payments for employees of the Queen Mary.

[30] October 1, 2020 is the applicable termination date with respect to each of the Eagle Hospitality Group's Hotels with the exception of the Delta Woodbridge, for which the lease terminated on October 2, 2020.

C. Mortgage Loan Notices of Default

Eagle Hospitality Group also received notices of default in connection with certain of the Mortgage Loans alleging, among other things, that the respective Propcos party to such Mortgage Loans had failed pay amounts due thereunder. Moreover, a receivership action was commenced in December 2020 in connection with the Houston Mortgage Loan, which action remains pending. At the time of the Petition Date, the Eagle Hospitality Group decided to attempt to resolve open issues in connection with the Mortgage Loans outside of the chapter 11 process.

D. Master Lessees Damaged Relationships with Hotel Managers and Franchisors

Compounding the problems caused by the Master Lessees' failure to pay rent to the Eagle Hospitality Group pursuant to the Master Leases, the Eagle Hospitality Group also learned through the work performed by the Mr. Alan Tantleff (who was appointed as the Chief Restructuring Officer for the Eagle Hospitality Group in April 2020) ("CRO") and counsel that numerous Master Lessees received notices of default under their respective HMAs as a result of, among other things, the Master Lessees' failure to provide and/or maintain sufficient working capital for basic Hotel operations and failure to pay management fees. These issues led certain Hotel Managers to terminate HMAs and/or close Hotels, and the Debtors continued to work through such issues both before and after the Petition Date.

The behavior of the Master Lessees has also caused significant issues for the Franchisors who branded the Eagle Hospitality Group's Hotels. In the months preceding the Petition Date, several of the Franchisors communicated with Eagle Hospitality Group regarding the Master Lessees' defaults under the Master Leases and HMAs. In addition, the CRO was informed that the Master Lessees of each and every branded Hotel received notices of default and termination from the relevant Franchisors as a result of the Master Lessees' failure to cure defaults for non-payment of fees and other amounts due and owing under the relevant Franchise Agreement.

E. Claims Against Hotels

As part of a REIT structure, the Eagle Hospitality Group was designed to be removed from the everyday business of Hotel management, with the Master Lessees being responsible for working with Hotel Managers to pay employees, vendors, utilities, contractors, and local occupancy or sales taxes. The expectation was that, consistent with the industry standard, the Master Lessees would provide funds to the Hotel Managers to pay such expenses, as contemplated under the various HMAs.

When the Master Lessees failed to live up to their responsibility to fund the Hotels' operations, these unmet obligations resulted in litigation across the portfolio of Hotels and the imposition of statutory liens against certain Hotels.

While the Eagle Hospitality Group generally disputes its liability in connection with many of these claims,[31] which it believes are the responsibility of (i) the Master Lessees, (ii) the directors and officers of the Master Lessees, and/or (iii) the Hotel Managers, as the owner of the Hotels, the Eagle Hospitality Group has inevitably been targeted by claimants and forced to defend itself in numerous legal disputes, thus paying the price for others' failures.

Further, the Eagle Hospitality Group has come to understand that the Master Lessees and/or Hotel Managers may have entered into numerous contracts that failed to specifically identify the contracting party, instead naming only the Hotel itself (e.g., the "Crowne Plaza Danbury" or the "Westin Sacramento"). In other instances, agreements to which the Propcos were a party prior to the IPO were never assigned to the Master Lessees in connection with the Eagle Hospitality Group's IPO, despite representations and obligations to do so. The Eagle Hospitality Group, denied rent by the Master Lessees and left to deal with the aftermath of the Master Lessees' failure to pay for the Hotels' operations, is now facing many of these claims.

For additional discussion regarding the Claims asserted by vendors who supplied goods and/or services to the Hotels, please see Section IV.M below.

F. Governance Issues

When it became clear that the Master Lessees would not cure the failure to pay rent, and given the clear conflict of interest in Woods' and Wu's control over the Master Lessees and the Former REIT Manager, a special committee of directors of the Former REIT Manager (other than Woods and Wu) (the "Special Committee") was appointed pursuant to a resolution dated March 26, 2020. The Special Committee was initially comprised of all four of the Former REIT Manager's independent directors and the Former REIT Manager's Chief Executive Officer and executive director—five members in total (thus excluding Woods and Wu).[32]

After its formation, the Special Committee worked closely with the REIT Trustee to protect the Eagle Hospitality Group's interests. Among other things, the Special Committee and the REIT Trustee caused: (i) the hiring of independent legal counsel (Paul Hastings LLP),[33] restructuring advisors (FTI Consulting, Inc ("FTI")), and an investment banking firm (Moelis & Company LLC ("Moelis")) who immediately began to explore options, including through negotiations with the Prepetition Lenders, as well as with respect to out of court solutions and a potential restructuring or disposition of assets under chapter 11 of the Bankruptcy Code; (ii) the appointment of Mr. Alan Tantleff as CRO for the Eagle Hospitality Group; (iii) the initiation of an investigation by the CRO and counsel into the prepetition activities of the Master Lessees and

[31] As discussed elsewhere herein, the Plan Settlement resolves certain disputes concerning the validity of Claims against the Debtor Propcos based upon a lack of privity.

[32] From August 2020 to the removal of the Former REIT Manager on December 30, 2020, the Special Committee consisted of four members, as one of the independent directors was not re-appointed as a director by the shareholder of the Former REIT Manager (which is indirectly owned by Woods and Wu) in August 2020.

[33] Paul Hastings LLP was hired in early April 2020. Prior to that, the Eagle Hospitality Group, Urban Commons, Woods and Wu, and the Master Lessees were all advised by the same U.S. counsel.

Urban Commons; and (iv) the termination of the Master Leases and the initiation of legal actions to obtain legal control over the Hotels.

On October 26, 2020, the Monetary Authority of Singapore ("MAS") issued a notice that it intended to direct the REIT Trustee to remove the Former REIT Manager as manager of EH REIT due to various breaches of Singapore's Securities and Futures Act, and MAS' concerns over the Former REIT Manager's ability to comply with rules and regulations. Over the protest of the Former REIT Manager's shareholder, MAS issued a directive on November 30, 2020, requiring that the REIT Trustee remove the Former REIT Manager by December 30, 2020.

G. Request for Proposal Process and Attempted Out-of-Court Solutions

In addition to their constant engagement with major creditors and counterparties to preserve as much as possible of the value of the Eagle Hospitality Group's business, the Eagle Hospitality Group also sought a long-term solution to its liquidity and governance issues that would maximize value to stakeholders. In particular, on July 23, 2020, the REIT Trustee instructed Moelis to commence a request for proposal ("RFP") process to seek proposals for a restructuring of the Eagle Hospitality Group on an expedited basis. The REIT Trustee received several restructuring and recapitalization proposals from various parties, which included these proposals as part of their bids to be appointed replacement manager for EH REIT. These proposals, which were received between July and October 2020, were also the subject of discussions with, among others, the Prepetition Lenders.

On December 1, 2020, the REIT Trustee announced, among other things, the selection of an affiliate of SC Capital Partners Pte. Ltd. as the proposed new manager (the "Proposed New Manager") of EH REIT, subject to stapled security holders' approval at the extraordinary general meeting of EHT's equityholders that was to be held on December 30, 2020 (the "EGM").

Among other things, as stated in the Circular (as defined below), the Proposed New Manager would, upon approval of its selection, endeavor to reduce EHT's aggregate leverage through a combination of portfolio rebalancing (which would have included divestment of select Hotels, new accretive acquisitions (where appropriate), the uplifting of valuations through rigorous asset management initiatives (subject to market conditions and other factors it may consider relevant), and the recapitalization of EHT's balance sheet through new equity issuances). In addition, the Debtors engaged in non-binding discussions with the Prepetition Lenders about providing the Proposed Bridge Facility, conditioned upon, among other things, the approval of the new manager, at the EGM.

In anticipation of the EGM to be held on December 30, 2020, the Eagle Hospitality Group issued a number of Singapore public filings designed to provide ample information to stapled security holders in advance of the EGM vote. One of these key filings was the circular dated December 8, 2020 (the "Circular"). The Circular, which totaled 194 pages in length, contained detailed information regarding, among other things, the recent history of the Eagle Hospitality Group and its financial difficulties, the terms of the Proposed Bridge Facility, the background and qualifications of the Proposed New Manager and its personnel, valuations of the Hotels, and explanations regarding the voting process.

Critically, the Circular discussed the five resolutions to be voted on at the EGM (the "Resolutions"). The first four of these Resolutions reflected terms of the Proposed New Manager's RFP process proposal that were accepted by the REIT Trustee. More specifically:

- Resolution 1 was to approve the appointment of the New Proposed Manager as new manager of EH REIT;

- Resolution 2 was to approve a fee structure to compensate the New Proposed Manager;

- Resolution 3 was to approve the appointment of an affiliate of the New Proposed Manager as new trustee-manager of EH-BT ("New Proposed Trustee-Manager); and

- Resolution 4 was to approve the issuance of up to 140,000,000 new stapled securities that would then be used to pay the New Proposed Manager's and the New Proposed Trustee-Manager's fees during fiscal years 2021-2022 in lieu of payment in cash.

Resolutions 1 through 4 were interconditional—each of these Resolutions was subject to and contingent on passage of each of the others. Next, Resolution 5 was to be voted on in the event that any one of Resolutions 1-4 failed to pass. Resolution 5 sought authority for the voluntary delisting of EHT and the voluntary termination (liquidation) of EH REIT and EH-BT. The Circular explained that this option reflected the financial distress of the Eagle Hospitality Group given its lack of revenues or liquidity and, in the absence of the approval of a new manager under Resolutions 1-4, the elimination of the liquidity lifelines presented by the Proposed Bridge Facility (which was conditioned on passage of Resolutions 1-4).

Finally, the Circular also discussed the consequences of a failure to approve any of the Resolutions. Among other things, the Circular explained that pursuant to the MAS directive, the Former REIT Manager would be removed from its manager role effective upon the conclusion of the EGM held on December 30, 2020 and (if Resolutions 1-4 were not carried) would not be replaced, and that, in light of its financial condition, EHT would lack the resources or time to identify an alternative new manager candidate. The Circular thus warned that after a failure of all the Resolutions "the [REIT Trustee] will likely be compelled to consider seeking insolvency protection under Chapter 11 of the United States Bankruptcy Code to facilitate a reorganization of EH-REIT or an orderly winding down of EH-REIT." The Circular also warned that there was no certainty or assurance that a chapter 11 reorganization would be successful or that stapled security holders would receive any value in a chapter 11 wind-down. In addition, other Singapore public filings from the Eagle Hospitality Group warned stapled security holders regarding the likelihood of a chapter 11 filing should the Resolutions not pass.

Despite the Circular's clear and unequivocal warnings regarding the consequences of failing to pass the Resolutions, at the EGM the number of security holders voting in favor of the Resolutions was insufficient to secure the passage of the Resolutions under the applicable voting rules. As disclosed in the Circular, the failure to pass the resolutions would result (and did result) in the removal of the former REIT Manager on December 30, 2020 in accordance with

the MAS directive, and the Eagle Hospitality Group entered a liquidity crisis, with available cash inadequate to pay December expenses.

H. Singapore Regulatory Matters

Given EHT's stapled securities are publicly listed on the Singapore exchange, the Eagle Hospitality Group is subject to significant oversight by the Singapore Exchange Securities Trading Limited ("SGX"). Among other things, SGX enforces rigorous disclosure requirements, comparable to the disclosure requirements for publicly traded companies in the United States. Furthermore, EH REIT, being a real estate investment trust, is a collective investment scheme under Singapore's Securities and Futures Act (Chapter 289 of Singapore) ("SFA"). As such, EH REIT (as well as the REIT Trustee and the Former REIT Manager in their capacity as the trustee and manager of EH REIT, respectively) are subject to the regulatory framework of the SFA and the regulations and guidance promulgated thereunder, where applicable, which are administered by MAS, including the Code of Collective Investment Schemes.

Accordingly, in the months leading up to the Petition Date, the Eagle Hospitality Group, in compliance with its obligations under the listing rules of the SGX, issued numerous Singapore public announcements related to its financial situation, including financial statements and reports, as well as updates regarding, among other matters, the default notices under the Prepetition Credit Facility, the retention of the CRO and other advisors, the Master Lessees' defaults under the Master Leases and HMAs, the CRO's investigation into the activities of Woods and Wu, and the progress of the RFP process. In addition, MAS and SGX have issued a number of inquiries and/or directives to the Former REIT Manager and the REIT Trustee with respect to the foregoing.

Among other things, on June 5, 2020, MAS and the Commercial Affairs Department of the Singapore Police Force announced the commencement of a joint investigation into the then current and former directors of as well as officers responsible for managing EH REIT and EH-BT in connection with suspected breaches of public disclosures required under Singapore's securities laws (the "MAS Investigation"). Members of the Special Committee attended interviews with MAS to assist in the MAS Investigation. In addition, the Liquidating Debtors understood that as part of the ongoing MAS Investigation, on October 1, 2020, all of the then current and former Singapore-based directors of the Former REIT Manager and the EH-BT Trustee Manager were arrested and released on bail on reasonable suspicion that certain provisions of the SFA may have been breached.

The Liquidating Debtors understand that the MAS Investigation remains ongoing.

EH REIT has, to date, accepted all directives from MAS and SGX and has proactively taken steps to abide by such directives. Further, the REIT Trustee has remained in close communication with MAS and SGX personnel, has provided additional information, responses to inquiries, and public disclosures upon request, and has cooperated fully in connection with the MAS Investigation.

I. Need for Chapter 11 Protection

Notwithstanding the diligent efforts to reach an out-of-court solution, these efforts were ultimately unsuccessful. At the same time, various trade creditors and taxing authorities that were left unpaid by the Master Lessees, including creditors seeking payment for maintenance and repairs on Hotels, continued to pursue remedies such as the imposition of statutory liens in pursuit of payment for their services. Given this scenario, and the fact that the Debtors did not have sufficient liquidity to continue operating, the Debtors commenced the Chapter 11 Cases in order to execute a value-maximizing disposition of Debtors' assets for the benefit of all stakeholders. It was also clear that no out-of-court sale or financing of the Hotels would have been possible because of the risk to a third-party acquirer or financier absent an order from the Bankruptcy Court approving such sale or financing, otherwise referred to as a "free and clear" order.

In connection with the commencement of the Chapter 11 Cases, Mr. David Mack of Drivetrain LLC was appointed as an independent director (the "Independent Director") of EHT US1 (the Eagle Hospitality Group entity that is the indirect owner of, and controls through its member-managed LLC subsidiaries, all the Propcos), including as related to EHT US1's role as the member, manager, and/or direct or indirect controlling equity holder of its direct and indirect subsidiaries.[34] The purpose of this appointment was to ensure that an independent fiduciary would consider the interests of the Propcos and their creditors.

J. DIP Facility

After the failure of the Debtors' out-of-court restructuring efforts, Moelis, which had been advising the Eagle Hospitality Group on strategic initiatives since April 2020, launched a formal marketing process for the best debtor-in-possession financing. Moelis contacted 26 potentially interested parties, including lenders and investors in the Eagle Hospitality Group's capital structure. Of the 26 parties, 14 executed a confidentiality agreement (or were covered by an existing confidentiality obligation), and 14 were provided access to a virtual data room (containing more than 950 files) and confidential information. Throughout the due diligence period, Moelis facilitated the parties' due diligence efforts and addressed questions, including coordinating diligence calls with advisors and the Debtors' CRO.

Beginning on or about January 8, 2021, and for several days thereafter, the Debtors received indications of interest and proposals from eight parties. The Debtors and their advisors ultimately selected the proposal of the DIP Lenders (as defined below).

IV. OVERVIEW OF THE CHAPTER 11 CASES

A. Commencement of Chapter 11 Cases

On January 18, 2021, all of the Debtors (other than EH REIT) (the "Initial Debtors") filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court.

[34] On February 25, 2021, as a result of the resignation of Mr. Tantleff as a director of all the Liquidating Debtors (as part of a settlement with the U.S. Trustee), Mr. Mack was also appointed director of EH Trust S1, EH Trust S2, and, on March 3, 2021, Mr. Mack was also appointed director of EHT Cayman.

Thereafter, on January 27, 2021, EH REIT filed its voluntary petition for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court. The Chapter 11 Cases of the Initial Debtors and EH REIT are being jointly administered under the caption *In re EHT US1, Inc., et al.,* Case No. 21-10036 (CSS).

B. Parties in Interest

1. Court

The Chapter 11 Cases are pending in the Bankruptcy Court before the Honorable Christopher S. Sontchi, United States Bankruptcy Judge for the District of Delaware

2. Advisors to the Debtors

The Debtors retained Paul Hastings LLP ("Paul Hastings") and Cole Schotz P.C. as its general bankruptcy counsel by orders dated February 24, 2021 and February 19, 2021, respectively. In addition to ordinary course professionals, the Debtors also retained the following additional advisors:

- Moelis was retained as financial advisor, capital markets advisor, placement agent and investment banker, by order dated February 23, 2021.[35]

- FTI was retained to provide (a) Alan Tantleff as CRO of the Debtors and (ii) additional personnel in support of the CRO, by order dated March 4, 2021.

- Rajah & Tann, Singapore LLP was retained as Singapore law counsel to the Debtors by order dated February 24, 2021.

3. Committee and Its Advisors

On February 4, 2021, the United States Trustee appointed the official committee of unsecured creditors (the "Committee") to represent the interests of unsecured creditors in the Chapter 11 Cases. The current membership of the Committee is comprised of Hotelier Management Services, LLC, Holiday Hospitality Franchising, LLC, Marriott International Inc., and Crestline Hotels & Resorts, LLC.

The Committee retained Kramer Levin Naftalis & Frankel LLP and Morris James LLP, as its general bankruptcy counsel by orders dated March 23, 2021. The Committee also retained Province, LLC, as financial advisor, by order dated March 23, 2021.

[35] Following the closing of the Sale Transactions, Moelis concluded its engagement for the Debtors and, on August 27, 2021 filed its final fee application [Docket No. 1085], which was approved by order of the Bankruptcy Court on September 2, 2021 [Docket No. 1197].

4. Fee Examiner and Its Advisors

On March 26, 2021, the Bankruptcy Court appointed David M. Klauder to serve as the independent fee examiner (the "Fee Examiner") in the Chapter 11 Cases. The Fee Examiner retained Bielli & Klauder, LLC as counsel by order dated June 3, 2021.

C. First Day Motions and Orders

Following the Petition Date, certain transactions outside of the ordinary course of business required approval of the Bankruptcy Court, following notice and the opportunity for a hearing in accordance with the Bankruptcy Code and the Bankruptcy Rules. Accordingly, on January 19, 2021, the Initial Debtors requested the entry of specific orders from the Bankruptcy Court authorizing the Initial Debtors to pay certain prepetition claims and continue specific prepetition practices essential to their continued business operations during the pendency of the Chapter 11 Cases. The Bankruptcy Court granted several "first day" orders concerning such matters, including orders related to the Debtors' continued business operations and maintenance of the closed Hotels.

All of the motions and orders filed and entered in the Chapter 11 Cases can be found and viewed free of charge at https://www.donlinerecano.com/Clients/eagle/Index.

Included in such "first day" motions were the following:

1. Joint Administration Motion

On January 19, 2021, the Initial Debtors filed the *Debtors' Motion for Entry of Order (I) Directing Joint Administration of Related Chapter 11 Cases and (II) Granting Related Relief* [Docket No. 4] (the "Joint Administration Motion") seeking an order directing the joint administration of the Chapter 11 Cases. The Bankruptcy Court granted the Joint Administration Motion by order dated January 21, 2021 [Docket No. 58], which order the Bankruptcy Court subsequently made applicable to EH REIT as well [Docket No. 115]. Accordingly, the Chapter 11 Cases are jointly administered by the Bankruptcy Court.

2. Foreign Representative Motion

On January 19, 2021, the Initial Debtors filed *Debtors' Motion Pursuant to Bankruptcy Code Section 1505 Authorizing Chief Restructuring Officer Alan Tantleff to Act as Foreign Representative of Debtors* (the "Foreign Representative Motion") [Docket No. 7]. In the Foreign Representative Motion, the Initial Debtors sought entry of an order authorizing the CRO to be the foreign representative of the Initial Debtors to, if necessary, petition a court in Singapore for recognition of the Initial Debtors' Chapter 11 Cases. The Prepetition Agent objected to the Foreign Representative Motion, and to the Debtors' subsequent request to have the relief sought in the motion extended to the EH REIT Chapter 11 Case. The Committee agreed not to file any objections after the Debtors agreed to add certain negotiated language to the proposed order. Ultimately, the Foreign Representative Motion was adjourned without a date.

The Liquidating Debtors intend to schedule the Foreign Representative Motion for consideration by the Bankruptcy Court at or prior to the Confirmation Hearing.

3. Automatic Stay Motion

On January 19, 2021, the Initial Debtors filed *Debtors' Motion for Entry of Order (I) Restating and Enforcing Worldwide Automatic Stay, Anti-Discrimination Provisions, and Ipso Facto Protections of Bankruptcy Code (II) Permitting Debtors to Modify Automatic Stay, (III) Approving Form and Manner of Notice, and (IV) Granting Related Relief* [Docket No. 8] (the "Automatic Stay Motion"). In the Automatic Stay Motion, the Initial Debtors sought, among other things, entry of an order restating that the automatic stay under the Bankruptcy Code is applicable on a worldwide basis to ensure that creditors did not attempt to obtain property of the estate outside of the United States and to prevent Governmental Entities from discriminating against the Debtors in violation of the Bankruptcy Code. The Bankruptcy Court granted the Automatic Stay Motion by order dated January 21, 2021 [Docket No. 53].

4. Insurance Motion

On the January 19, 2021, the Initial Debtors filed the *Debtors' Motion for Entry of Interim and Final Orders: (I) Authorizing Debtors to (A) Pay Obligations Under Insurance Policies Entered into Prepetition, (B) Continue to Pay Brokerage Fees, (C) Renew, Supplement, Modify, or Purchase Insurance Coverage, and (D) Pay Premiums Thereunder; (II) Honor the Terms of Premium Financing Agreements, Pay Premiums Thereunder, and Enter Into New Premium Financing Agreements in Ordinary Court of Business; and (III) Granting Related Relief.* [Docket No. 9] (the "Insurance Motion"). In the Insurance Motion, the Initial Debtors sought entry of orders, on an interim and final basis:

- authorizing, but not directing, the Debtors to (i) continue their current insurance programs, including any premium financing arrangements, and (ii) pay all obligations in respect thereof including amounts owed to any insurance brokers;

- authorizing, but not directing the Debtors to renew, amend, supplement, extend reduce, or purchase insurance policies in the ordinary course of business; and

- authorizing, but not directing the Debtors to enter into new premium finance agreements in the ordinary course of business.

The Bankruptcy Court granted the Insurance Motion on an interim basis by order dated January 21, 2021 [Docket No. 62]. Thereafter, on February 10, 2021, the Court entered a second interim order [Docket No. 176] increasing the cap on the amount of insurance broker fees that the Court authorized the Debtors to incur from $320,000 to $520,000. The Bankruptcy Court approved the Insurance Motion on a final basis by an order entered on February 24, 2021 [Docket No. 284], which reflected negotiated comments by the Committee.

5. Utilities Motion

On January 19, 2021, the Initial Debtors filed the *Debtors' Motion for Interim and Final Order: (I) Determining Adequate Assurance of Payment for Future Utility Services; (II) Prohibiting Utility Providers From Altering, Refusing, or Discontinuing Utility Services; (III) Establishing Procedures for Determining Adequate Assurance of Payment; and (IV) Granting*

Related Relief [Docket No. 10] (the "Utilities Motion"). The Initial Debtors were not responsible for paying for utility services under the applicable Hotel Caretaker Agreements and Hotel Management Agreements. Nevertheless, in an abundance of caution, the Initial Debtors filed the Utilities Motion requesting entry of orders, on an interim and final basis:

- prohibiting utility providers from altering, refusing, or discontinuing services; and
- approving the Debtors' proposed form of adequate assurance.

The Bankruptcy Court approved the Utilities Motion on an interim basis by order entered on January 21, 2021 [Docket No. 55] and on a final basis by an order entered on February 9, 2021 [Docket No. 174]. The final order reflected negotiated comments by the Committee.

6. Hotel Caretaker Motion

On January 19, 2021, the Initial Debtors filed the *Debtors' Motion for Entry of Interim and Final Orders Authorizing Debtors to (A) Continue to Perform Under Current Hotel Caretaker Agreements and (B) Pay Certain Claims That Arose Prepetition in Connection With Such Agreements* [Docket Nos. 11 and 19] (as amended, the "Hotel Caretaker Motion"). In the Hotel Caretaker Motion, the Initial Debtors sought entry of orders, on an interim and final basis, authorizing, but not directing the Debtors to (a) continue to perform under hotel caretaker agreements for the Hotels that were closed at the time and (b) pay, in their sole discretion, amounts that were incurred prepetition in connection with hotel caretaker agreements. The Court granted the Hotel Caretaker Motion on an interim basis by order dated January 21, 2021 [Docket No. 56] and on a final basis by order dated February 24, 2021 [Docket No. 286].

7. Cash Management Motion

On January 19, 2021, the Initial Debtors filed the *Debtors' Motion for Entry of Interim and Final Orders: (I) Authorizing Debtors to (A) Establish Postpetition Cash management System and (B) Continue to Perform Intercompany Transactions; (II) Granting Superpriority Administrative Expense Status to Postpetition Intercompany Balances; (III)) Waiving Requirements of Section 345(b) of the Bankruptcy Code; and (IV) Granting Related Relief* [Docket No. 12] (the "Cash Management Motion"). In the Cash Management Motion, the Initial Debtors sought entry of orders, on an interim and final basis:

- authorizing the Debtors to replace their prepetition cash management system, and prepetition bank accounts, with a new postpetition cash management system of a limited number of new postpetition accounts;
- authorizing the Debtors to continue their routine cash transfers in the ordinary course of business (a) to and from other Debtors as well as (b) to and from the Non-Debtor Propcos (the "Intercompany Transactions");
- authorizing Debtors to grant superpriority administrative expense status to postpetition intercompany balances arising from the Intercompany Transactions;

- granting the Debtors relief from certain of the U.S. Trustee Guidelines continued use of existing cash management systems; and

- waiving the requirement under Bankruptcy Code section 345 that a bond be posted in favor of the United States if a bankruptcy institution is not insured.

The Bankruptcy Court granted the Cash Management Motion on an interim basis in a series of orders dated January 21, 2021 [Docket No. 57], February 11, 2021 [Docket No. 187], March 11, 2021 [Docket No. 356], April 8, 2021 [Docket No. 557] and May 10, 2021 [Docket No. 661], and on a final basis by order dated June 8, 2021 [Docket No. 849]. The final order reflected comments by the Committee and the Prepetition Agent with respect to cash transferred to the Singapore Debtors or to Non-Debtor Propcos.

8. DIP Financing Motion

On January 19, 2021, the Initial Debtors filed the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing Debtors to Obtain Postpetition Financing, (II) Granting Liens and Superpriority Administrative Expense Claims, (III) Modifying Automatic Stay, and (IV) Granting Related Relief* [Docket No. 20] (the "DIP Financing Motion"). In the DIP Financing Motion, the Initial Debtors sought entry of orders, on an interim and final basis:

- authorizing Debtors ASAP-Salt Lake City, Atlanta Holdings, Eagle Hospitality Trust S1 and EH Trust S2, as borrowers ("DIP Borrowers"), and the DIP Borrowers and the other Initial Debtors as guarantors (together with the DIP Borrowers, the "DIP Obligors"), to enter into the superpriority, senior secured DIP credit facility (the "DIP Facility") to be provided by one or more funds managed by, or other entities affiliated with, Monarch Alternative Capital LP (the "DIP Lenders");

- authorizing the DIP Obligors to grant security interests, liens, and superpriority claims to the administrative agent under the DIP Facility;

- authorizing the DIP Borrowers to borrow up to $100 million (up to $9.3 million on an interim basis and an additional $90.69 million on a final basis), and an incremental borrowing of up to $25 million if the Debtors reopen one or more Hotels during the pendency of the Chapter 11 Cases; and

- modifying the automatic stay to the extent necessary to implement and effectuate the terms and provisions of the DIP credit documents and DIP Orders.

As detailed in the DIP Financing Motion, as part of the process of obtaining postpetition debtor-in-possession financing, the Debtors, through their proposed investment banker, Moelis, approached 26 potential DIP providers, including third-party lenders and the Prepetition Agent. Of these, 14 signed confidentiality agreements (or were otherwise covered by existing confidentiality obligations), and the Debtors received proposals from 8 potential lenders.

The Debtors, with the assistance of their advisors, analyzed each proposal and negotiated with each party before narrowing their search down to two parties: the DIP Lenders and the Prepetition Agent. Ultimately, for the reasons detailed in the DIP Financing Motion, the Debtors determined that the proposal from the DIP Lenders was the best financing available to the Debtors.

The Prepetition Agent filed an objection to the DIP Financing Motion, including on the basis that the proposed DIP Financing provided insufficient guardrails and case milestones to curtail expenses and proceeds of the DIP Facility should not be used to fund the costs of the Singapore Debtors and the Non-Debtor Propcos.

Ultimately, the parties were able to resolve the Prepetition Agent's objection by providing the Prepetition Agent and the Committee, among other things, with notice and review rights regarding Intercompany Transactions to the Singapore Debtors and the Non-Debtor Propcos and regular communications among the parties on case matters.

The Bankruptcy Court approved the DIP Financing Motion on an interim basis in orders entered on January 21, 2021 [Docket No. 61] and February 11, 2021 [Docket No. 193], and on a final basis on February 24, 2021 [Docket No. 287]. The final order reflected negotiated comments by the Committee and the Prepetition Agent.

9. EH REIT First Day Motion

On January 27, 2021, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Directing Certain Orders in the Chapter 11 Cases of EHT US1, Inc. et al., be Made Applicable to Additional Debtor and (II) Granting Related Relief* (the "EH REIT Motion") [Docket No. 111]. In the EH REIT Motion, EH REIT and the Initial Debtors sought entry of an order that (a) would make certain orders entered by the Bankruptcy Court on an interim and final basis, including the orders granting the Automatic Stay Motion, the Cash Management Motion, the DIP Financing Motion, and the Insurance Motion, apply with equal force and effect to EH REIT, (b) waive the requirement that EH REIT file a list of, and provide notice to holders of Equity Interests and (c) and grant related relief.[36]

The Bankruptcy Court entered an order granting the EH REIT Motion on February 24, 2021 [Docket No. 285].

D. Statements of Financial Affairs and Schedules of Assets and Liabilities

Each of the Debtors filed its Statement of Financial Affairs and Schedules of Assets and Liabilities (as amended, the "Schedules") on March 19, 2021. The Schedules reflect the assets and liabilities of each of the Debtors as reflected in the Debtors' books and records as of the Petition Date. The Schedules may be viewed, free of charge, at https://www.donlinrecano.com/Clients/eagle/Index.

[36] The orders entered with respect to the Foreign Representative Motion, the Utilities Motion and the Hotel Caretaker Motion were specifically excluded from the EH REIT Motion.

On separate exhibits to the Schedules, the Debtors included, out of an abundance of caution and for informational and noticing purposes only, lists of (i) claims arising from provision of Hotel-related goods and services without a contractual relationship with any Debtor entity (the "Non-Debtor Accounts Payable Claims"), (ii) claims arising from the payment of advanced deposits by Hotel guests (the "Non-Debtor Advanced Deposit Claims"), and (iii) executory contracts entered into by the Hotel Managers (and not the Debtors) ("Non-Debtor Executory Contracts").

As noted in the Global Notes to the Schedules, the Debtors do not believe they are liable in connection with the Non-Debtor Accounts Payable Claims and Non-Debtor Advanced Deposit Claims, or bound by or party to the Non-Debtor Executory Contracts, and, accordingly, the Debtors reserved all rights with respect to same. However, in the interest of full disclosure and in order to provide holders of such Claims with the opportunity to file a proof of claim in the Chapter 11 Cases, the Debtors nevertheless included such claims and contracts as part of the Schedules. The Plan Settlement with respect to the Settled Vendor Claims resolves some of these issues. Specifically, the Settled Vendor Claims include Claims by potentially hundreds of trade vendors who provided goods or services to a Debtor Propco Hotel without a contract that identified such Debtor Propco by its legal name when such goods and/or services were provided. However, the Non-Privity Claims are excluded from the settlement and are subject to pending objections filed by the Debtors with the consent of the other Plan Proponents.

E. Filing Deadline for Prepetition Claims

The Debtors filed the *Debtors' Motion, Pursuant to Bankruptcy Code Sections 105(a), 502, and 503(b)(9), Bankruptcy Rule 2002, and Local Rule 2002-1(e) For Entry of an Order (I) Fixing Deadlines for Filing Proofs of Claim, Including Section 503(b)(9) Claims, and (II) Approving Form and Manner of Notice Thereof* [Docket No. 535], (the "Bar Date Motion"). The Bar Date Motion sought entry of an order (a) establishing the bar date for filing proofs of claim and (b) designating the form and manner of notice thereof.

The Bankruptcy Court granted the Bar Date Motion by order dated April 9, 2021 [Docket No. 560]. Among other things, the Bankruptcy Court established July 15, 2021 at 5:00 p.m. (prevailing Eastern Time) as the general Bar Date and July 26, 2021 at 5:00 p.m. (prevailing Eastern Time) as the Bar Date with respect to Governmental Unit Claims.

F. Motion to Dismiss Chapter 11 Cases of Singapore Debtors

On February 15, 2021, the Prepetition Agent filed a motion [Docket Nos. 210 and 212] seeking dismissal of the chapter 11 cases of EH REIT, EH Trust S1, and EH Trust S2 (together, the "Singapore Debtors") on the bases that, among other things, the Singapore Debtors were allegedly not eligible to be debtors under chapter 11 of the Bankruptcy Code and the Chapter 11 Cases of the Singapore Debtors were not filed in good faith, but rather as a way to divert resources from the Propcos to equity interests in Singapore. The Debtors filed their objection to the Prepetition Agent's dismissal motion on March 25, 2021 [Docket No. 505], disputing the allegations that that the Singapore Debtors were not eligible for chapter 11 or that their cases had been filed in bad faith. The Prepetition Agent filed a reply in further support of its motion on April 2, 2021 [Docket No. 544].

The Bankruptcy Court held an evidentiary hearing on April 7, 2021. After that hearing, the Bankruptcy Court requested expert testimony on certain questions of Singapore law. The Prepetition Agent and the Debtors presented their respective expert witnesses at a continued evidentiary hearing held on May 28, 2021.

On June 1, 2021, the Bankruptcy Court issued an order and opinion [Docket Nos. 804 and 805] denying the motion to dismiss. Among other things, the Bankruptcy Court (i) held that the Singapore Debtors were eligible to be debtors under chapter 11 of the Bankruptcy Code, (ii) held that the chapter 11 cases of the Singapore Debtors were filed in good faith, and (iii) declined to abstain from hearing the chapter 11 cases of the Singapore Debtors because there was no bankruptcy, insolvency, restructuring or similar proceeding pending in Singapore involving the Debtors.

G. Sale Transactions

On or about January 29, 2021, Moelis began a process to solicit interest in the Debtors' assets, including the acquisition of the Assets and restructuring proposals (the "Sale/Restructuring Process"). Moelis contacted 189 potential investors, including asset managers, publicly-traded REITS, and private equity investors, of which 86 executed non-disclosure agreements and received diligence materials through a virtual data room, and 29 submitted indications of interest. ("IOIs"). Of such 29 IOIs, 22 contemplated the purchase of the Debtors' entire Hotel portfolio and 7 contemplated purchasing a subset of the Hotel Portfolio. No restructuring proposal was received.

Following the receipt of such IOIs, the Debtors determined, after consultation with the Plan Proponents, that the sale of substantially all of their assets represented the best option to maximize the value of their estates for the benefit of their stakeholders, and that, of all the parties that had submitted IOIs, Madison Phoenix LLC (the "Stalking Horse Bidder"), an affiliate of Monarch Alternative Capital LP and the Debtors' DIP Lender, was the best positioned bidder to submit an unconditional bid superior to all IOIs received. Following negotiations with the Stalking Horse Bidder, the Debtors, with the assistance of their advisors, determined that the Agreement of Purchase and Sale (the "Stalking Horse Agreement") by and among certain of the Debtors (each a "Seller" and, collectively, the "Sellers") and the Stalking Horse Bidder contained the most favorable terms and provided the Debtors with the flexibility to run the Sale/Restructuring Process to achieve the highest available value for the Assets.[37]

As a result, on March 7, 2021, the Debtors executed the Stalking Horse Agreement, and the agreement served as the floor for any subsequent bids for the Assets. The Stalking Horse Agreement provided for total consideration for the Assets in the amount of (i) an aggregate amount equal to $470,000,000 and (ii) the Stalking Horse Bidder's assumption of liabilities set forth in the Stalking Horse Agreement. In addition, the Stalking Horse Agreement provided for

[37] The Stalking Horse Agreement provided for the sale of the Queen Mary Hotel to the Stalking Horse Bidder, but the Stalking Horse Bidder retained the right to designate the Queen Mary Hotel as an "excluded asset", and, it subsequently made such designation.

certain bid protections, a break-up fee and expense reimbursement in the event the Stalking Horse Bidder was outbid at the sale auction.

On March 9, 2021, the Debtors filed *Motion of Debtors for Entry of Orders (I) Approving (A) Bidding Procedures, (B) Designation of Stalking Horse Bidder and Stalking Horse Bidder Protections, (C) Form and Manner of Notice of Sale, Auctions, and Sale Hearing, and (D) Assumption and Assignment Procedures, (II) Scheduling Auctions and Sale Hearing, (III) Approving (A) Sale of Substantially all of Debtors' Assets Free and Clear of Liens, Claims, Interests, and Encumbrances, and (B) Assumption and Assignment of Executory Contracts and Unexpired Leases, and (IV) Granting Related Relief* [Docket No. 334] (the "Sale Motion").

As made clear in the Sale Motion, parties interested in the Debtors' Assets were not limited to submitting offers to purchase all of the Assets. Rather, a party could seek to purchase only some of the Assets or could seek to acquire some or all of the Assets through a plan under chapter 11 of the Bankruptcy Code. In other words, the Sale/Restructuring Process was designed to provide the Debtors and potential bidders with as much flexibility as possible to ensure that no avenues towards maximizing the value of the Debtors' Assets were foreclosed.

On March 24, 2021, the Court entered an order [Docket No. 503] approving the bidding procedures for the sale of the Assets (the "Bidding Procedures Order"). The Committee reviewed and provided comments to the Debtors which were reflected in the Bidding Procedures Order. From the entry of the Bidding Procedures Order through the May 14, 2021 bid deadline, Moelis continued to market the Assets and received 65 unsolicited bid inquiries and contacted an additional 58 parties. In all, Moelis was in contact with 312 parties before and after entry of the Bidding Procedures Order, and the Debtors negotiated non-disclosure agreements with 137 of such parties. Further, 130 parties accessed the Debtors' virtual data room.

Thereafter, in addition to the Stalking Horse Bid, the Debtors received qualified bids for five of the Hotels for sale: (i) Double Tree Salt Lake City Airport; (ii) Embassy Suites Anaheim North; (iii) Sheraton Denver Tech. Center; (iv) Four Points San Jose Airport; and (v) Hilton Atlanta North (collectively, the "Auctioned Properties"). The Stalking Horse Bidder was deemed the successful bidder for the Assets subject to the Stalking Horse Agreement that were not Auctioned Properties (the "Non-Auctioned Properties") with an aggregate purchase price of $326,500,000. On May 20, 2021, the Debtors conducted an auction for the Auctioned Properties and the winning bids for the Auctioned Properties totaled $155,400,000, for a total purchase price for the Auctioned Properties and the Non-Auctioned Properties of $481,900,000.

In all, the Auction resulted in a net increase of $24.85 million of sale proceeds (after taking into consideration the break-up fees owed to the Stalking Horse Bidder) compared to the Stalking Horse Bid on its own (excluding the Queen Mary Hotel). The only Hotel Asset for which there was no Qualified Bid received was the Queen Mary Hotel. As authorized under the Stalking Horse Agreement, the Stalking Horse Bidder determined not to purchase the Queen Mary Hotel. **As a result, assets of UC-Queensway were not sold, and UC-Queensway is not a Debtor Propco under these Plans**.

Shortly before the Auction, Constellation Hospitality Group ("CHG"), an entity affiliated with Woods and Wu, submitted an unqualified bid for the Debtors' Hotel Assets. CHG proposed purchasing 100% of the equity interests in EHT US1 through a chapter 11 plan, thus, purporting to allow the Debtors to reorganize as a going concern. There were numerous obstacles, however, with the CHG bid, including: (a) CHG's deposit was less than the 10% of the purchase price required under the order approving the bidding procedures; (b) the source of CHG's financing was uncertain; (c) the aggregate distributions to holders of Claims under CHG's bid was less than that available under the Stalking Horse Bid; (d) CHG failed to submit a proposed stock or asset purchase agreement with its bid; and (e) the CHG bid proposed releasing the Debtors' claims against Woods and Wu, while providing a recovery to Woods and Wu on account of their putative claims against the Debtors. Notwithstanding the efforts of the Debtors and their advisors to work with CHG to improve CHG's bid, CHG never submitted a qualified bid.

Woods, Wu, and CHG subsequently objected [Docket Nos. 697 and 744] to approval of the proposed sale transactions with the Stalking Horse Bidder and the other winning bidders at the Auction (such transactions, the "Sale Transactions").

On May 28, 2021, the Bankruptcy Court overruled all objections to the sale, including the objections filed by Woods, Wu, and CHG, and entered the orders (the "Sale Orders") approving the sales of the Auction Properties and the Non-Auctioned Properties, as well as the assumption and assignment of certain designated contracts, to the respective purchasers. [Docket Nos. 793, 794, 795 and 797]. All such sales closed on or before June 24, 2021.

H. Rejection of the Queen Mary Leases and Contract

Because there was no qualified bidder for the Queen Mary Hotel, on June 4, 2021, the Debtors filed the *Debtors' Motion, Pursuant to Bankruptcy Code Sections 365(b) And 554(a), Seeking Entry of Order (I) Authorizing Debtor Urban Commons Queensway, LLC to (A) Reject Certain Executory Contracts and Unexpired Leases and Subleases* Nunc Pro Tunc *to Surrender Date and (B) Abandon Any Remaining Personal Property Located at Leased Premises and (II) Granting Related Relief* [Docket No. 843] (the "Rejection Motion").

In the Rejection Motion, the Debtors requested that the Bankruptcy Court authorize the Debtors to reject the leases with the City of Long Beach and certain executory contracts related to the operations of the Queen Mary Hotel effective as of the date that the Debtors surrendered the Hotel and related assets to the City of Long Beach (*i.e.*, June 4, 2021).

On June 18, 2021, the City of Long Beach filed a limited objection [Docket No. 870] to the Rejection Motion on the basis that rejection should not be made effective as of the surrender date. On, July 7, 2021, the Bankruptcy Court entered an order overruling the objection and granting the Rejection Motion [Docket No. 919].

I. Debtor PropCo Adversary Proceedings

On January 30, 2021, the six Debtor Propcos that had not yet obtained legal control of their related properties pursuant to the prepetition unlawful detainer actions commenced six adversary proceedings for declaratory relief, damages on account of breaches of the Master Lease Agreements (including the failure to pay rent beginning before the pandemic), turnover of

the hotel properties, and enforcement of the automatic stay (the "Debtor Propco Adversary Proceedings").[38] Shortly after the commencement of such actions, the plaintiffs and defendants entered into stipulations (i) resolving in the Debtor plaintiffs' favor their requests for declaratory relief, turnover, and possession of the relevant hotel properties and (ii) otherwise staying the Debtor PropCo Adversary Proceedings (including the Debtor plaintiffs' requests for damages) pending the Debtors' chapter 11 sale process (the "Adversary Proceeding Stipulations"). The Debtor Propco Adversary Proceedings are no longer stayed, and the Debtors intend to pursue judgments against the Master Lessees on their damages claims.[39]

J. Continued Investigation of Woods and Wu and their Affiliates/Woods, Wu and their Affiliates Adversary Proceedings and Claims

As set forth below, prior to the Petition Date, the CRO and the Debtors' advisors commenced an investigation into the actions of Woods and Wu and their affiliates. This investigation continued postpetition, and while it is still ongoing, the Debtors have identified a number of potential causes of action against Woods and Wu arising from their malfeasance.[40]

1. Adversary Proceeding against Woods, Wu and their Affiliate Regarding Fraudulent Loan

In May 2020, Woods and Wu took out a loan under the federal CARES Act's Paycheck Protection Program ("PPP") in the amount of $2,437,500 on behalf of Debtor UC-Queensway. Woods executed the necessary PPP loan application despite not having the authority to do so and fraudulently misrepresented that UC-Queensway was wholly owned by Urban Commons, a company owned and controlled by Woods and Wu. In fact, UC-Queensway is wholly owned by EH REIT. Woods and Wu did not disclose the true ownership structure of UC-Queensway because it would have been apparent to the lender that Woods had no authority to act on behalf of UC-Queensway.

On May 21, 2020, UC-Queensway received the $2,437,500 of loan proceeds and Woods and Wu orchestrated the immediate wire transfer of the loan proceeds to EHT Asset Management, LLC ("EHT Asset Management"), another company owned and controlled by Woods and Wu.

On May 21, 2021, UC-Queensway filed a *Complaint for (I) Avoidance and Recovery of Fraudulent Transfers Pursuant to 11 U.S.C. §§ 548 & 550, (II) Common Law Fraud, (III) Unjust Enrichment, (IV) Conversion, (V) Constructive Trust, and (VI) Preliminary Injunctive Relief*

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[38] Adv. Pro. Nos. 21-55073, 21-50074, 21-50075, 21-50076, 21-50077 and 21-50078.

[39] *See e.g., Order Finding that Debtor Plaintiffs' Adversary Proceedings Against Master Lessees are No Longer Stayed*, Adv. Pro. No. 21-55073 [Docket No. 21].

[40] The Debtors and the Committee also continue to investigate the various intercompany transactions that Urban Commons and its affiliated entities made to possibly enrich Woods and Wu at the expense of the Debtors and their creditors. On August 11, 2021, the Bankruptcy Court entered an order approving the stipulation among the Debtors, the Committee, and the chapter 7 trustee of Urban Commons, LLC. Case No. 21-10036 [Docket No. 1031]. The Debtors and the Committee continue to work with the chapter 7 trustee of Urban Commons to identify helpful documents and materials that may assist the ongoing Rule 2004 investigation of Woods, Wu, and their related entities.

[Adv. Pro. No. 21-50476, Docket No. 10] (the "PPP Complaint"). UC-Queensway also filed *Plaintiff Urban Commons Queensway, LLC's Motion for Preliminary Injunctive Relief Pursuant to Federal Rule of Bankruptcy Procedure 7067 and 11 U.S.C. 105* [Docket No. 11] (the "Preliminary Injunction Motion"), requesting that the Bankruptcy Court enjoin the "Defendants their officers, agents and assigns, from transferring, encumbering or otherwise disposing of $2,437,500 and requiring the Defendants to account for such funds to the Plaintiff." The Bankruptcy Court denied UC-Queensway's Preliminary Injunction Motion on the basis that UC-Queensway could not demonstrate irreparable harm. Nevertheless, during the hearing, the Bankruptcy Court stated: "Let me be perfectly clear. These defendants' behavior is beyond the pale. It was reprehensible. It was a violation of public trust. It was an abuse of Congress' attempt to help businesses survive the pandemic, not to line the pockets."

On June 28, 2021, UC-Queensway filed *Plaintiff Urban Commons Queensway, LLC's Motion for Summary Judgment Pursuant to Federal Rule of Civil Procedure 56 and Federal Rule of Bankruptcy Procedure 7056* [Adv. Pro. No. 21-50476, Docket No. 37] ("Summary Judgment Motion"). The Defendants requested an extension of time to respond to the Summary Judgment Motion, and UC-Queensway objected to such extension and renewed its request for entry of a Preliminary Injunction on the basis, among others, that there is a risk of non-payment unless the approximately $2.4 million is escrowed or Defendants obtain a bond because Woods and Wu are facing lawsuits across the country alleging fraud, and their lead operating company Urban Commons is subject to an involuntary chapter 7 case in which an order for relief was entered. Case No. 2:21-bk-13523-ER [Docket No. 27] (Bankr. C.D. Cal.)).[41] The Court ordered expedited briefing on the motions, and a hearing was held on July 26, 2021.

On August 27, 2021, the Court entered the *Order Granting Plaintiff Urban Commons Queensway, LLC's Renewed Cross-Motion for Preliminary Injunctive Relief* pursuant to which EHT Asset Management, Woods, Wu, and their agents, officers, and assigns are preliminarily enjoined from transferring, encumbering or otherwise disposing of $2,437,500 or assets of equivalent value and must account for such assets to UC-Queensway.[42]

On September 14, 2021, after the defendants failed to respond to the Summary Judgment Motion within the time set by the Bankruptcy Court, the Bankruptcy Court entered the *Order Granting Plaintiff Urban Commons Queensway, LLC's Motion for Summary Judgment Pursuant to Federal Rule of Civil procedure 56 and Federal Rule of Bankruptcy Procedure 7056*, pursuant to which judgment was entered in favor of UC-Queensway and against all defendants in the amount of $2,437,500.00.[43] The Debtors are in the process of enforcing that judgment.

On September 23, 2021, the Debtors filed the *Plaintiff Urban Commons Queensway, LLC's Motion for Judgment of Civil Contempt Against Defendants for Failure to Comply With*

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[41] Urban Commons' motion to vacate the order for relief was denied by the court. Case No. 2:21-bk-13523-ER [Docket No. 89] (Bankr. C.D. Cal.)).

[42] Adv. Proc. No. 21-50476, Docket No. 71.

[43] Adv. Proc. No. 21-50476, Docket No. 76.

Preliminary Injunction, seeking remedies against the defendants for their failure to comply with the Bankruptcy Court's August 27, 2021 preliminary injunction order.[44]

The deadline for defendants to appeal the order granting the Summary Judgment Motion was September 28, 2021. On October 6, 2021, the defendants filed a *Motion to Extend Time for Filing Notice of Appeal*,[45] and the Bankruptcy Court has not yet resolved this motion.

2. Crestline Non-Disturbance Agreements

In February 2020, Debtor Propcos UCHIDH (Holiday Inn Denver), UCRDH (Renaissance Denver), Sky Harbor Atlanta, and Sky Harbor Denv. Tech entered into Non-Disturbance Agreements with Hotel Manager Crestline Hotels & Resorts, LLC (together with its affiliates, "Crestline," and the Non-Disturbance Agreements, the "Crestline NDAs"). The Crestline NDAs resulted in the applicable Propcos guaranteeing the obligations of the Master Lessees under the respective hotel management agreements (the "Crestline HMAs"). Further, under certain of the Crestline HMAs, approximately $4 million of "key money"[46] was paid to the Master Lessees to incentivize the Master Lessees to enter into the Crestline HMAs. Further, certain amounts of the key money were to be transferred to non-Debtor 14315 Midway Road Adison LLC (Crown Plaza Dallas).

Four of the NDAs were executed on February 14, 2020, after the Master Lessees had already begun defaulting on their obligations to pay rent to the Debtor Propcos. While the Liquidating Debtors reserved the right to dispute these transactions, Crestline would assert various defenses to such claims. In any event, under the Plans, Crestline, as a member of the Committee and party to the PSA, is included among the Released Parties and, accordingly any right that the Liquidating Debtors' Estates may have to object to the allowance of Crestline's would be released upon the Effective Date.

3. Master Lessees' Adversary Proceedings

In February 2021, the Master Lessees initiated fifteen adversary proceedings against each of the Debtor PropCos and UC-Queensway, alleging, among other things, that they had breached certain contractual obligations allegedly owed to the Master Lessees under master lease agreements (the "Master Lessee Adversary Proceedings").[47] The Master Lessee Adversary Proceedings were stayed pursuant to the Adversary Proceedings Stipulation.

On July 2, 2021, counsel for the Master Lessees, Woods and Wu, and their Affiliates requested leave to withdraw as counsel for such persons and entities in the Chapter 11 Cases, including in the Master Lessee Adversary Proceedings for nonpayment of fees. On August 16, 2021, the Bankruptcy Court entered an order granting the request to withdraw conditioned on

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[44] Adv. Proc. No. 21-50476, Docket No. 78.

[45] Adv. Proc. No. 21-50476, Docket No. 80.

[46] Key money is a financial incentive customary in the hospitality industry in which a hotel management company will pay a lump sum to a hotel owner (here, the Master Lessee) in exchange for entry into a HMA.

[47] Adv. Pro. Nos. 21-50082 through and including 20-50096.

certain document retention requirements (the "Withdrawal Order"). The Withdrawal Order further stated that unless substitute counsel for the Master Lessees entered an appearance in the Master Lessee Adversary Proceedings within 28 days from the date of entry of the Withdrawal Order, the Master Lessee Adversary Proceedings would be dismissed without prejudice. No such appearance was made within the allotted time and, therefore, the Master Lessee Adversary Proceedings were dismissed without prejudice on September 14, 2021.

4. Master Lessee Claims Against Debtor PropCos

On July 15, 2021, the Master Lessees filed proofs of claim against each of the Debtor PropCos incorporating the allegations set forth in the Master Lessee Adversary Proceedings and asserting claims against the Debtors in an aggregate amount of more than $194 million. On August 31, 2021, the Debtors filed *Debtors' Third Omnibus Objection (Substantive) to Proofs of Claims Filed by Master Lessees Pursuant to Bankruptcy Code Section 502 and Bankruptcy Rule 3007* [Docket No. 1088] on the grounds that the Master Lessees' claims lack merit, and even assuming that they have merit (they do not), any alleged damages owed by the Debtor PropCos are more than offset by the amounts that the Master Lessees owe to the Debtor PropCos.

Also on August 31, 2021, the Prepetition Agent filed a separate objection to the Master Lessees' Claims and a Joinder to the Debtors' Objection contending, among other things, that contractually the Master Lessees agreed to seek the consent of the Prepetition Agent prior to asserting any claims against the Debtors before the Prepetition Lender Claims were paid in full and to subordinate any claims that they may have against the Debtor PropCos to the claims of the Prepetition Lenders.[48]

The Master Lessees' response to the foregoing claim objections was due on September 14, 2021. On that date, Wu as "Principal" for the Master Lessees requested a continuance of the hearing on the claim objections and an extension of time to respond to the claim objections to October 15, 2021, to give the Master Lessees additional time to retain substitute counsel.[49] On September 14, 2021, the Debtors (with the support of the Prepetition Agent) objected to Wu's request for an extension.[50] The Court denied the request.[51]

On September 18 and 21, 2021, respectively, the Bankruptcy Court entered orders sustaining the Debtors' the Prepetition Agent's claim objections, thus disallowing the proofs of claim filed by the Master Lessees.[52] On October 1 and 4, 2021, respectively Woods, Wu, and the Master Lessees together filed notices of appeal of the Bankruptcy Court's disallowance orders.[53]

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[48] *See* Docket No. 1089.

[49] *See* Docket No. 1163.

[50] *See* Docket No. 1164.

[51] *See* Docket No. 1174.

[52] *See* Docket No. 1176.

[53] *See* Docket Nos. 1278 and 1284.

K. Other Pending Adversary Proceedings

1. Removed Actions.

In the Adversary Proceeding Stipulation, the parties agreed that the Master Lessees could remove certain state court actions that they had commenced against certain non-Debtor PropCos seeking damages on breach of contract and unjust enrichment theories. Those actions have been removed, were stayed pursuant to the Adversary Proceeding Stipulation, and were dismissed pursuant to the Withdrawal Order.[54]

2. City of Long Beach Adversary Proceeding

On April 9, 2021, the City of Long Beach commenced an action against UC-Queensway seeking a declaration that certain cure amounts had to be paid in order for the lease between the parties to be assigned to a potential purchaser.[55] This cause of action was mooted by UC-Queensway's rejection of the leases with the City because no Entity sought to acquire UC-Queensway's assets.

Subsequently, on July 14, 2021, the City of Long Beach amended its complaint seeking (a) a declaratory judgment that UC-Queensway has the obligation to turn over certain information and defend and indemnify the City of Long Beach with respect to certain personal injury claims, and (b) a judgment of whether UC-Queensway or some other Entity is required to refund certain deposits. On July 28, 2021, the Bankruptcy Court approved a stipulation between the parties (i) extending UC-Queensway's time to respond to the complaint and (ii) establishing a consensual schedule regarding third-party discovery.[56] Pursuant to that stipulation, subpoenas were served on various parties on August 30, 2021.[57] On September 16, 2021, the parties entered into a further stipulation, extending until November 12, 2021 UC-Queensway's time to respond to the complaint, without prejudice to further extensions.

3. ASAP International Adversary Proceedings

Related parties ASAP International Hotel, LLC (on behalf of itself and certain related parties) (together "ASAP International") and ASAP Property Holdings Inc. ("ASAP Property") commenced two adversary proceedings against Debtor Sky Harbor Atlanta.[58] ASAP International seeks a declaration that it has an ownership interest in certain property of Sky Harbor Atlanta, and objected to the sale of Sky Harbor's Sold Assets on that same ground.

ASAP Property sought a declaratory judgment that the Debtor Sky Harbor Atlanta could not sell certain litigation rights that ASAP Property allegedly has an interest in. In fact, such litigation rights were not intended to be sold under the relevant Sale Transaction, and therefore,

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[54] Adv. Pro. Nos. 21-50082 through 21-50096 and 21-50307 through 21-50310.

[55] Adv. Pro. No. 21-50316.

[56] Adv. Pro. No. 21-50316, Docket No. 15.

[57] Adv. Pro. No. 21-50316, Docket No. 19.

[58] Adv. Pro. Nos. 21-50457 and 21-50458.

ASAP Property's objection to the Sky Harbor Atlanta Sale Transactions was overruled as moot. The time for Debtor Sky Harbor Atlanta to respond to the complaints filed by ASAP International and ASAP Property has been extended on several occasions, and the current deadline to respond to the complaints is November 12, 2021.

L. Administrative Expense Bar Date

Pursuant to the *Amended Order (I) Fixing Deadline for Filing Requests for Allowance of Post-Petition Date Administrative Expense Claims Arising on or Before August 31, 2021, and (II) Designating Form and Manner of Notice Thereof*,[59] all Administrative Expense Claims that arose during the period from the Petition Date through and including August 31, 2021, must be filed no later than 5:00 p.m. (EST) on October 6, 2021.

As provided in the Plans, Administrative Expense Claims that arose after August 31, 2021, must be filed by the Supplemental Administrative Expense Claims Bar Date, *i.e.*, the date that is 45 days after the Effective Date.

M. Claim Objections

In addition to the objections filed to the Master Lessees' Claims, the Debtors filed objections to Claims on certain substantive and non-substantive bases.

1. Omnibus Objections to Claims.

On July 30, 2021, the Debtors filed the *Debtors' First Omnibus Objection (Substantive) with Respect to Certain Incorrectly Classified Claims* [Docket No. 968], seeking to reclassify as General Unsecured Claims certain Claims incorrectly filed as Administrative Claims entitled to priority under Bankruptcy Code section 503(b)(9). On September 22, 2021, the Bankruptcy Court entered the *Order Granting Debtors' First Omnibus Objection (Substantive) with Respect to Certain Incorrectly Classified Claims* [Docket No. 1198].

On August 6, 2021, the Debtors filed the *Debtors' Second Omnibus Objection (Non-Substantive) with Respect to (I) Certain Duplicate Claims and (II) Certain Amended Claims* [Docket No. 1015] seeking to expunge duplicate Claims and certain Claims that had been amended. On September 22, 2021, the Bankruptcy Court entered the *Order Granting Debtors' Second Omnibus Objection (Non-Substantive) with Respect to (I) Certain Duplicate Claims and (II) Certain Amended Claims* [Docket No. 1195].

On October 4, 2021 the Debtors filed *Debtors' Fourth Omnibus Objection (Substantive) With Respect To Certain No Liability Claims* [Docket No. 1292] seeking to disallow and expunge Claims on the basis of lack of contractual privity and that, in the alternative, such Claims be reduced to the amounts set forth herein based on the Debtors' review of their Books and Records and other investigatory efforts. The Debtors have reached settlements with each of

[59] Docket No. 1125.

the claimants regarding the allowed amount of the Claims included in such omnibus claims objection.

On October 29, 2021 the Debtors filed (i) the *Debtors' Fifth Omnibus Objection (Non-Substantive) With Respect To Certain Late-Filed Claims* [Docket No. 1500] seeking to disallow and expunge certain late-filed Claims on the basis that such Claims are barred and are unenforceable against the Debtors as they were filed after the applicable bar date; (ii) the *Debtors' Sixth Omnibus Objection (Non-Substantive) With Respect To Certain Wrong Debtor Claims* [Docket No. 1501] seeking to reassign certain Claims on the basis that such claims were filed in the wrong case against the wrong Debtor, and (iii) the *Debtors' Seventh Omnibus Objection (Non-Substantive) Certain Wrong Debtor Unitholder Claims* [Docket No. 1503] seeking to reassign to Debtor EH REIT the certain Claims filed by unitholders of EH REIT. The hearing on these objections has been scheduled for December 9, 2021.

2. Objection to IHG Claims

On August 31, 2021, the Debtors filed *Debtors' Objection to Proofs of Claim Filed by Holiday Hospitality Franchising, LLC* [Docket No. 1090] (the "IHG Objection").[60] In the IHG Objection, the Debtors' seek to disallow 28 proofs of claim filed by Holiday Hotel Franchising, LLC ("HHF"), on behalf of itself and as assignee of all claims that may have been held by Six Continents Hotels, Inc. ("SCH" and, together with HHF, "IHG") against the Debtors. The IHG proofs of claim allege that each of the Debtors are liable under certain licensing agreements (the "IHG Agreements") with respect to six of the Eagle Hospitality Group's hotel properties in the U.S. ("IHG Hotels"). The IHG Agreements allow the IHG Hotels to use the applicable IHG brand and other intellectual property rights in the operation and marketing of these hotels.

Prior to the IPO, the owners of the IHG Hotels were parties to the IHG Agreements. In connection with the IPO, these owners were replaced with the Master Lessees as parties to the IHG Agreements, such that none of the Debtors are parties to the IHG Agreements. It is the Debtors' position that because general principles of contract law restrict a party such as IHG's recovery to its contract counterparty (with whom it is in "privity"), this would preclude IHG from any recovery from the Debtors for a breach of contract. Nevertheless, IHG contended that each of the Debtors are liable under the IHG Agreements under various veil-piercing theories or other extra-contractual theories, each Claim in the amount of $26 million, plus additional unliquidated amounts.

Following extensive negotiations, the Debtors (with the consent of the other Plan Proponents) have reached an agreement with IHG to settle the IHG Objection and provide IHG with allowed claims against the Debtor Propcos that previously owned the IHG Hotels in an aggregate amount of $2.5 million. The Bankruptcy Court approved the settlement with IHG by order dated November 1, 2021 [Docket No. 1517].

[60] The IHG Objection was filed under seal. A redacted version of the IHG Objection is filed under Docket No. 1134-1.

3. Other Privity-Based Objections

In addition to the IHG Objection, the Debtors have also objected to certain other Non-Privity Claims, *i.e.*, Claims of creditors that are not in contractual privity with the Debtors but did enter into contracts with the Master Lessees. The Debtors believe that these sophisticated creditors fully understood that their remedies for breach of such contracts lie with the Master Lessees (owned and controlled by Woods and Wu) who entered into express agreements with these creditors, and not the Debtors.

While the Plan Settlement preserves the right to object to certain Non-Privity Claims, this should be contrasted with the many other smaller Hotel Vendors that supplied goods and/or services to the Debtors' Hotels without a contract specifically identifying the Debtor Propco as the counterparty. Based on the Debtors' review of the proofs of claim, such Hotel Vendors may have entered into a contract with the Hotel Manager (on behalf of the Hotel Propco), contracted with the bare name of the Hotel, or did not have a written contract at all (and, instead, merely submitted invoices to the bare name of the Hotel). Moreover, as a general matter, these Hotel Vendors did not enter into contracts with the Master Lessees, which would have evidenced an understanding that the Debtors are not the parties liable for the goods and/or services provided to the Hotels. The Plan Settlement provides that such Settled Vendor Claims[61] will be entitled to a Distribution as Other General Unsecured Claims, (while preserving the Liquidating Trustee's ability to object to such Claims on any other basis).

The Plan Proponents believe that this resolution over the scope of potential Claims objections, as part of the Plan Settlement, maximizes value for all stakeholders as it avoids potentially costly litigation with hundreds of trade vendors (in many cases who have relatively small claims in the context of these cases) who provided goods or services to a Debtor Propco Hotel without a contract that identified such Debtor Propco by its legal name and had no contracts with the Master Lessees. As further described below, the Debtors have filed objections against Non-Privity Claims (where the counterparty had a contract with the Master Lessees), except to the extent that the Debtors (in coordination with the other Plan Proponents) have already reached agreements to settle such Claims. To date, and as further detailed in Sections IV.M.2 and this section below, the Debtors have reached agreements in principle to settle the Non-Privity Claims of one Hotel Manager and one Franchisor (IHG) by granting such claimants Allowed Other General Unsecured Claims in amounts of less than 10% of the asserted Claim amounts.

As noted, as part of the Plan Settlement, the Debtors agreed not to pursue objections against the Settled Vendor Claims on the basis that Holders of such Claims lack contractual privity with the Debtors. The Plan Proponents believe the Plan Settlement with respect to the Settled Vendor Claims result in litigation cost savings to the Estates. However, as permitted under the PSA, the Debtors did file objections to the Non-Privity Claims, including, on October

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[61] "Settled Vendor Claim" means an Other General Unsecured Claim for goods and/or services actually provided to a Debtor Propco Hotel, that is not identified on Exhibit C to the Plans, if (i) the Holder of such Other General Unsecured Claim had no contract with the applicable Debtor Propco identifying the Debtor Propco by its legal name when such goods and/or services were provided and (ii) the Holder of such Other General Unsecured Claim had no contract in effect with the Master Lessee to such Debtor Propco when such goods and/or services were provided. The Claims identified on Exhibit C to the Plans are referred to as the "Non-Privity Claims."

4, 2021, the *Debtors' Fourth Omnibus Objection (Substantive) with Respect to Certain No Liability Claims* [Docket No. 1292], which seeks to expunge certain Non-Privity Claims for which the Debtors were not liable on the basis that there was no contractual privity between the Debtors and the claimants. The omnibus objection is scheduled to be heard at the November 4, 2021 omnibus hearing.

On October 7, 2021, the Debtors also filed separate objections [Docket No. 1324 and 1325] to certain proofs of claims filed by Evolution Hospitality, LLC ("Evolution") and Interstate Management Company, LLC ("Interstate"), both of which served as Hotel Managers to certain of the Hotels. To be clear, as detailed in these objections, the Debtor Propcos are not parties to the HMAs with Evolution and Interstate—either because these Hotel Managers entered into contracts directly with the Master Lessees or because the HMAs with the Debtor Propcos were assigned and transferred to the Master Lessees at the time of the IPO in May 2019.

The hearing on the Debtors' objection to these Claims is scheduled to be heard at the November 4, 2021 omnibus hearing.

Finally, the Debtors also note that they have reached a settlement with another Hotel Manager (Pyramid Advisors Limited Partnership) regarding the resolution of their Non-Privity Claims. Under that settlement such Claims will be reduced from approximately $3.6 million to $300,000 in the aggregate. The Bankruptcy Court approved the settlement with Pyramid by order dated November 1, 2021 [Docket No. 1516].

4. Claims Settlement with Marriott

As of the Petition Date, Marriott was party to certain Franchise Agreements with the Master Lessees related to five of the Debtor Propco's Hotels (the "Marriott Franchise Agreements"). In connection with these Franchise Agreements, Marriott became party to owner agreements with the corresponding Debtor Propcos (the "Marriott Owner Agreements").

On July 15, 2021, Marriott filed proofs of claim against each of the five Debtor Propcos that were a party to the Marriott Owner Agreements for, among other things, alleged unpaid franchise fees under the Marriott Franchise Agreements, alleged liquidated damages associated with the early termination of the Franchise Agreements, and attorneys' fees and expenses, in the aggregate amount of more than $20.3 million.

The Liquidating Debtors and Marriott have engaged in discussions regarding their disputes with respect to these proofs of claim and reached a settlement, pursuant to which Marriott receives allowed Claims against the six Debtor Propcos in an aggregate amount of $6.5 million. The Bankruptcy Court approved the settlement with Marriott by order dated November 1, 2021 [Docket No. 1518].

N. Extensions of Exclusive Periods

1. Background

Section 1121(b) of the Bankruptcy Code provides for an initial period of 120 days after the commencement of a chapter 11 case during which a debtor has the exclusive right to propose

and file a chapter 11 plan (the "Filing Period"). Section 1121(c)(3) provides that if a debtor files a plan within the Filing Period, it has a period of 180 days after the commencement of the case to obtain acceptance of such plan, during which time competing plans may not be filed (the "Solicitation Period" and, together with the Filing Period, the "Exclusivity Periods"). Pursuant to section 1121(d) of the Bankruptcy Code, the Court may extend a debtor's Exclusivity Periods for cause shown, provided that the Filing Period may not be extended beyond eighteen months after the commencement of the case and the Solicitation Period may not be extended beyond twenty months after the commencement of the case.

2. First Exclusivity Motion

On May 17, 2021, the Debtors filed their first motion requesting an extension of the Exclusivity Periods [Docket No. 706] (the "First Exclusivity Motion"). In the First Exclusivity Motion, the Debtors requested (i) that the Filing Period for all of the Debtors be extended through and including August 16, 2021 and (ii) that the Solicitation Period for all of the Debtors be extended through and including October 18, 2021. No objections were filed in connection with the First Exclusivity Motion, which was granted per the Court's order entered on June 3, 2021 [Docket No. 821].

3. Second Exclusivity Motion

On August 12, 2021, the Debtors filed their second motion requesting an extension of the Exclusivity Periods [Docket No. 1034] (the "Second Exclusivity Motion"). In the Second Exclusivity Motion, the Debtors argued that an additional extension of the Exclusivity Periods was warranted given, among other things, the continued progress of the Debtors in the Chapter 11 Cases, demonstrated by (i) the successful completion of the sale process with respect to fourteen of the Debtors' fifteen hotels, (ii) the analysis of various issues related to the waterfall of sale proceeds, (iii) the rejection of the leases related to the Queen Mary hotel, (iv) the initiation of avoidance and/or recovery action litigation against EHT Asset Management, Woods, and Wu, including seeking a preliminary injunction against the defendants and filing a motion for summary judgment; (v) the beginning of the claims reconciliation process; and (vi) continued engagement in discussions with the Committee and the Prepetition Agent regarding the formulation of a chapter 11 plan.

The Debtors requested (i) that the Filing Period be extended through and including October 25, 2021 and (ii) that the Solicitation Period be extended through and including December 27, 2021.

On September 23, 2021, the Committee and the Prepetition Agent filed a joint (i) objection to the Second Exclusivity Motion and (ii) cross-motion requesting that the Debtors' exclusivity be terminated [Docket No. 1204] (the "Exclusivity Objection"). Among other things, in the Exclusivity Objection, the Committee and the Prepetition Agent argued that the Debtors had failed to make substantial progress towards consensus with respect to a chapter 11 plan or begin discussions with the Committee and the Prepetition Agent in earnest, that the Debtors had incurred excessive administrative costs, and that the Debtors' strategy entailed the likelihood of protracted, costly, and unnecessary litigation. In connection with the Exclusivity Objection, the

Committee and the Prepetition Agent filed, under seal, their own plan term sheet [Docket No. 1211] (the "Creditor Plan Term Sheet").

On September 29, 2021, the Debtors filed their reply in support of the Second Exclusivity Motion [Docket No. 1232] (the "Exclusivity Reply"). In the Exclusivity Reply, among other arguments, the Debtors disputed the narrative advanced by the Committee and the Prepetition Agent regarding their efforts to arrive at a consensual chapter 11 plan proposal on a timely basis, defended their record in connection with the incurrence of administrative expenses, and highlighted their efforts to resolve litigation by means of settlement.

At the October 5, 2021, the Bankruptcy Court held a hearing on the Second Exclusivity Motion, and counsel to the Plan Proponents reported that, prior to the hearing, the Debtors, the Committee, and the Prepetition Agent had reached a settlement regarding the issues raised in the Exclusivity Objection and Exclusivity Reply based on a revised plan term sheet (the "Plan Term Sheet") agreed to by the Liquidating Debtors, the Committee, and the Prepetition Agent. The Plan Term Sheet is attached to the PSA and forms the basis of the Plan Settlement and the Plans. In addition, at the same hearing, the Court entered an order [Docket No. 1307] (i) extending the Filing Period through and including October 25, 2021, and (ii) extending the Solicitation Period through and including December 27, 2021, without objection.

4. Third Exclusivity Motion

On October 25, 2021, the Debtors filed their third motion requesting an extension of the Exclusivity Periods [Docket No. 1455] (the "Third Exclusivity Motion"). In the Third Exclusivity Motion, the Debtors request (i) that the Filing Period be extended through and including December 31, 2021 and (ii) that the Solicitation Period be extended through and including February 28, 2022.

O. Settlement with Prepetition Agent and Committee

As noted, the Debtors successfully sold 14 of the 15 Hotels owned by the Propcos that are Debtors in the Chapter 11 Cases, and will use those funds to make distributions to their creditors through a chapter 11 plan process.

On November 4, 2021, the Liquidating Debtors, the Committee, certain of the Committee members in their individual capacity, the Prepetition Agent, and certain Prepetition Lenders in their individual capacity entered into a plan support agreement (the "PSA") pursuant to which the parties agreed, among other things, to support confirmation of chapter 11 plans of liquidation for the Liquidating Debtors consistent with the Plan Term Sheet.

In addition, under the PSA, the Liquidating Debtors also agreed not to seek disallowance of or object to any Settled Vendor Claim on the basis that the holder of such claim lacks contractual privity with a Propco. Nothing in the PSA, however, precludes the Liquidating Debtors from seeking disallowance of or objecting to the Non-Privity Claims on any basis (including on the basis that the Holder of such claim lacked contractual privity with a Debtor Propco) or from bringing and prosecuting omnibus claims objections to late-filed claims, wrong-debtor claims, and other similar ministerial claims objections, provided that (a) the Liquidating Debtors shall use commercially reasonable efforts to consult and coordinate with the Committee

and the Prepetition Agent in advance of and following the filing of any such objections, (b) the Liquidating Debtors shall have provided the Committee and the Prepetition Agent with a work plan and a non-binding budget for such objections, and (c) to the extent reasonably practicable, the Liquidating Debtors will initially seek a ruling from the Bankruptcy Court on legal issues or issues that require only very limited discovery. In the event that the Liquidating Debtors exceed such non-binding budget, the Committee and the Prepetition Agent may request that the Bankruptcy Court hold the Liquidating Debtors' objections to Non-Privity Claims in abeyance until after the Effective Date and appointment of the Liquidating Trustee; provided that, to the extent any such objections are not held in abeyance, the Committee and the Prepetition Agent reserve all rights to respond to such objections. In all events, the Liquidating Debtors shall use reasonable best efforts to settle any claim objections.

Under the PSA, the parties also agreed to the following confirmation milestones, among others:

- No later than November 15, 2021, the Bankruptcy Court shall have entered the Disclosure Statement Order, in form and substance acceptable to the Plan Proponents;

- No later than December 22, 2021, the Bankruptcy Court shall have entered the Confirmation Order, in form and substance acceptable to the Plan Proponents; and

- No later than December 31, 2021, the Effective Date shall have occurred and the Guaranteed Prepetition Agent Distribution shall have been made.

V. SUMMARY OF PLANS

The following is a brief summary of certain material provisions of the Plans. These descriptions are qualified in their entirety by the provisions of the Plans, a copy of which is attached hereto as **Exhibit A**.

A. Plan Settlement

The Plans incorporate a global settlement (*i.e.*, the Plan Settlement) that reflects a good faith compromise and settlement of numerous inter-Debtor, Debtor-creditor, and intercreditor issues, including issues regarding substantive consolidation, the validity and enforceability of Intercompany Claims, the allocation of Administrative Expense Claims, and the treatment of Claims held by Entities that do not have contractual privity with the Liquidating Debtors.

Among other things, the Plan Settlement is designed to achieve a reasonable economic settlement of Claims against the Liquidating Debtors, the allocation and distribution of the net proceeds from the sale of the Debtor Propco's Hotel Assets among the Liquidating Debtors' creditors and other stakeholders, and an efficient resolution of the Chapter 11 Cases.

The Plan Settlement – which is conditioned upon the Plans going effective on or before December 31, 2021 – provides for certain guaranteed minimum distributions on the Effective Date to (i) the Prepetition Agent on behalf of the Prepetition Lenders and (ii) Holders of Other General Unsecured Claims (e.g., general unsecured creditors other than the Prepetition Lenders)

and Convenience Claims against the Debtor Propcos. There is the potential for additional recoveries post-Effective Date as well.

In addition, as part of the Plan Settlement, the Plan provides, among other things, that

- As part of the Plan Settlement, the Prepetition Lender Claims will be Allowed in each Plan, on a joint and several basis against each Liquidating Debtor, in an aggregate amount of no less than $380,513,355 (which is calculated as the sum of principal, accrued prepetition interest, prepetition charges, Swap obligations (but not post-petition interest), gross-up obligations, agent fees, and professional fees, after taking into account the reduction of such amounts as a result of the exercise of the Lender Setoff Rights);

- On the Effective Date, the Prepetition Agent shall receive, on account of the Prepetition Lender Claims, (a) the Guaranteed Prepetition Agent Distribution in the amount of $360.161 million, (b) beneficial interests in the Liquidating Trust (Propco and Non-Propco) which entitle the Prepetition Agent, on account of the Prepetition Lender Claims, to additional Distributions in accordance with the terms of the Plans, and (c) postpetition default interest and Postpetition Charges (to the extent not included in the $380,513,355) to the extent entitled thereto under applicable law;

- Holders of Other General Unsecured Claims against the Debtor Propcos receive (a) their *pro rata* share of the Guaranteed Other GUC Distribution in the amount of $15.083 million and (b) beneficial interests in the Liquidating Trust that entitle such Holders to additional Distributions from the Liquidating Trust Propco Assets in accordance with the predetermined formula under the Plans; and

- Holders of Convenience Claims against the Debtor Propcos receive a *pro rata* share of the Convenience Class Distribution in the aggregate amount of $1.601 million.

Importantly, the allocation of Distributions may be modified from time to time with retroactive effect to the extent necessary to normalize the percentage recoveries of Allowed Other General Unsecured Claims and to ensure that **no Holder of an Allowed Other General Unsecured Claim against a Debtor Propco will receive a lower percentage recovery on account of such Claim as a result of the Plan Settlement Allocation than they otherwise would have received in the absence of the Plan Settlement** (*i.e.*, under a "pure" waterfall scenario on a Debtor-by-Debtor basis, without any reallocations of distributions) nor shall any Holders of Allowed Other General Unsecured Claims against any Debtor Propco receive a greater percentage recovery on account of such Claims than the aggregate percentage recovery on account of Prepetition Lender Claims. If the Prepetition Lender Claims are not ultimately paid in full from Liquidating Trust Assets at both the Propcos and the Non-Propcos, the Guaranteed Other GUC Distribution of $15,083,000.00 and the Convenience Class Distribution of $1,601,000 will likely result in unsecured creditors of the Debtor Propcos receiving a more certain recovery than in the absence of the Plan Settlement.

As provided in the Plans, while the Prepetition Lender Claims will be Allowed on or before the Effective Date in the amount of $380,513,355 on a joint and several basis against each of the Liquidating Debtors and are not subject to dispute, nothing in the Plans or this Disclosure Statement shall (a) be construed as entitling the Prepetition Lenders to postpetition interest at the contract rate or any other applicable rate or (b) constitute a determination as to whether the Prepetition Lenders are entitled to postpetition interest and the other Postpetition Charges (to the extent not included in the calculation of the $380,513,355) from the Debtor Propcos or the Debtor Non-Propcos once the Prepetition Lenders have been actually paid the amount of $380,513,355. The rights of all parties in interest in this regard are reserved.

The Liquidating Debtors believe that, at most, the Prepetition Lenders may be entitled to postpetition interest at the federal judgment rate (which currently is less than 0.1%), and then only to the extent that the Prepetition Agent can demonstrate that the Debtor Propco's are solvent. *See* In re Energy Future Holdings Corp., 540 B.R. 109 (Bankr. D. Del. 2015) (under the best interests of creditors test, unsecured creditors would receive, at most, interest at the federal judgment rate). The Liquidating Debtors understand that the Prepetition Agent takes the position that it is also entitled to postpetition interest rate on account of the Debtor Non-Propco's pledges of stock in the Debtor Propcos.[62] However, the Liquidating Debtors do not believe that the Prepetition Agent or the Prepetition Lenders are oversecured at the Non-Propco level merely because money flows up from Debtor Propcos to the Debtor Non-Propcos.

The Prepetition Agent (on behalf of the Prepetition Lenders) disputes the Liquidating Debtors' conclusions with respect to postpetition interest and the Postpetition Charges, and among things, asserts that all of the value at the Debtor Propcos in excess of valid claims (other than the Prepetition Lender Claims) as of the Petition Date was the Collateral of the Prepetition Lenders by virtue of the equity pledge of the stock in the Debtor Propcos. The Prepetition Agent (on behalf of the Prepetition Lenders) believes that, to the extent the Collateral exceeded the Prepetition Lender Claims, the Prepetition Lenders would be entitled to interest at the default rate under the Prepetition Credit Agreement as well as the Postpetition Charges. Moreover, the Prepetition Agent (on behalf of the Prepetition Lenders) believes that, in the event of any solvent Debtor Propcos, the Prepetition Lenders would be entitled to postpetition interest as well.

The Liquidating Debtors and the Prepetition Agent have not pressed the issue of postpetition interest at this time because, as described in the Executive Summary, it currently appears unlikely that proceeds from the Sale Transactions would be sufficient to generate a distribution at any Debtor Non-Propco level. However, if there is sufficient value (that would likely occur in the event of material litigation recoveries) at the Debtor Propco level or at any other level above the Debtor Propco level to make this a concrete issue, the rights of all parties in interest in regard to the Prepetition Lenders' entitlement to postpetition interest (including as to whether the Prepetition Lender Claims are oversecured) are reserved.

The Plan Settlement also embodies a settlement related to the allowance of certain Claims held by parties that are not in contractual privity with any of the Liquidating Debtors. In

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[62] Other than with respect to setoff rights against certain Debtor Propco accounts, the Prepetition Lenders are not secured creditors at the Debtor Propco level, because they do not hold mortgage or any other security interest in the Assets of the Debtor Propcos.

particular, the Plans provide that the Settled Vendor Claims will be entitled to a Distribution as Other General Unsecured Claims, notwithstanding the lack of contractual privity with the Liquidating Debtors (while preserving the Liquidating Trustee's ability to object to such Claims on any other basis). The Plan Proponents believe that this resolution, as part of the Plan Settlement, maximizes value for all stakeholders as it avoids costly litigation with potentially hundreds of trade vendors who provided goods or services to a Debtor Propco Hotel without a contract that identified such Debtor Propco by its legal name when such goods and/or services were provided. However, to be clear, the Claims of sophisticated creditors (including the Claims of Franchisors and Hotel Managers) who specifically contracted with the Master Lessees (which are owned and controlled by Woods and Wu) but not the Debtor Propcos (*i.e.*, the Non-Privity Claims) are excluded from this settlement, and the rights of the Liquidating Trustee to object to such Claims on any basis are fully preserved.

Furthermore, the Plans will distribute beneficial interests in the Liquidating Trust to creditors of the Debtor Non-Propcos (including the Prepetition Lenders and, for the avoidance of doubt, creditors of EH REIT) and equityholders of EH REIT, which will entitle such creditors and equityholders to a Distribution to the extent there is sufficient value available at the corresponding Debtor Non-Propco level (in accordance with their relative priorities, as further detailed in the Plans). However, at this time, it is not anticipated that Holders of Other General Unsecured Claims against the Debtor Non-Propcos, EH REIT Equity Interests, or EH REIT Section 510(b) Claims will receive a Distribution on account of such Claims or Equity Interests (as applicable).

Finally, the Plan Settlement resolves disputes among the Plan Proponents concerning the funding request relating to the wind-down of the Singapore Debtors. Under the Plan Settlement, and in accordance with the Plans, the Plan Proponents have agreed to make available certain additional Cash to the Singapore Debtors to fund the orderly wind-down of the Singapore Debtors under Singapore law. The REIT Trustee will have authority over the wind-down of the Singapore Debtors. Furthermore, the REIT Trustee will have standing and be entitled to investigate, and, if appropriate, pursue certain potential Causes of Action that EH REIT may have, including against the former REIT Manager and/or its directors and/or officers. The net proceeds of any such litigation recoveries (after first making certain payments to the Debtor Propcos in consideration for the provision of funding for the wind-down of the Singapore Debtors and the investigation of EH REIT Causes of Action, if any) would be distributed to Holders of Allowed Claims against EH REIT, and, if such Claims are paid in full, to Holders of EH REIT Equity Interests. Notably, the Liquidating Trustee shall investigate and prosecute any Causes of Action belonging to the Estates other than the EH REIT Causes of Action.

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, the Plans incorporate the Plan Settlement set forth in the Plan Support Agreement. The Plan Settlement is an integral component of the Plans and Disclosure Statement and is necessary to achieve the beneficial resolution of the Chapter 11 Cases for all parties in interest. The Plans and Disclosure Statement shall be deemed to constitute a motion pursuant to Bankruptcy Rule 9019, seeking approval of the Plan Settlement, and the entry of the Confirmation Order shall constitute the Bankruptcy Court's (i) approval of such motion, and (ii) finding that the Plan Settlement, in accordance with the terms of the Plans, is fair and reasonable, within the range of reasonableness and in the best interests of the Debtors, their Estates and other parties-in-interest. Before

approving a settlement under Bankruptcy Rule 9019, a court must determine that the proposed settlement is in the best interests of the debtor's estate. *See Myers v. Martin (In re Martin)*, 91 F.3d 389, 394 (3d Cir. 1996). In evaluating the reasonableness of a proposed settlement, a court must consider the following four factors: (i) the probability of success in litigation, (ii) the likely difficulties in collection, (iii) the complexity of the litigation involved, and the expense, inconvenience and delay necessarily attending it, and (iv) the paramount interest of the creditors. *See Martin*, 91 F.3d at 393.

Absent the Plan Settlement, many of the aforementioned issues would remain unresolved, which would likely result in lengthy and expensive litigation to the detriment of Liquidating Debtors' Estates and all stakeholders. Through the integrated Plan Settlement, the Plan Proponents believe the Liquidating Debtors will be able to avoid the incurrence of significant litigation costs and delays in connection with the disputed intercompany and inter-creditor issues and exit bankruptcy protection expeditiously with the Effective Date expected to occur on or before December 31, 2021. The Plan Proponents believe that the Plan Settlement, as incorporated in the Plans, represents a fair and reasonable settlement of issues relating to the Chapter 11 Cases.

B. Overall Plan Structure

The Plans contain, among other things, provisions for (a) the payment of Administrative Expense Claims, Priority Tax Claims, and other unclassified Claims, (b) the treatment of classified Claims and Equity Interests, (c) the acceptance or rejection of the Plans, (d) the means of implementation of the Plans, (e) the Distributions under the Plans, (f) the procedures for resolving contingent, unliquidated, and disputed Claims, (g) executory contracts and unexpired leases, and (h) the conditions precedent to confirmation of the Plans and the Effective Date.

A copy of the Plans is attached hereto as **Exhibit A**.

C. Wind-Down of Liquidating Debtors

1. Wind-Down/Dissolution of Liquidating Debtors Other Than Singapore Debtors

On or after the Effective Date, the Liquidating Debtors will remain in existence for the sole purpose of dissolving and/or winding down. Other than the Singapore Debtors (which will be wound down by the REIT Trustee under and subject to applicable Singapore law, as detailed below), the Liquidating Trustee is authorized to take any action it determines necessary to effectuate the dissolution of the Liquidating Debtors under applicable law without further order, approval, or action by the Bankruptcy Court. The Liquidating Debtors will not be required to pay any taxes or fees in order to cause or effectuate such dissolutions.

Upon the final Distributions, any Liquidating Debtors, other than the Singapore Debtors, that have not been previously dissolved shall be deemed dissolved for all purposes without the necessity for other or further actions to be taken by or on behalf of the Liquidating Debtors, and the Liquidating Trustee will be authorized to file any certificate of cancellation or other documents as may be necessary or desirable to terminate the legal existence of the Liquidating Debtors.

2. Wind-Down/Dissolution of Singapore Debtors

Immediately after the Effective Date, the REIT Trustee will take all appropriate and necessary steps to wind down the Singapore Debtors in accordance with and subject to Singapore law. Specifically, the REIT Trustee will handle the Singapore Debtors' wind-down in the following respects:

- putting into effect the termination, liquidation or dissolution of the Singapore Debtors and their estates under Singapore law, including procuring the cancellation of EH REIT Equity Interests, except where the continuation of the Singapore Debtors are necessary for purposes of pursuing the EH REIT Causes of Action;

- maintaining books, records, and accounts of the Singapore Debtors;

- completing and filing, as necessary and to the extent reasonably practicable, all final or otherwise required federal, state, local and foreign tax returns of the Singapore Debtors;

- investing cash of the Singapore Debtors in a commercially reasonable manner;

- retaining professionals to assist in performing its duties under the Plans; and

- providing periodic updates on the Singapore Debtors' wind-down to the Liquidating Trustee.

In addition, the REIT Trustee will have standing, on a non-exclusive basis (to be shared with the Liquidating Trustee), to object in the Bankruptcy Court to Claims asserted against or Distributions sought from the Singapore Debtors; provided that such objections may not be to the Plan Settlement or on the basis of the allocation of Distributions at the Debtor Propcos under the Plan Settlement Allocation or to the rights of the Prepetition Lenders to recover the Prepetition Lender Claims from all of the Liquidating Debtors (including the Singapore Debtors) until the Prepetition Lender Claims have been actually paid at least $380,513,355, plus any postpetition interest and Postpetition Charges but only to the extent they are entitled to such postpetition interest and Postpetition Charges under applicable law, all of which objections (other than as to the Prepetition Lenders' entitlement to postpetition interest and Postpetition Charges) shall be deemed resolved, settled and finally determined under the Plans.

The REIT Trustee will be entitled to enforce all defenses and counterclaims to all Claims asserted against the Singapore Debtors and their Estates, including setoff, recoupment and any rights under section 502(d) of the Bankruptcy Code, other than with respect to the Released Parties and their Related Persons.

Furthermore, the REIT Trustee will have standing and be entitled to investigate and, if appropriate, pursue the EH REIT Causes of Action (if any) in accordance with and subject to its duties under applicable Singapore law. In addition, the REIT Trustee will also be entitled to, in accordance with and subject to its duties under applicable Singapore law, pursue (on a non-

exclusive basis), if appropriate, Causes of Action of EH REIT (if any) against Former Professionals. Any net proceeds of such litigation, if pursued, will also be deemed net litigation proceeds of EH REIT Causes of Action for purposes of the Singapore Funding Repayment Amount and Section 6.8(d) of the Plans.

To be clear, the REIT Trustee is under no obligation to prosecute the EH REIT Causes of Action. Notwithstanding anything in the Plans to the contrary, to the extent that the REIT Trustee does not timely prosecute an EH REIT Cause of Action or otherwise abandons such claim as provided for in the Plans, such Cause of Action will no longer be deemed the sole property of EH REIT, and such Cause of Action may be prosecuted by the Liquidating Trustee. In such event, the REIT Trustee will take commercially reasonable efforts (without requiring the expenditure of material funds by the REIT Trustee) to cooperate with the Liquidating Trustee to ensure that the Liquidating Trustee has standing to bring such Causes of Action, including, if necessary, by assigning such Causes of Action to the Liquidating Trust or by permitting the Liquidating Trustee to undertake the litigation on behalf of the REIT Trustee as necessary to preserve such Causes of Action, on terms reasonably acceptable to the REIT Trustee, and provided that the foregoing does not create or leave claims against the REIT Trustee and/or the Singapore Debtors.

No action shall be taken by the Liquidating Trustee in respect of any such EH REIT Causes of Action unless reasonable prior written notice has been provided by the Liquidating Trustee to the REIT Trustee.

The wind-down of the Singapore Debtors will be carried out in a commercially reasonable manner that does not create or leave Claims against the other Liquidating Debtors. The REIT Trustee will coordinate and provide periodic updates on the wind-down efforts to the Liquidating Trustee. In addition, the Liquidating Trustee and the REIT Trustee will cooperate in investigating, asserting, and prosecuting Causes of Action to maximize recoveries and minimize costs.

In the event there is any dispute between the Liquidating Trustee and the REIT Trustee regarding the matters set forth in Section 6.8 of the Plans, the Liquidating Trustee or the REIT Trustee may request that the Bankruptcy Court resolve the matter.

3. Funding of Wind-Down/Dissolution of Singapore Debtors

On the Effective Date, the Debtor Propcos will provide the Additional Singapore Wind-down Funds to the Singapore Debtors, for the sole purpose of funding the actual and reasonable expenses of winding down the Singapore Debtors and investigating and/or prosecuting the EH REIT Causes of Action, as necessary. For the avoidance of doubt, the Total Singapore Wind-down Funds will not be used, in whole or in part, for Distributions to Holder of Claims against or Equity Interests in the Singapore Debtors.

Any unused portion of the Total Singapore Wind-down Funds will be returned to the Liquidating Trust and will become Liquidating Trust Propco Assets for the benefit of Holders of Liquidating Trust Interests (Propco), which will be allocated (i) 50% to Holders of Liquidating Trust Interests (Propco) on account of Prepetition Lender Claims and (ii) 50% to Holders of

Liquidating Trust Interests (Propco) on account of Other General Unsecured Claims. For the avoidance of doubt, there will be no obligation whatsoever to repay any utilized portion of the Total Singapore Wind-down Funds (including the Additional Singapore Wind-down Funds) to the Liquidating Trust or the Debtor Propcos.

Notwithstanding anything herein to the contrary, the REIT Trustee will not use the Additional Singapore Wind-down Funds in contravention of the Plan Settlement or to object or otherwise limit, reduce or impair the Claims of or Distributions to the Prepetition Agent or the Prepetition Lenders on account of the Prepetition Lender Claims. The REIT Trustee may only use Available Singapore Funds to object to Claims of the Prepetition Agent or Prepetition Lenders to postpetition interest and Postpetition Charges (to the extent the Claims of the Prepetition Agent or Prepetition Lenders are in excess of $380,513,355), and only if the following conditions are satisfied: (i) the Available Singapore Funds will be deemed used first to fund any wind-down expenses of the Singapore Debtors before the use of the Additional Singapore Wind-down Funds; (ii) prior to asserting any such objection, the REIT Trustee will provide an accounting to the Liquidating Trustee and the Prepetition Agent which shows that Additional Singapore Wind-down Funds have not been used for such purpose and that unused Available Singapore Funds exist; and (iii) the REIT Trustee will not assert any such objection unless and until (A) it has obtained a litigation recovery from the REIT Causes of Action or it otherwise has funds available for Distributions to Holders of Claims against or Equity Interests in EH REIT or (B) the REIT Trustee is objecting to a determination by the Liquidating Trust pursuant to Section 7.11 of the Plans that Holders of Prepetition Lender Claims are entitled to postpetition interest and/or Postpetition Charges under applicable law, whether on account of their Secured Claims (if any) or because the Debtor Propcos or Debtor Non-Propcos are determined to be solvent Debtors.

For the avoidance of doubt, the cost of any applications to seek recognition of the Plans in the Singapore courts, including the compensation of the Foreign Representative, shall be funded out of the Total Singapore Wind-down Funds.

4. Singapore Funding Repayment Amount

As part of the Plan Settlement, the Liquidating Trust will be entitled to the Singapore Funding Repayment Amount from the first dollars of the net aggregate litigation recoveries (if any and, for the avoidance of doubt, the Total Singapore Wind-down Funds shall not be included in the calculation of such net aggregate litigation recoveries) available to the Singapore Debtors from EH REIT Causes of Action. Any amount paid to the Liquidating Trust pursuant to the preceding sentence and the right to receive such amount will become Liquidating Trust Propco Assets for the benefit of Holders of Liquidating Trust Interests (Propco), which will be allocated (i) 80% to Holders of Liquidating Trust Interests (Propco) on account of Prepetition Lender Claims and (ii) 20% to all holders of Liquidating Trust Interests (Propco) on account of Other General Unsecured Claims. Any net litigation recoveries remaining after the payment of the Singapore Funding Repayment Amount will be distributed in accordance with the provisions of the Plan for EH REIT. For the avoidance of doubt, the Singapore Debtors will have no obligation whatsoever to pay the Singapore Funding Repayment Amount except as provided in the Plans from the first dollars of the net aggregate litigation recoveries available to the

Singapore Debtors from EH REIT Causes of Action, including the net aggregate recoveries of any settlement from EH REIT Causes of Action, if any.

D. Wind-Down of Non-Debtor Affiliates and UC-Queensway

The wind-down of the Non-Debtor Affiliates and UC-Queensway shall be resolved in a manner reasonably and mutually acceptable to the Plan Proponents at the appropriate time prior to the Effective Date.

E. Exculpation, Releases, and Injunction

The Plan contains the following exculpation, releases, and injunctions in Article XII:

1. Exculpation (Section 12.1 of the Plans)

None of the Excupated Parties shall have or incur any Liability for any claim, Cause of Action, or other assertion of Liability (to the extent such Liability arose on or after the Petition Date and up to and including the Effective Date) for any act taken or omitted to be taken in connection with or arising out of the Chapter 11 Cases, the sale of the Liquidating Debtors' Assets, the formulation, dissemination, implementation, approval, confirmation, consummation, or administration hereof, property to be distributed hereunder, or any other act or omission in connection with or arising out of the Chapter 11 Cases, the Plans, the PSA, the Plan Settlement or any contract, instrument, document or other agreement related thereto; provided, however, that the foregoing shall not affect the Liability of any Entity resulting from any such act or omission to the extent such act or omission is determined by a Final Order to have constituted willful misconduct, actual fraud, or gross negligence. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, discharges, and any other applicable law or rules protecting such Entities from liability.

2. Releases by Debtors, the Estates, the Liquidating Trust, and the Liquidating Trustee (Section 12.2 of the Plans)

Effective as of the Confirmation Date, but subject to the occurrence of the Effective Date, and in consideration of the services of the Released Parties, (a) the Liquidating Debtors, (b) their respective Estates, (c) the Liquidating Trust, and (d) the Liquidating Trustee shall release, waive, and discharge unconditionally and forever each of the Released Parties from any and all claims, Causes of Action, and Liabilities whatsoever (including those arising under the Bankruptcy Code), whether known or unknown, foreseen or unforeseen, existing or hereinafter arising in law, equity, or otherwise, based in whole or in part on any act, omission, transaction, event or other occurrence: (i) taking place before the Petition Date in connection with the Liquidating Debtors; and (ii) in connection with or arising out of the Liquidating Debtors' Chapter 11 Cases, the PSA, the Plan Settlement, the pursuit of confirmation of the Plans, the Consummation thereof, the administration thereof or the property to be distributed thereunder; provided, that the foregoing shall not operate as a waiver of or release from any causes of action resulting from the willful misconduct, actual fraud, or gross negligence of any Released Party.

For the avoidance of doubt, no current or former Insider that is not a Released Party, including the Urban Commons Parties and Former Professionals, will receive a release or exculpation of any kind hereunder, whether from the Liquidating Debtors or otherwise.

3. Third Party Releases (Section 12.3 of the Plans)

Effective as of the Confirmation Date, but subject to the occurrence of the Effective Date, and in consideration of the services of the Released Parties, the settlements and compromises contained herein, and the Distributions to be made pursuant to the Plans, all Holders of Claims, whether or not Allowed, who (1) vote in favor of the Plans and do not opt out of this release on a timely submitted Ballot, (2) (A) abstain from voting, are deemed to have rejected the Plans, or vote to reject the Plans and (B) do not opt out of this release on a timely submitted Ballot or the Opt-Out Election Form, (3) are paid in full under the Plans, or (4) are deemed to have accepted the Plans, shall be deemed to have released and discharged each Released Party from any and all claims and causes of action, whether known or unknown, including any derivative claims asserted on behalf of the Liquidating Debtors, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Liquidating Debtors, the Liquidating Debtors' prepetition operations and activities, the PSA, the Plans, or the Plan Settlement existing or hereinafter arising in law, equity, or otherwise, based in whole or in part on any act, omission, transaction, event or other occurrence taking place before the Effective Date.

For the avoidance of doubt, no current or former Insider that is not a Released Party, including the Urban Commons Parties and Former Professionals, will receive a release or exculpation of any kind hereunder, whether from the Liquidating Debtors or otherwise.

4. Avoidance Actions/Objections (Section 12.4 of the Plans)

Except as otherwise provided (a) in the Plans, including with respect to the Released Trade Vendor Claims and the EH REIT Causes of Action (to the extent provided herein), the exculpation in Section 12.1 of the Plans, the releases in Section 12.2 of the Plans, (b) in the Confirmation Order, or (c) by Final Order of the Bankruptcy Court, as applicable, from and after the Effective Date, the Liquidating Trustee shall have the right to prosecute any and all avoidance or equitable subordination actions, recovery Causes of Action, and Objections to Claims under sections 105, 502, 510, 542 through 551, and 553 of the Bankruptcy Code that belong to the Liquidating Debtors or a Debtor-in-Possession, as well as all Causes of Action, including all Causes of Action based upon fraud, theft, conversion, unfair competition, tortious interference, common law tort, breach of fiduciary duty and similar and related legal theories and Causes of Action.

5. Injunction (Section 12.5 of the Plans)

Except as otherwise provided herein (and, in the case of the REIT Trustee, solely to the extent the REIT Trustee is released or exculpated under the Plans), all Entities that

have held, hold, or may hold Claims against or Equity Interests in the Liquidating Debtors or their Estates that arose prior to the Effective Date are permanently enjoined, solely with respect to any such Claims or Equity Interests, from: (a) commencing or continuing in any manner, directly or indirectly, any action or other proceeding of any kind against the Liquidating Debtors, their Estates, the REIT Trustee, the Liquidating Trust, or the Liquidating Trustee; (b) enforcing, attaching, collecting, or recovering, by any manner or means, whether directly or indirectly, any judgment, award, decree, or order against the Liquidating Debtors, their Estates, the REIT Trustee, the Liquidating Trust, or the Liquidating Trustee; (c) creating, perfecting, or enforcing, in any manner, directly or indirectly, any Lien or encumbrance against the Liquidating Debtors, their Estates, the REIT Trustee, the Liquidating Trust, or the Liquidating Trustee; (d) except to the extent permitted by sections 362(b), 553, 559, 560, or 561 of the Bankruptcy Code, asserting any right of setoff, subrogation, or recoupment against the Liquidating Debtors, the REIT Trustee, their Estates, the Liquidating Trust, or the Liquidating Trustee; (e) pursuing any claim or cause of action released or exculpated pursuant to the Plans (but, with respect to the third party releases under Section 12.3 hereof, excluding claims or causes of action (other than Claims or Causes of Action) of a Holder of a Claim that timely opts out of such third party releases); or (f) taking any actions which interfere with the implementation or Consummation hereof.

The rights afforded herein and the treatment of all Claims and Equity Interests shall be in exchange for and in complete satisfaction of all Claims and Equity Interests of any nature whatsoever.

6. Terms of Stays and Injunctions (Section 12.6 of the Plans)

The stay arising under section 362(a) of the Bankruptcy Code and the injunctions set forth in Section 12.5 of the Plans or provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code or otherwise, and extant on the Confirmation Date, shall permanently remain in full force and effect.

VI. RESERVATION OF CAUSES OF ACTION/RESERVATION OF RIGHTS

Except with respect to the exculpation and releases in Article XII of the Plans and set forth below, nothing contained in the Plans shall be deemed to be a waiver or the relinquishment of any Causes of Action that the Liquidating Debtors or the Liquidating Trust, as applicable, may have or may choose to assert against any Entity, and such Causes of Action are hereby preserved pursuant to section 1123 of the Bankruptcy Code, including any and all avoidance or equitable subordination actions, recovery Causes of Action and Objections to Claims under sections 105, 502, 510, 542 through 551, and 553 of the Bankruptcy Code, as well as all Causes of Action based upon fraud, theft, conversion, unfair competition, tortious interference, breach of fiduciary duty, common law tort, and similar and related legal theories and Causes of Action; provided, however, that neither the Liquidating Debtors nor the Liquidating Trustee may:

- contest a Settled Vendor Claim on the basis that the Holder of such Claim lacked privity with a Debtor Propco; provided, however, that the Liquidating Debtors

and the Liquidating Trustee can object to a Settled Vendor Claim on any other basis; and

- (i) commence an avoidance action against a Trade Vendor under section 547 of the Bankruptcy Code to the extent such Trade Vendor did not vote to reject the Plan and (ii) commence an Avoidance Action under any other section of the Bankruptcy Code to the extent that a Trade Vendor provided goods and/or services in the ordinary course of a Debtor Propco Hotel's business and received payments which were reasonable relative to the value of the goods and/or services provided, to the extent that the Trade Vendor did not vote to reject the Plan (the claims under (a) and (b) shall constitute "Released Trade Vendor Claims").

Notwithstanding the foregoing, and other than with respect to PSA Parties, any Released Trade Vendor Claim may be asserted by the Liquidating Trustee as a counterclaim or defense to disputed Claims asserted against the Liquidating Debtors by such Trade Vendors, but shall not be asserted for any affirmative recoveries. Released Trade Vendor Claims shall not include any claims against the Urban Commons Parties.

VII. VOTING REQUIREMENTS

On November 4, 2021, the Bankruptcy Court entered the Disclosure Statement Order that, among other things, approved this Disclosure Statement, set voting procedures and scheduled the Confirmation Hearing. A copy of the Disclosure Statement Order and the Notice of Confirmation Hearing are enclosed with this Disclosure Statement as part of the Solicitation Package. The Disclosure Statement Order sets forth in detail, among other things, procedures governing voting deadlines and objection deadlines. The Disclosure Statement Order, the Notice of Confirmation Hearing, and the instructions attached to the Ballot should be read in connection with this section of this Disclosure Statement.

If you have any questions about the procedure for voting your Claim or the packet of materials you received, or if you wish to obtain an additional copy of the Plans, this Disclosure Statement or any exhibits to such documents, at your own expense, unless otherwise specifically required by Bankruptcy Rule 3017(d), please contact the Voting Agent by: (a) calling the Voting Agent at (877) 739-9988 (toll free); or (b) emailing DRCVote@DonlinRecano.com.

The Bankruptcy Court may confirm the Plans only if it determines that the Plans comply with the technical requirements of chapter 11 of the Bankruptcy Code and that the disclosures of the Liquidating Debtors concerning the Plans have been adequate and have included information concerning all Distributions made or promised by the Liquidating Debtors in connection with the Plan and the Chapter 11 Cases. In addition, the Bankruptcy Court must determine that the Plan has been proposed in good faith and not by any means forbidden by law.

In particular, in order to confirm the Plans, the Bankruptcy Code requires the Bankruptcy Court to find, among other things, that the Plans: (i) has been accepted by the requisite votes of all Impaired Classes unless approval will be sought under section 1129(b) of the Bankruptcy Code in respect of one or more dissenting Classes, which may be the case under the Plan; (ii) is "feasible," which means that there is a reasonable probability that confirmation of the Plan will

not be followed by liquidation or the need for further financial reorganization; and (iii) is in the "best interests" of all holders of Claims or Equity Interests, which means that such holders will receive at least as much under the Plan as they would receive in a liquidation under chapter 7 of the Bankruptcy Code. The Plan Proponents believe that the Plans satisfy all of these conditions.

A. Voting Deadline

This Disclosure Statement and the appropriate Ballot(s) are being distributed to all holders of Claims who are entitled to vote on the Plan. There is a separate Ballot designated for each Voting Class in order to facilitate vote tabulation; however, all Ballots are substantially similar in form and substance (except that, as noted below, the Ballots sent to holders of General Unsecured Claims will permit them to elect certain treatment of their Claims), and the term "Ballot" is used without intended reference to the Ballot of any specific Class of Claims.

IN ACCORDANCE WITH THE DISCLOSURE STATEMENT ORDER, IN ORDER TO BE CONSIDERED FOR PURPOSES OF ACCEPTING OR REJECTING THE PLAN, ALL BALLOTS MUST BE RECEIVED BY THE VOTING AGENT NO LATER THAN THE VOTING DEADLINE, I.E., **4:00 P.M. (PREVAILING EASTERN TIME) ON DECEMBER 9, 2021**. ONLY THOSE BALLOTS ACTUALLY RECEIVED BY THE VOTING DEADLINE WILL BE COUNTED AS EITHER ACCEPTING OR REJECTING THE PLAN.

B. Holders of Claims Entitled to Vote

Under section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be "impaired" under a plan unless (1) the plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof or (2) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan (a) cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy), (b) reinstates the maturity of such claim or interest as it existed before the default, (c) compensates the holder of such claim or interest for any damages resulting from such holder's reasonable reliance on such legal right to an accelerated payment, and (d) does not otherwise alter the legal, equitable or contractual rights to which such claim or interest entitles the holder of such claim or interest.

In general, a holder of a claim or equity interest may vote to accept or reject a plan if (1) the claim or interest is "allowed," which means generally that it is not disputed, contingent, or unliquidated and (2) the claim or interest is impaired by a plan. If the holder of an impaired claim or equity interest will not receive any distribution under a plan in respect of such claim or equity interest, the Bankruptcy Code deems such holder to have rejected the plan and provides that the holder of such claim or equity interest is not entitled to vote. If the claim or equity interest is not impaired, the Bankruptcy Code conclusively presumes that the holder of such claim or equity interest has accepted the plan and provides that the holder is not entitled to vote.

In general, and subject to the voting requirements set forth in the Disclosure Statement Order, the Holder of a Claim against the Liquidating Debtors that is "impaired" under the Plans is entitled to vote to accept or reject the applicable Plan if (1) such Plan provide a Distribution in respect of such Claim and (2) (a) the Claim has been scheduled by the Debtors (and such Claim is not scheduled as disputed, contingent, or unliquidated) or (b) the Holder timely filed a proof of

Claim pursuant to sections 502(a) and 1126(a) of the Bankruptcy Code and Bankruptcy Rules 3003 and 3018. A Claim to which an objection has been filed is not entitled to vote unless and until the Bankruptcy Court rules on the objection and allows the Claim. Consequently, although holders of Claims subject to a pending objection may receive Ballots, their votes will not be counted unless the Bankruptcy Court (a) prior to the Voting Deadline, rules on the objection and allows the Claim or (b) on proper request under Bankruptcy Rule 3018(a), temporarily allows the Claim in an amount which the Court deems proper for the purpose of voting on the Plan at or prior to the Confirmation Hearing. If the Liquidating Debtors have served an objection or request for estimation as to a claim at least fourteen (14) calendar days before the Voting Deadline, such claim is temporarily disallowed for voting purposes only and not for purposes of allowance or distribution, except as ordered by the Court at or prior to the Confirmation Hearing.

Pursuant to the Bar Date Order, holders of EH REIT Equity Interests were excused from filing proofs of interest on or before July 15, 2021, *i.e.*, the General Bar Date (as defined in the Bar Date Order); provided, however, that holders of EH REIT Equity Interests who wished to assert a Claim against the Liquidating Debtors that arises out of or relates to the ownership or purchase of an Equity Interest, including Claims arising out of or relating to the sale, issuance or distribution of the Equity Interest, were required to file a proof of Claim on or before the General Bar Date, unless another exception set forth in the Bar Date Order applied.

A vote on the Plan(s) may be disregarded if the Bankruptcy Court determines, pursuant to section 1126(e) of the Bankruptcy Code, that it was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code. The Disclosure Statement Order also sets forth assumptions and procedures for tabulating Ballots that are not completed fully or correctly.

Claims in Class 1 (Priority Non-Tax Claims), Claims in Class 2 (Secured Tax Claims), and Claims in Class 3 (Other Secured Claims) under the Plan of each Liquidating Debtor [and Claims in Class 7 (Secured Prepetition Lender Non-Propco Claims) under the Plan of each Debtor Non-Propco] are Unimpaired, and the Holders of Claims in these Classes are conclusively presumed to have accepted the Plans pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote. Any holder of a claim in any of these Classes may, however, object to the Plans, including to contest the Plans' characterization of the creditor's non-impaired status.

The Liquidating Debtors are seeking acceptances of their respective Plans from Holders of Claims in each of the following Voting Classes:

- Class 4 (Prepetition Lender Claims) under the Plan of each Debtor Propco;
- Class 5 (Other General Unsecured Claims) under the Plan of each Debtor Propco;
- Class 6 (Convenience Claims) under the Plan of each Debtor Propco;
- Class 8 (Prepetition Lender Claims) under the Plan of each Debtor Non-Propco; and

- Class 9 (Other General Unsecured Claims) under the Plan of each Debtor Non-Propco (other than EH REIT).

For the avoidance of doubt, there is no substantive consolidation of the Liquidating Debtors' Estates. Accordingly, the Plan of each Debtor Propco will contain Classes 4, 5, and 6 (but not Classes 7, 8, and 9), and the Plan of a Debtor Non-Propco will contain Classes 7, 8, and 9 (but not Classes 4, 5, and 6).

Claims in Class 10 (Intercompany Claims) under the Plan of each Liquidating Debtor and Claims in Class 11 (Liquidating Debtor Intercompany Equity Interests) under the Plan of each Liquidating Debtor (other than EH REIT) will receive no Distribution under the Plans,[63] and, therefore, Claims in these Classes are conclusively deemed to have rejected the Plans, and are not entitled to vote, in accordance with section 1126(g) of the Bankruptcy Code.

Finally, Equity Interests in Class 12 (EH REIT Equity Interests) and Claims in Class 13 (EH REIT Section 510(b) Claims) under the Plan of EH REIT are presumed to have rejected the Plan of EH REIT, and are not entitled to vote on the Plan of EH REIT.

C. Vote Required for Acceptance of Class

As a condition to confirmation, the Bankruptcy Code requires that each Class of Impaired Claims and Equity Interests vote to accept a Plan, except under certain circumstances. ***See Section VII ("Voting Requirements—Holders of Claims Entitled to Vote")***. Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds in dollar amount and more than one-half in number of claims in that class, but, for that purpose, counts only those who actually vote to accept or reject the plan. Thus, a class of claims will have voted to accept the plan only if two-thirds in dollar amount and a majority in number actually voting cast their Ballots in favor of acceptance. Holders of Claims who fail to vote are not counted as either accepting or rejecting a Plan.

D. Voting Procedures

1. Ballots

When voting, a creditor must use only the Ballot or Ballots sent to it (or copies if necessary) with this Disclosure Statement or submit the Ballot electronically using the Unique E-Ballot ID number set forth on the Ballot(s) sent to such creditor. Holders of Impaired Claims voting on one or more of the Plans should complete and sign the Ballot in accordance with the instructions thereon, being sure to check the appropriate box entitled "Accept the Plan" or "Reject the Plan."

ANY BALLOT RECEIVED THAT (I) IS NOT SIGNED, (II) IS ILLEGIBLE, OR (III) CONTAINS INSUFFICIENT INFORMATION TO PERMIT THE IDENTIFICATION OF

[63] The Liquidating Debtor Intercompany Equity Interests will be retained solely to the extent necessary to make Distributions in accordance with the Plans.

THE CLAIMANT, SHALL BE AN INVALID BALLOT AND SHALL NOT BE COUNTED FOR PURPOSES OF DETERMINING ACCEPTANCE OR REJECTION OF THE PLANS.

ANY BALLOT THAT IS OTHERWISE PROPERLY COMPLETED, EXECUTED, AND TIMELY RETURNED TO THE VOTING AGENT BUT DOES NOT INDICATE AN ACCEPTANCE OR REJECTION OF THE PLANS, OR THAT INDICATES BOTH AN ACCEPTANCE AND REJECTION OF THE PLANS, SHALL NOT BE COUNTED.

Ballots must be delivered to the Voting Agent so as to be **received** by the Voting Deadline by one of the following methods:

- By first first-class mail, in the return envelope provided with each Ballot (after applying postage), to Donlin, Recano & Company, Inc., Re: EHT US1, Inc., *et al.*, Attn: Voting Department, P.O. Box 199043, Blythebourne Station, Brooklyn, NY 11219;

- By overnight courier or hand delivery to Donlin, Recano & Company, Inc., Re: EHT US1, Inc., *et al.*, Attn: Voting Department, 6201 15th Avenue, Brooklyn, NY 11219; or

- Via the online balloting portal using the Unique E-Ballot ID at https://www.donlinrecano.com/Clients/eagle/vote

If you have any questions about the procedure for voting your Claim or the packet of materials that you received, please contact the Voting Agent at the address indicated above.

In accordance with Rule 3018(c) of the Bankruptcy Rules, the Ballots are based on Official Form No. 14, but have been modified to meet the particular needs of these cases. PLEASE CAREFULLY FOLLOW THE DIRECTIONS CONTAINED ON EACH ENCLOSED BALLOT.

In most cases, each Ballot enclosed with this Disclosure Statement has been encoded with the amount of the Claim for voting purposes (if the Claim is a Disputed Claim, this amount may not be the amount ultimately Allowed for purposes of Distribution), and the Class to which the Claim has been attributed.

2. Withdrawal or Change of Votes on Plans

A Ballot may be withdrawn by delivering a written notice of withdrawal to the Voting Agent, so that the Voting Agent receives such notice prior to the Voting Deadline. Thereafter, withdrawal may be effected only with the approval of the Bankruptcy Court.

In order to be valid, a notice of withdrawal must (i) specify the name of the holder who submitted the votes on the Plan(s) to be withdrawn, (ii) contain the description of the Claims to which it relates, and (iii) be signed by the holder in the same manner as on the Ballot. The Plan Proponents expressly reserve the absolute right to contest the validity of any such withdrawals of votes on the Plan(s).

Any holder who has submitted to the Voting Agent prior to the Voting Deadline a properly completed Ballot may change such vote by submitting to the Voting Agent prior to the Voting Deadline a subsequent properly completed Ballot for acceptance or rejection of a Plan. In the case where more than one timely, properly completed Ballot is received with respect to the same Claim, the Ballot that bears the latest date will be counted for purposes of determining whether sufficient acceptances required to confirm the Plans have been received.

3. Voting Multiple Claims

Separate forms of Ballots are provided for voting the various Classes of Claims. Ballot forms may be copied if necessary. Any person who holds Claims in more than one Class is required to vote separately with respect to each Claim. Any person holding multiple Claims within a Class should use a single Ballot to vote such Claims. Please sign and return your Ballot(s) in accordance with the instructions set forth in this Section D and the Ballot(s).

VIII. CONFIRMATION OF THE PLANS

A. Confirmation Hearing

The Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a confirmation hearing with respect to the Plans. At the Confirmation Hearing, the Bankruptcy Court will confirm the Plans only if all of the requirements of section 1129 of the Bankruptcy Code described below are met.

The Confirmation Hearing has been scheduled to commence on **December 20, 2021 at 9:00 a.m. (prevailing Eastern Time)**, or as soon thereafter as counsel may be heard, before the Honorable Christopher S. Sontchi, United States Bankruptcy Judge, of the United States Bankruptcy Court for the District of Delaware, 824 North Market St., 3rd Floor, Wilmington Delaware 19801.

The Zoom registration link for the Confirmation Hearing is as follows:

https://debuscourts.zoomgov.com/meeting/register/vJIsdeGhqjwtGDVL7siL6AVIk94BXjKDVag

The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice, except for an announcement of the adjourned date made at the Confirmation Hearing.

B. Deadline to Object to Confirmation

Any objection to the confirmation of the Plans must be made in writing and specify in detail (i) the name and address of the objector, (ii) all grounds for the objection, and (iii) the amount of the Claim or number and class of shares of stock of the Debtors held by the objector. Any such objection must be filed with the Bankruptcy Court, with a copy to Judge Sontchi's Chambers, and served so that it is received by the Bankruptcy Court, Chambers, and the following parties on or before **December 9 at 4:00 p.m. (prevailing Eastern Time)**: (a) the Clerk of the Bankruptcy Court, United States Bankruptcy Judge, of the United States Bankruptcy Court for the District of Delaware, 824 North Market St., 3rd Floor, Wilmington Delaware

19801; (b) counsel for the Debtors, (i) Cole Schotz P.C. 500 Delaware Avenue, Suite 1410, Wilmington, DE 19801, Attn: Seth Van Aalten, G. David Dean and Justin R. Alberto and (ii) Paul Hastings LLP, 200 Park Avenue, New York, NY 10166, Attn: Luc A. Despins, Esq. and G. Alexander Bongartz, Esq., (c) counsel for the Committee, (i) Morris James LLP,, 500 Delaware Avenue, Suite 1500, Wilmington, DE 19801, Attn: Eric J. Monzo and Brya M. Keilson, and (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the America, New York, NY 10036, Attn: Adam C. Rogoff, Robert T. Schmidt and Douglas Buckley; (d) counsel for the Prepetition Agent, (i) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801, Attn: Mark D. Collins and Brendan J. Schlauch, and (ii) Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, NY 10178-0060, Attn: Jennifer Feldsher, and One Federal Street, Boston, MA 02110, Attn: Jonathan K. Bernstein and Christopher L. Carter; and (e) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Richard L. Schepacarter.

C. Requirements for Confirmation of the Plans

Among the requirements for confirmation of the Plans are that the Plans (i) are accepted by all Impaired Classes of Claims and Equity Interests or, if rejected by an Impaired Class, that the Plans "do[] not discriminate unfairly" and are "fair and equitable" as to such Class, (ii) are feasible, and (iii) are in the "best interests" of creditors and stockholders that are Impaired under the Plans.

1. Requirements of Section 1129(a) of the Bankruptcy Code

(a) General Requirements

At the Confirmation Hearing, the Bankruptcy Court will determine whether the following confirmation requirements specified in section 1129 of the Bankruptcy Code have been satisfied:

(1) The Plans comply with the applicable provisions of the Bankruptcy Code.

(2) The Debtors have complied with the applicable provisions of the Bankruptcy Code.

(3) The Plans have been proposed in good faith and not by any means proscribed by law.

(4) Any payment made or promised by the Liquidating Debtors or by a Person issuing securities or acquiring property under the Plans for services or for costs and expenses in, or in connection with, the Chapter 11 Cases, or in connection with the Plans and incident to the Chapter 11 Cases, has been disclosed to the Bankruptcy Court, and any such payment made before confirmation of the Plans is reasonable, or if such payment is to be fixed after confirmation of the Plans, such payment is subject to the approval of the Bankruptcy Court as reasonable.

(5) The Liquidating Debtors have disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plans, as a director or officer of the Liquidating Debtors, an affiliate of the Liquidating Debtors participating in a Plan with the Debtors, or a successor to the Liquidating Debtors under the Plans, and the appointment to, or continuance in, such office of such individual is consistent with the interests of creditors and equity holders and with public policy, and the Liquidating Debtors have disclosed the identity of any insider that will be employed or retained by the Liquidating Debtors and the nature of any compensation for such insider.

(6) Any governmental regulatory commission with jurisdiction, after confirmation of the Plans, over the rates of the debtor has approved any rate change provided for in the Plans, or such rate change is expressly conditioned on such approval.

(7) With respect to each Class of Claims or Equity Interests, each holder of an Impaired Claim or Impaired Equity Interest either has accepted the Plans or will receive or retain under the Plan on account of such holder's Claim or Equity Interest, property of a value, as of the Effective Date, that is not less than the amount such holder would receive or retain if the Debtors were liquidated on the Effective Date under chapter 7 of the Bankruptcy Code. ***See Section VIII.C.1(b) ("Confirmation of the Plan—Requirements for Confirmation of the Plan—Requirements of Section 1129(a) of Bankruptcy Code—Best Interests Test").***

(8) Except to the extent the Plans meet the requirements of section 1129(b) of the Bankruptcy Code (discussed below), each Class of Claims or Equity Interests has either accepted the Plans or is not Impaired under the Plans.

(9) Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plans provide that Administrative Expense Claims and Priority Non-Tax Claims will be paid in full on the Effective Date and that Priority Tax Claims will receive on account of such Claims deferred cash payments, over a period not exceeding five years after the Petition Date, of a value, as of the Effective Date, equal to the Allowed amount of such Claims.

(10) At least one Class of Impaired Claims has accepted each of the Plans, determined without including any acceptance of the Plans by any insider holding a Claim in such Class.

(11) Confirmation of the Plans is not likely to be followed by the liquidation or the need for further financial reorganization of the Liquidating Debtors or any successor to the Liquidating Debtors under the Plans, unless such liquidation or reorganization is proposed in the Plans. ***See Section VIII.C.3 ("Confirmation of the Plan—Requirements for Confirmation of the Plan—Feasibility")***.

(b) Best Interests Test

As described above, the Bankruptcy Code requires that each Holder of an Impaired Claim or Equity Interest either (i) accepts the applicable Plan or (ii) receives or retains under such Plan property of a value, as of the Effective Date, that is not less than the value such Holder would receive or retain if the Liquidating Debtors were liquidated under chapter 7 of the Bankruptcy Code on the Effective Date.

The first step in meeting this test is to determine the dollar amount that would be generated from the liquidation of the Debtors' assets and properties in the context of a chapter 7 liquidation case. The gross amount of Cash available would be the sum of the proceeds from the disposition of the Liquidating Debtors' assets and the Cash held by the Liquidating Debtors at the time of the commencement of the chapter 7 case. The next step is to reduce that total by the amount of any Claims secured by such assets, the costs and expenses of the liquidation and such additional Administrative Expense Claims and Other Priority Claims that may result from the use of chapter 7 for the purposes of liquidation. Any remaining net cash would be allocated to creditors and shareholders in strict priority in accordance with section 726 of the Bankruptcy Code (see discussion below). Finally, taking into account the time necessary to accomplish the liquidation, the present value of such allocations may be compared to the value of the property that is proposed to be distributed under the Plans on the Effective Date.

The Liquidating Debtors' costs of liquidation under chapter 7 would include the fees payable to a chapter 7 trustee in bankruptcy, as well as those that might be payable to attorneys and other professionals that such a trustee may engage, plus any unpaid expenses incurred by the Liquidating Debtors during the Chapter 11 Cases and allowed in the chapter 7 case, such as compensation for attorneys, financial advisors, appraisers, accountants, and other professionals. These costs, expenses, fees and any other Claims that may arise in a liquidation case under chapter 7 would be paid in full from the liquidation proceeds ***before*** the balance of any proceeds would be made available to pay chapter 11 priority and unsecured claims. Under the absolute priority rule, no junior creditor would receive any distribution until all senior creditors are paid in full, with interest, and no equity holder receives any distribution until all creditors are paid in full, with interest.

After consideration of the effects that a chapter 7 liquidation would have on the ultimate proceeds available for distribution to creditors in a chapter 11 case, including (i) the increased costs and expenses of a liquidation under chapter 7 arising from fees payable to a trustee in bankruptcy and professional advisors to such trustee and (ii) potential increases in Claims which would be satisfied on a priority basis, the Liquidating Debtors have determined that confirmation of the Plans will provide each creditor and equity holder with a recovery that is not less than it

would receive pursuant to a liquidation of the Debtors under chapter 7 of the Bankruptcy Code (except in the case of the Prepetition Lender Claims, with respect to which the Prepetition Agent has consented to allocate a portion of its Distribution to Holders of Allowed Other General Unsecured Claims against the Debtor Propcos, as part of the Plan Settlement).

Moreover, in the event the Chapter 11 Cases were converted to cases under chapter 7, it is uncertain when Distributions to creditors would commence. As noted above, under the Plans, the Effective Date will occur on or before December 31, 2021.

(c) Liquidation Analysis

The Liquidation Analysis and assumptions are set forth in **Exhibit D** to this Disclosure Statement. The Liquidation Analysis is an estimate of the proceeds that may be generated as a result of a hypothetical chapter 7 liquidation of the assets of the Debtors. The analysis is based upon a number of significant assumptions which are described. The Liquidation Analysis does not purport to be a valuation of the Liquidating Debtors' assets and is not necessarily indicative of the values that may be realized in an actual liquidation.

2. Acceptance by Impaired Classes

Each of Classes 4, 5, 6, 8, and 9 is Impaired under the Plans and the holders of Allowed Claims in such Classes are entitled to vote on the Plans, as applicable. In accordance with section 1126(g) of the Bankruptcy Code, each of Classes 10, 11, 12, and 13 is deemed to have rejected the Plans, as applicable; and the Debtors intend to seek nonconsensual confirmation of the Plans under section 1129(b) of the Bankruptcy Code with respect to these Classes. ***See Section VIII.C.4 ("Confirmation of the Plan—Requirements for Confirmation of the Plan—Requirements of Section 1129(b) of Bankruptcy Code")***. In addition, the Liquidating Debtors reserve the right to seek nonconsensual confirmation of a Plan (without further notice) with respect to any Class of Claims that is entitled to vote to accept or reject such Plan if such Class rejects such Plan.

3. Feasibility

The Liquidating Debtors believe that they will be able to perform their obligations under the Plans. In connection with confirmation of the Plans, the Bankruptcy Court will have to determine that the Plans are feasible pursuant to section 1129(a)(11) of the Bankruptcy Code, which means that the confirmation of the Plans is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors, unless such liquidation is proposed in the Plans.

The Liquidating Debtors intend to transfer the Liquidating Trust Assets to the Liquidating Trust for distribution to the Liquidating Debtors' stakeholders. Accordingly, the Liquidating Debtors do not believe that the Plans are likely to be followed by any further liquidation.

4. Requirements of Section 1129(b) of Bankruptcy Code

The Bankruptcy Court may confirm a plan over the rejection or deemed rejection of the plan by a class of claims or equity interests if the plan "does not discriminate unfairly" and is "fair and equitable" with respect to such class.

- No Unfair Discrimination. This test applies to classes of claims or equity interests that are of equal priority and are receiving different treatment under a chapter 11 plan. The test does not require that the treatment be the same or equivalent, but that such treatment be "fair."

- Fair and Equitable Test. This test applies to classes of different priority (e.g., unsecured versus secured) and includes the general requirement that no class of claims receive more than 100% of the allowed amount of the claims in such class. As to the dissenting class, the test sets different standards, depending on the type of claims or interests in such class:

    - Secured Claims. Each holder of an impaired secured claim either (i) retains its Liens on the property (or if sold, on the proceeds thereof) to the extent of the allowed amount of its secured claim and receives deferred cash payments having a value, as of the effective date of the plan, of at least the allowed amount of such claim or (ii) receives the "indubitable equivalent" of its allowed secured claim.

    - Unsecured Claims. Either (i) each holder of an impaired unsecured claim receives or retains under the plan property of a value equal to the amount of its allowed unsecured claim or (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive or retain any property under the plan.

    - Equity Interests. Either (i) each equity interest holder will receive or retain under the plan property of a value equal to the greater of (a) the fixed liquidation preference or redemption price, if any, of such stock and (b) the value of the stock or (ii) the holders of interests that are junior to the equity interests of the dissenting class will not receive or retain any property under the plan.

The Debtors believe the Plans will satisfy both the "no unfair discrimination" requirement and the "fair and equitable" requirement, notwithstanding that each of Classes 10, 11, 12, and 13 is deemed to reject the Plans (as applicable), because as to such Classes, there is no Class of equal priority receiving more favorable treatment and no Class that is junior to such a dissenting Class will receive or retain any property on account of the Claims or Equity Interests in such Class (unless the creditors in the dissenting Class have been paid in full).

IX. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

A. Liquidation Under Chapter 7

If no plan can be confirmed, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed to liquidate the Debtors' assets for distribution in accordance with the priorities established by the Bankruptcy Code.

The Debtors' believe that liquidation under chapter 7 would result in smaller distributions being made to creditors than those provided for in the Plans because of the (i) increased cost and expenses of liquidation under chapter 7 arising from fees payable to the chapter 7 trustee and the attorneys and other professional advisors to such trustee, (ii) additional expenses and claims, some of which would be entitled to priority, which would be generated during the liquidation, (iii) the cost and expense attributable to the time value of money resulting from what is likely to be a more protracted proceeding, and (iv) the application of the rule of absolute priority to distributions in a chapter 7 liquidation.

B. Alternative Chapter 11 Plan

If the Plans are not confirmed, the Liquidating Debtors (or if the Liquidating Debtors' exclusive period in which to file a plan has expired, any other party in interest, including the Committee and Prepetition Agent) could attempt to formulate a different chapter 11 plan. Such a plan might involve an orderly liquidation of its assets under chapter 11. With respect to an alternative plan, the Liquidating Debtors have explored various alternatives in connection with the formulation and development of the Plans. However, these alternatives would not include the Plan Settlement, which increases recoveries for Holders of Other General Unsecured Claims and provides for a Convenience Class. The Plan Proponents believe that the Plans, as described herein, enable creditors to realize the greatest value under the circumstances.

C. Dismissal

If the Chapter 11 Cases are dismissed, the protections of the Bankruptcy Code would disappear, thereby resulting in costly, uncontrolled and protracted litigation in various jurisdictions among and between the Liquidating Debtors and the Holders of Claims and Interests. Therefore, the Liquidating Debtors believe that dismissal of the Chapter 11 Cases is not a viable alternative to Confirmation of the Plan.

X. CERTAIN RISK FACTORS TO BE CONSIDERED

HOLDERS OF CLAIMS IN THE VOTING CLASSES SHOULD READ AND CONSIDER CAREFULLY THE FACTORS SET FORTH BELOW IDENTIFIED BY THE LIQUIDATING DEBTORS,[64] AS WELL AS THE OTHER INFORMATION SET FORTH IN

[64] The discussion set forth in Section X below was prepared by the Debtors, and the other Plan Proponents (and their Related Persons) make no representation as to the accuracy or completeness of the risk factors set forth in this section.

THIS DISCLOSURE STATEMENT (AND THE DOCUMENTS DELIVERED TOGETHER HEREWITH OR REFERRED TO HEREIN), PRIOR TO VOTING TO ACCEPT OR REJECT THE PLANS. THESE RISK FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLANS AND THEIR IMPLEMENTATION.

A. General Considerations

The formulation of a chapter 11 plan is the principal purpose of a chapter 11 case. The Plans set forth the means for satisfying the various Claims against and Equity Interests in the Liquidating Debtors.

B. Certain Bankruptcy Considerations

1. Failure to Satisfy Vote Requirement

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plans, the Plan Proponents intend to seek, as promptly as practicable thereafter, confirmation of the Plans. In the event that sufficient votes are not received, the Plan Proponents may seek to accomplish an alternative chapter 11 plan. There can be no assurance that the terms of any such alternative chapter 11 plan would be similar or as favorable to the holders of Allowed Claims as those proposed in the Plans.

2. Risk of Non-Confirmation of Plan; Feasibility

Even if all Impaired Classes of Claims accept or are deemed to have accepted the Plan, or, with respect to a Class that rejects or is deemed to reject the Plans, the requirements for "cramdown" are met, the Bankruptcy Court, which can exercise substantial discretion, may determine that the Plan does not meet the requirements for confirmation under section 1129(a) and (b) of the Bankruptcy Code including the requirements that terms of the Plan do not "unfairly discriminate" and are "fair and equitable" to non-accepting Classes. ***See Section VIII.C ("Confirmation of the Plan—Requirements for Confirmation of the Plan")***. Section 1129(a) of the Bankruptcy Code requires, among other things, a demonstration that the confirmation of the Plans will not be followed by liquidation or need for further financial reorganization of the Debtors and that the value of distributions to creditors who vote to reject the Plans not be less than the value of distributions such creditors would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. ***See Section VIII.C.1 ("Confirmation of the Plan—Requirements for Confirmation of the Plan—Requirements of Section 1129(a) of Bankruptcy Code")***. Similarly, the Bankruptcy Court may determine that the settlements embodied in the Plans cannot be approved under Bankruptcy Rule 9019, which governs the approval of compromises and settlements entered into by a chapter 11 debtor. Although the Debtors believe that the Plans will meet the requirements for confirmation, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

3. Non-Consensual Confirmation

If any Impaired Class of Claims rejects a Plan by the requisite statutory voting thresholds provided in sections 1126(c) or 1126(d) of the Bankruptcy Code, as applicable, the Plan

Proponents (i) shall seek confirmation of such Plan from the Bankruptcy Court by employing the "cramdown" procedures set forth in section 1129(b) of the Bankruptcy Code or (ii) may modify such Plan in accordance with Section 14.5 of the Plan. In order to confirm the Plans under section 1129(b), the Bankruptcy Court must determine that, in addition to satisfying all other requirements for confirmation, such Plans "does not discriminate unfairly" and are "fair and equitable" with respect to each Impaired Class that has not accepted the Plans. ***See Section VIII.C.4 ("Confirmation of the Plan—Requirements for Confirmation of the Plan—Requirements of Section 1129(b) of Bankruptcy Code")***.

If the Bankruptcy Court determines that one or more of the Plans violate section 1129 of the Bankruptcy Code in any manner, including the cramdown requirements under section 1129(b) of the Bankruptcy Code, the Plan Proponents, subject to the terms and conditions of the Plans and the Bankruptcy Code, reserve the right to amend such Plan(s) in such manner so as to satisfy the requirements of section 1129 of the Bankruptcy Code. Such amendments may include, but are not limited to, the alteration or elimination of Distributions to various Classes and may result in less favorable treatment than proposed in the Plans.

4. The Liquidating Debtors May Object to the Amount or Classification of a Claim

Subject to the limitations in the PSA and the Plans, the Liquidating Debtors reserve the right to object to the amount and classification of any Claim under the Plans. The estimates set forth in this Disclosure Statement cannot be relied on by any holder of a Claim where such Claim is subject to an objection. Any holder of a Claim that is subject to an objection thus may not receive its expected share of the estimated distributions described in this Disclosure Statement.

5. Contingencies Not to Affect Votes of Impaired Classes to Accept or Reject a Plan

The distributions available to holders of Allowed Claims under the Plans can be affected by a variety of contingencies, including whether the Bankruptcy Court orders certain Allowed Claims to be subordinated to other Allowed Claims. The occurrence of any and all such contingencies, which could affect distributions available to holders of Allowed Claims under the Plans, will not affect the validity of the vote taken by the Impaired Classes to accept or reject the Plans or require any sort of revote by the Impaired Classes.

6. Risk of Non-Consummation of Plan

The Plan may not be consummated if the conditions to the Effective Date of the Plan, are not satisfied. Sections 10.1 and 10.2 of the Plan provide for certain conditions that must be satisfied (or waived) prior to the Confirmation Date and for certain other conditions that must be satisfied (or waived) prior to the Effective Date.

In such circumstances, there can be no assurance that the Chapter 11 Cases would not be converted to chapter 7 liquidation cases or that any new chapter 11 plan would be as favorable to holders of Claims as the current Plan. Either outcome may materially reduce distributions to holders of Claims. See Article X of the Plan for the conditions to the confirmation and effectiveness of the Plan.

7. Risk of Chapter 7 Liquidation

If the Plans are not confirmed and consummated, there can be no assurance that the Chapter 11 Cases will continue under chapter 11 of the Bankruptcy Code rather than be converted to a liquidation under chapter 7 of the Bankruptcy Code, or that any alternative plan would be on terms as favorable to holders of Claims as the terms of the Plans. If a liquidation under chapter 7 of the Bankruptcy Code were to occur, the distributions to holders of Allowed Claims under the Plans may be drastically reduced.

The Plan Proponents further believe that liquidation under chapter 7 of the Bankruptcy Code of the Debtors' assets would result in substantial diminution in the value to be realized by holders of Claims as compared to distributions contemplated under the Plans. This is so because a chapter 7 liquidation would require the appointment of a trustee, which may require substantial additional expenses and may delay the orderly liquidation of the estates' assets, thereby lowering recoveries to holders of Claims. Consequently, the Plan Proponents believe that confirmation of the Plans will provide a substantially greater return to holders of Claims than would liquidation under chapter 7 of the Bankruptcy Code.

The Liquidating Debtors have prepared, with the assistance of their advisors and after consultation with the other Plan Proponents, the liquidation analysis as set forth on **Exhibit D** hereto (the "Liquidation Analysis"), which is premised on a hypothetical liquidation in a chapter 7 case. Based on this analysis, each Holder of an Impaired Claim or Equity Interest will receive or retain under the Plans on account of such Claim or Equity Interest property of a value, as of the Effective Date, that is not less than the amount that such holder would so receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on the Effective Date (except in the case of the Prepetition Lender Claims, with respect to which the Prepetition Agent has consented to allocate a portion of its Distribution to Holders of Allowed Other General Unsecured Claims against the Debtor Propcos, as part of the Plan Settlement).

Moreover, to the extent that the Bankruptcy Court determines that the requirements for confirmation under section 1129 of the Bankruptcy Code are not satisfied with respect to any particular Liquidating Debtor, the Liquidating Debtors may go forward with the Plans for the other Liquidating Debtors[, subject to the consent of the Committee and the Prepetition Agent, which consent shall not be unreasonably withheld], and the Chapter 11 Case of the particular Liquidating Debtor withdrawing from the Plans shall, at the option of the particular Liquidating Debtor withdrawing from the Plans and subject to an order of the Bankruptcy Court, be converted to a case under chapter 7 of the Bankruptcy Code.

8. Estimation for Allowed Claims

There can be no assurance that the estimated amount of Claims set forth in this Disclosure Statement are correct, and the actual Allowed amounts of Claims may differ from the Debtors' estimates. Because the estimated amounts are based upon (i) a review of the Debtors' books and records, (ii) review of the filed Claims, (iii) the Debtors' estimates as to additional Claims that may be filed in the Chapter 11 Cases or that would arise in the event of a conversion of the cases from chapter 11 to chapter 7 of the Bankruptcy Code; and (iv) the Debtors' estimates of Claims that will be Allowed following the objections to Claims by the Debtors, such estimated

amounts are subject to risk, uncertainty and assumptions. Should one or more of these risks or uncertainties materialize or should the underlying assumptions of the Debtors prove incorrect, the actual Allowed amounts of Claims may vary from the estimated amounts herein, and, consequently, distributions to unsecured creditors could be materially and negatively impacted by such increase in Allowed Claim amounts.

Moreover, neither the Liquidating Debtors nor the Liquidating Trustee shall be required to reserve any Cash or other assets on account of any Disputed Claim that has been Disallowed by order of the Bankruptcy Court, regardless of whether such order is subject to a pending appeal, unless the Holder of such Disputed Claim has filed a timely appeal of the Confirmation Order and obtained a stay pending such appeal of the Confirmation Order.

C. Factors That May Affect the Value of Distributions Under the Plan

1. Certain Risks Relating to the Liquidating Trust

There can be no assurances that the Liquidating Trust will have sufficient Liquidating Trust Assets to make any Distribution to the Liquidating Trust Beneficiaries in excess of the guaranteed payments to be made on the Effective Date to Holders of Claims at the Propcos.

Pursuant to the Plans, the Liquidating Trust shall be formed on the Effective Date. The Liquidating Trust Assets will include Causes of Action (other than EH REIT Causes of Action, which will be deemed the sole property of EH REIT, subject to the terms of the Plans). There is no assurance that the Liquidating Trust will have any proceeds for distribution to the Liquidating Trust Beneficiaries from the Causes of Action, or that any proceeds will be recovered by the REIT Trustee on account of the EH REIT Causes of Action.

In particular, there can be no assurance that the Causes of Action or the EH REIT Causes of Action will be successfully prosecuted and result in any proceeds distributable to Liquidating Trust Beneficiaries.

D. Additional Factors That May Affect Distributions to Holders of Other General Unsecured Claims

1. Allowance of Other General Unsecured Claims

Distributions to holders of Allowed Other General Unsecured Claims in Classes 5 and 9 will be significantly affected by: (i) the proceeds (if any) recovered on account of Causes of Action of the Liquidating Debtors, (ii) the ultimate pool of Allowed Other General Unsecured Claims in such Classes; and (iii) the amount of Liquidating Trust Expenses, in particular the costs associated with the investigation and prosecution of the Causes of Action. The Liquidating Debtors' or the Liquidating Trustee's' failure to object to Claims may negatively impact recoveries for holders of Allowed Other General Unsecured Claims.

2. Risks of Allowance of Material Administrative Expenses

Section 1129(a)(9) of the Bankruptcy Code provides that a chapter 11 plan cannot be confirmed unless all administrative expenses of the bankruptcy estate have been paid in full and in cash. Consistent with this requirement, the Plans each provide that each Liquidating Debtor will pay such claims in full and in cash. It is possible that additional administrative expense claims will arise between the date of this Disclosure Statement and the Effective Date. Additionally, certain asserted administrative expense claims have been asserted without any quantification of the amount of the asserted administrative expense. For example, the Stalking Horse Bidder (and buyer of 10 of the Debtors' Hotels) has filed the *Buyer's Protective Request for Allowance and Payment of Administrative Expense Claims Pursuant to Section 503(b) and 507(a)(2) of the Bankruptcy Code* [Docket No. 1315], asserting certain "protective," and unquantified, administrative expense claims. While the Debtors dispute any such administrative expenses (*see, e.g.*, Docket Nos. 1018 and 1202), if the Bankruptcy Court ultimately determines that such claims are valid, the Debtors would be required, under section 1129(a)(9) of the Bankruptcy Code, to pay such claims ahead of the claims of general unsecured creditors

E. Disclosure Statement Disclaimer

1. Information Contained Herein is for Soliciting Votes

The information contained in this Disclosure Statement is for the purposes of soliciting acceptances of the Plans and may not be relied upon for any other purposes.

2. Disclosure Statement Was Not Approved by the Securities and Exchange Commission, any State Regulatory Authority, or any Singapore Regulatory Authority

Although a copy of this Disclosure Statement was served on the Securities and Exchange Commission, and the Securities and Exchange Commission was given an opportunity to object to the adequacy of this Disclosure Statement before the Bankruptcy Court approved it, this Disclosure Statement was not filed with the Securities and Exchange Commission. Neither the Securities and Exchange Commission, nor any state regulatory authority, nor any Singapore regulatory authority has passed upon the accuracy or adequacy of this Disclosure Statement, or the exhibits or the statements contained herein, and any representation to the contrary is unlawful.

3. Disclosure Statement May Contain Forward Looking Statements

This Disclosure Statement may contain "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Such statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward looking terminology such as "may," "expect," "anticipate," "estimate," or "continue" or the negative thereof or other variations thereon or comparable terminology. The reader is cautioned that all forward looking statements are necessarily speculative and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward looking statements. The distribution projections and other information contained herein and attached hereto are estimates only, and the timing and amount of actual distributions to holders of Allowed Claims may be affected by many factors that cannot be

predicted. Therefore, any analyses, estimates, or recovery projections may or may not turn out to be accurate.

4. No Legal or Tax Advice is Provided to You by this Disclosure Statement

This Disclosure Statement is not legal advice to you. The contents of this Disclosure Statement should not be construed as legal, business or tax advice. Each Holder of a Claim or Equity Interest should consult his or her own legal counsel and accountant with regard to any legal, tax and other matters concerning his or her Claim or Equity Interest. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plans or object to confirmation of the Plans.

5. No Admissions Made

The information and statements contained in this Disclosure Statement will neither (a) constitute an admission of any fact or liability by any entity (including the Plan Proponents) nor (b) be deemed evidence of the tax or other legal effects of the Plans on the Liquidating Debtors, holders of Allowed Claims, or any other parties in interest.

6. Failure to Identify Cause of Action or Projected Objections

No reliance should be placed on the fact that a particular Cause of Action or projected objection to a particular Claim is, or is not, identified in this Disclosure Statement. The Liquidating Trustee may seek to investigate Claims and file and prosecute Causes of Action (except that the REIT Trustee may pursue EH REIT Causes of Action, in accordance with the terms of the Plans).

7. No Waiver of Right to Object or Right to Recover Transfers and Assets

The vote by a holder of a Claim for or against a Plan does not constitute a waiver or release of any Claims or rights of the Debtors to object to that holder's Claim, or to bring causes of action to recover any preferential, fraudulent, or other voidable transfer of assets, regardless of whether any Claims or causes of action of the Debtors or their estates are specifically or generally identified herein.

8. Information Was Provided by the Liquidating Debtors and Was Relied upon by the Debtors' Advisors and Other Plan Proponents

The Plan Proponents (other than the Liquidating Debtors) and the Related Persons of the Plan Proponents have relied upon information provided by the Liquidating Debtors in connection with the preparation of revisions to this Disclosure Statement. Although counsel to and other advisors retained by the Plan Proponents have performed certain limited due diligence in connection with the preparation of this Disclosure Statement, they have not verified independently the information contained herein.

The Liquidating Debtors, the REIT Trustee, and, as applicable, the Plan Proponents make the statements contained in this Disclosure Statement as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that

there has not been a change in the information set forth herein since that date. While the Liquidating Debtors and the REIT Trustee have used their reasonable business judgment to ensure the accuracy of all of the information provided in this Disclosure Statement and in the Plans, the Liquidating Debtors, the REIT Trustee, and other Plan Proponents nonetheless cannot, and do not, confirm the current accuracy of all statements appearing in this Disclosure Statement. Further, although the Liquidating Debtors and the REIT Trustee may subsequently update the information in this Disclosure Statement, the Liquidating Debtors, the REIT Trustee, and other Plan Proponents have no affirmative duty to do so unless ordered to do so by the Bankruptcy Court.

9. No Representations Outside the Disclosure Statement Are Authorized

No representations concerning or relating to the Debtors, the Chapter 11 Cases, or the Plans are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. In deciding whether to vote to accept or reject the Plans, you should not rely upon any representations or inducements made to secure your acceptance or rejection of the Plans that are other than as contained in, or included with, this Disclosure Statement. You should promptly report unauthorized representations or inducements to the counsel to the Debtors or the United States Trustee for the District of Delaware.

F. Certain Tax Considerations

A summary of certain U.S. federal income tax considerations relevant to the Plan is provided below in ***Section XI ("Certain U.S. Federal Income Tax Considerations")***.

XI. CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

A. General

THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLANS ARE COMPLEX. ALL HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE PLAN AND THE OWNERSHIP AND DISPOSITION OF CLAIMS INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR NON-U.S. TAX LAWS (INCLUDING SINGAPORE TAX LAWS) AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

FOR THE AVOIDANCE OF DOUBT, NO ADVICE OR ANALYSIS IS BEING PROVIDED IN THIS DISCLOSURE STATEMENT WITH RESPECT TO SINGAPORE TAX LAWS.

This discussion is provided for information purposes only, and is based on provisions of the Internal Revenue Code of 1986, as amended (the "IRC"), Treasury Regulations promulgated thereunder, judicial authorities, and current administrative rulings and practice, all as in effect on the date hereof. Legislative, judicial, or administrative changes or interpretations enacted or promulgated after the date hereof could alter or modify the analyses set forth below with respect to the U.S. federal income tax consequences of the Plans. Any such changes or interpretations may be retroactive and could significantly, and adversely, affect the U.S. federal income tax

consequences of the Plans. To the extent that the following discussion relates to the consequences to Holders of Claims or Equity Interests, it is limited to Holders that are United States persons within the meaning of the IRC. For purposes of the following discussion, a "United States person" is any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States or any state or political subdivision thereof;
- an estate, the income of which is subject to federal income taxation regardless of its source; or
- a trust that (a) is subject to the primary supervision of a U.S. court and which has one or more U.S. fiduciaries who have the authority to control all substantial decisions of the trust, or (b) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular Holder in light of its particular facts and circumstances, or to certain types of Holders subject to special treatment under the IRC. Examples of Holders subject to special treatment under the IRC are governmental entities and entities exercising governmental authority, foreign companies, persons who are not citizens or residents of the United States, banks and certain other financial institutions, broker-dealers, insurance companies, tax-exempt organizations, real estate investment trusts, small business investment companies, regulated investment companies, Holders that are or hold their Claims or Equity Interests through a partnership or other pass-through entity, dealers in securities or foreign currency, persons that have a functional currency other than the U.S. dollar, and persons holding Claims that are a hedge against, or that are hedged against, currency risk or that are part of a straddle, constructive sale, or conversion transaction. This discussion does not address other U.S. federal taxes or the foreign, state, or local tax consequences of the Plans. This discussion does not address tax consequences to Debtors organized or resident outside of the United States or to non-U.S. Holders of Claims against such Debtors. Furthermore, this discussion generally does not address the U.S. federal income tax consequences to Holders that are unimpaired under the Plans.

The tax treatment of Holders of Claims or Equity Interests and the character, amount and timing of income, gain or loss recognized as a consequence of the Plans and the Distributions provided for by the Plans may vary, depending upon the following factors, among others: (i) whether the Claim or portion thereof constitutes a Claim for principal or interest; (ii) the type of consideration, if any, received by the Holder in exchange for the Claim, and whether the Holder receives Distributions under the Plans in more than one taxable year; (iii) whether the Holder is a citizen or resident of the United States for tax purposes, is otherwise subject to U.S. federal income tax on a net basis, or falls into any special class of taxpayers, such as those that are excluded from this discussion as noted above; (iv) the manner in which the Holder acquired the Claim; (v) the length of time that the Claim has been held; (vi) whether the Claim was acquired at a discount; (vii) whether the Holder has taken a bad debt deduction or a worthless securities deduction with respect to the Claim or any portion thereof in the current or prior taxable years;

(viii) whether the Holder has previously included in gross income accrued but unpaid interest with respect to the Claim; (ix) the method of tax accounting of the Holder; (x) whether the Claim is an installment obligation for U.S. federal income tax purposes; (xi) whether the Claim is considered a "security" for U.S. federal income tax purposes; and (xii) whether the "market discount" rules apply to the Holder. Therefore, each Holder should consult such Holder's own tax advisor for tax advice with respect to that Holder's particular situation and circumstances, and the particular tax consequences to such Holder of the transactions contemplated by the Plans.

A significant amount of time may elapse between the date of the Disclosure Statement and the receipt of a final Distribution under the Plans. Events occurring after the date of the Disclosure Statement, such as new or additional tax legislation, court decisions, or administrative changes, could affect the U.S. federal income tax consequences of the Plans and the transactions contemplated thereunder. No ruling has been or will be sought from the IRS with respect to any of the tax aspects of the Plans, and no opinion of counsel has been or will be obtained by the Debtors with respect thereto. No representations are being made regarding the particular tax consequences of the confirmation or implementation of the Plans as to any Holder of a Claim or Equity Interest. This discussion is not binding upon the IRS or other taxing authorities. No assurance can be given that the IRS or another authority would not assert, or that a court would not sustain, a different position from any discussed herein.

THE FOLLOWING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLANS, AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FOLLOWING DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, EACH HOLDER IS STRONGLY URGED TO CONSULT SUCH HOLDER'S TAX ADVISOR REGARDING THE U.S. FEDERAL, STATE, AND LOCAL INCOME TAX CONSEQUENCES, AND NON-U.S. INCOME AND OTHER TAX CONSEQUENCES, OF THE PLANS.

B. Certain U.S. Federal Income Tax Consequences to Holders of Claims and Equity Interests

A Holder of an Allowed Claim will generally recognize ordinary income to the extent that the amount of Cash or property received (or deemed received) under the Plans is attributable to interest that accrued on an Allowed Claim but was not previously paid by the Debtors or included in income by the Holder of the Allowed Claim. A Holder of an Allowed Claim will generally recognize gain or loss equal to the difference between the Holder's adjusted basis in its Allowed Claim and the amount realized by the Holder in respect of its Allowed Claim. The amount realized generally will equal the sum of Cash and the fair market value of other consideration received (or deemed received) by the Holder under the Plans on the Effective Date or a subsequent distribution date in respect of the Holder's Allowed Claim, less the amount, if any, attributable to accrued but unpaid interest.

The character of any gain or loss that is recognized as such will depend upon a number of factors, including the status of the Holder, the nature of the Allowed Claim in the Holder's

hands, whether the Allowed Claim was purchased at a discount, whether and to what extent the Holder has previously claimed a bad debt deduction with respect to the Allowed Claim, and the Holder's holding period of the Allowed Claim. If the Allowed Claim in the Holder's hands is a capital asset, the gain or loss realized will generally be characterized as a capital gain or loss. Such gain or loss will constitute long-term capital gain or loss if the Holder held such Allowed Claim for longer than one year, or short-term capital gain or loss if the Holder held such Allowed Claim for one year or less. Any capital loss realized generally may be used by a corporate Holder only to offset capital gains, and by an individual Holder only to the extent of capital gains plus $3,000 of ordinary income in any single taxable year.

A Holder of an Allowed Claim who receives, in respect of the Holder's Allowed Claim, an amount that is less than that Holder's tax basis in such Allowed Claim may be entitled to a bad debt deduction under IRC Section 166(a) or a worthless securities deduction under IRC Section 165(g). The rules governing the character, timing, and amount of bad debt or worthless securities deductions place considerable emphasis on the facts and circumstances of the Holder, the obligor, and the instrument with respect to which a deduction is claimed. Holders of Allowed Claims, therefore, are urged to consult their tax advisors with respect to the ability to take either deduction. A Holder that has previously recognized a loss or deduction in respect of that Holder's Allowed Claim may be required to include in gross income (as ordinary income) any amounts received under the Plans to the extent such amounts exceed the Holder's adjusted basis in such Allowed Claim.

Holders of Allowed Claims who were not previously required to include any accrued but unpaid interest with respect to an Allowed Claim may be treated as receiving taxable interest income to the extent any consideration they receive under the Plans is allocable to such interest. A Holder previously required to include in gross income any accrued but unpaid interest with respect to an Allowed Claim may be entitled to recognize a deductible loss to the extent such interest is not satisfied under the Plans.

A Holder of an Allowed Claim constituting an installment obligation for tax purposes may be required to currently recognize any gain remaining with respect to such obligation if, pursuant to the Plans, the obligation is considered to be satisfied at other than at face value or distributed, transmitted, sold or otherwise disposed of within the meaning of IRC Section 453B.

The Holders of certain Allowed Claims are expected to receive only a partial Distribution with respect to their Allowed Claims. Whether the Holder of such a Claim will recognize a loss, a deduction for worthless securities or any other tax treatment will depend upon facts and circumstances that are specific to the nature of each Holder and its Claim. Accordingly, a Holder of such a Claim should consult such Holder's own tax advisor.

Under backup withholding rules, a Holder of an Allowed Claim may be subject to backup withholding, at a current rate of 24%, with respect to payments made pursuant to the Plans unless such Holder (i) is a corporation or is otherwise exempt from backup withholding and, when required, demonstrates this fact, or (ii) provides a correct taxpayer identification and certifies under penalty of perjury that the taxpayer identification number is correct and that the Holder is not subject to backup withholding because of failure to report all dividend and interest income. Any amount withheld under these rules will be credited against the Holder's federal income tax

liability and may be refunded to the Holder if required information is timely submitted to the IRS. Holders of Allowed Claims may be required to establish an exemption from backup withholding or to make arrangements with regard to payment of any backup withholding.

Holders of Disallowed Claims, Subordinated Securities Claims, or Equity Interests will not receive any Distribution as part of the Plans. Accordingly, because such a Holder may receive an amount that is less than that Holder's tax basis in such Claim or Equity Interest, such Holder may be entitled to a bad debt deduction under IRC Section 166(a) or a worthless securities deduction under IRC Section 165(g). The rules governing the character, timing, and amount of bad debt or worthless securities deductions place considerable emphasis on the facts and circumstances of the Holder, the obligor, and the instrument with respect to which a deduction is claimed. Holders of Disallowed Claims, Subordinated Securities Claims or Equity Interests, therefore, are urged to consult their tax advisors with respect to their ability to take either deduction.

C. Certain U.S. Federal Income Tax Consequences to the Liquidating Debtors

Generally, the discharge of a debt obligation of a debtor for an amount less than the adjusted issue price (in most cases, the amount the debtor received on incurring the obligation, with certain adjustments) creates cancellation of indebtedness income ("COD Income") that must be included in the debtor's income. Under the IRC, a taxpayer generally must include in gross income the amount of any COD Income realized during the taxable year. The amount of a U.S. Debtor's COD Income is dependent upon the value of the Plans consideration distributed on account of the Allowed Claims against such Debtor relative to the amount of such Allowed Claims (or adjusted issue price if different from the amount of the Allowed Claims), as well as the extent to which those Allowed Claims constitute debt for U.S. federal income tax purposes and to the extent the payment of such Allowed Claims would be deductible for tax purposes.

Section 108 of the IRC provides an exception to this general rule, however, if the cancellation occurs in a case under the Bankruptcy Code, but only if the taxpayer is under the jurisdiction of the bankruptcy court and the cancellation is granted by the court or is pursuant to a plan approved by the court. Section 108 requires the amount of COD Income so excluded from gross income to be applied to reduce certain tax attributes of the taxpayer. The tax attributes that may be subject to reduction include the taxpayer's net operating losses and net operating loss carryovers (collectively, "NOLs"), certain tax credits and tax credit carryovers, capital losses and capital loss carryovers, tax bases in assets, and passive activity loss carryovers. Attribute reduction is calculated only after the tax for the year of the discharge has been determined. Section 108 of the IRC further provides that a taxpayer does not realize COD Income from cancellation of indebtedness to the extent that payment of such indebtedness would have given rise to a deduction.

Under the Plans, Holders of certain Allowed Claims are expected to receive less than full payment on their Claims, and Holders of Disallowed Claims and Subordinated Securities Claims are expected to receive no payments. The Debtors' liability to the Holders of such Claims in excess of the amount satisfied by Distributions under the Plans will be cancelled and therefore will result in COD Income to the Debtors. The Debtors should not realize any COD Income, however, to the extent that payment of such Claims would have given rise to a deduction to the

Debtors had such amounts been paid. In addition, any COD Income that the Debtors realize should be excluded from the Debtors' gross income pursuant to the bankruptcy exception to section 108 of the IRC described above, because the cancellation will occur in a case under the Bankruptcy Code, while the taxpayer is under the jurisdiction of the bankruptcy court, and the cancellation is granted by the court or is pursuant to a plan approved by the court. The exclusion of the COD Income, however, will result in a reduction of certain tax attributes of the Debtors, such as the NOLS, as described above. Because attribute reduction is calculated only after the tax for the year of discharge has been determined, the COD Income realized by the Debtors under the Plans should not diminish the NOLs and other tax attributes that may be available to offset any income and gains recognized by the Debtors in the taxable year that includes the Effective Date.

D. Consequences of the Liquidating Trust

The Liquidating Trust will be organized for the primary purpose of liquidating the assets transferred to it with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Liquidating Trust. Thus, the Liquidating Trust is intended to be classified for federal income tax purposes as a "grantor trust" within the meaning of Treasury Regulation Section 301.7701-4(d) and IRS Revenue Procedure 94-45, 1994-2 C.B. 684. No request for a ruling from the IRS will be sought on the classification of the Liquidating Trust. Accordingly, there can be no assurance that the IRS would not take a contrary position to the classification of the Liquidating Trust. If the IRS were to challenge successfully the classification of the Liquidating Trust as a grantor trust, the federal income tax consequences to the Liquidating Trust and the Holders of Allowed Claims could vary from those discussed herein (including the potential for an entity-level tax).

For all U.S. federal income tax purposes, all parties with respect to the Liquidating Trust (including, without limitation, the Debtors, the Liquidating Trustee, and the Liquidating Trust Beneficiaries) must treat the transfer of Liquidating Trust Assets (other than those Liquidating Trust Assets placed in the Disputed Claims reserve) to the Liquidating Trust as (i) a transfer of such Liquidating Trust Assets by the Debtors to the Liquidating Trust Beneficiaries, followed by (ii) a transfer of such Liquidating Trust Assets by such beneficiaries to the Liquidating Trust, with the beneficiaries being treated as the grantors and owners of the Liquidating Trust. Each Holder that is a beneficiary of the Liquidating Trust generally will recognize gain or loss in its taxable year that includes the Effective Date in an amount equal to the difference between the amount realized in respect of its Allowed Claim and its adjusted tax basis in the Allowed Claim. The amount realized by a Holder of an Allowed Claim will equal the fair market value of the Liquidating Trust Assets deemed received in respect of such Claim, less the amount, if any, attributable to accrued but unpaid interest. A Holder that is deemed to receive Liquidating Trust Assets in respect of its Allowed Claim will then have a tax basis in such Liquidating Trust Assets in an amount equal to the fair market value of such Liquidating Trust Assets on the date of receipt, less the amount, if any, attributable to accrued but unpaid interest.

As further described below, because each Holder's share of the Liquidating Trust Assets in the Liquidating Trust may change depending upon the resolution of Disputed Claims in such Holder's Class, a Holder may be prevented from recognizing for tax purposes all of its gain or

loss from the consummation of the Plans until all Disputed Claims in such Holder's Class have been resolved.

In general, a liquidating trust is not a separate taxable entity but rather is treated as a grantor trust, pursuant to IRC Sections 671 *et. seq.*, owned by the persons who are treated as transferring assets to the trust. Each Holder of a beneficial interest in the Liquidating Trust must report on its federal income tax return its allocable share of income, gain, loss, deduction and credit recognized or incurred by the Liquidating Trust. None of the Debtors' loss carryforwards will be available to reduce any income or gain of the Liquidating Trust. Moreover, upon the sale or other disposition (or deemed disposition) of any of the Liquidating Trust Assets not held in the Disputed Claims reserve, each Liquidating Trust Beneficiary must report on its federal income tax return its share of any gain or loss measured by the difference between (1) its share of the amount of cash and/or the fair market value of any property received by the Liquidating Trust in exchange for the Liquidating Trust asset so sold or otherwise disposed of and (2) its adjusted tax basis in its share of the Liquidating Trust asset. The character of any such gain or loss to the Holder will be determined as if such Holder itself had directly sold or otherwise disposed of the Liquidating Trust asset. The character of items of income, gain, loss, deduction, and credit to any Holder of a beneficial interest in the Liquidating Trust, and the ability of the Holder to benefit from any deductions or losses, will depend on the particular circumstances or status of the Holder.

Given the treatment of the Liquidating Trust as a grantor trust and subject to the discussion below regarding the Disputed Claims reserve, each Liquidating Trust Beneficiary has an obligation to report its share of the Liquidating Trust's tax items (including gain on the sale or other disposition of a Liquidating Trust asset), which obligation is not dependent on the distribution of any cash or other Liquidating Trust assets by the Liquidating Trust. Accordingly, a Liquidating Trust Beneficiary may incur a tax liability as a result of owning a share of the Liquidating Trust Assets, regardless of whether the Liquidating Trust distributes cash or other assets. Due to the requirement that the Liquidating Trust maintain certain reserves, the Liquidating Trust's ability to make current cash distributions may be limited or precluded. In addition, due to possible differences in the timing of income on, and the receipt of cash from the Liquidating Trust Assets, a Liquidating Trust Beneficiary may be required to report and pay tax on a greater amount of income for a taxable year than the amount of cash received by the Holder during the year.

The Liquidating Trust will file annual information tax returns with the IRS as a grantor trust pursuant to Treasury Regulation Section 1.671-4(a) that will include information concerning certain items relating to the holding or disposition (or deemed disposition) of the Liquidating Trust assets (***e.g.***, income, gain, loss, deduction and credit). Each Liquidating Trust Beneficiary will receive a copy of the information returns and must report on its federal income tax return its share of all such items. The information provided by the Liquidating Trust will pertain to Liquidating Trust Beneficiaries who received their interests in connection with the Plans.

E. Consequences of the Disputed Claims Reserve

It is anticipated that the Liquidating Trustee will make an election under Treasury Regulation Section 1.468B-9(c)(2)(ii) to treat the Disputed Claims reserve as a "disputed ownership fund." Accordingly, a Holder of a Disputed Claim, unlike the Holder of an Allowed Claim, will not be treated as receiving any of the Liquidating Trust Assets on the Effective Date due to holding such Disputed Claim. The disputed ownership fund will be treated as the owner of the assets it holds (*i.e.*, those Liquidating Trust Assets transferred to the Disputed Claims reserve) and will be taxable as a qualified settlement fund pursuant to the rules of Treasury Regulation Section 1.468B-2 due to all of the assets in the disputed ownership fund being passive investment assets. These rules generally provide that the "modified gross income" of a qualified settlement fund is taxed at the maximum rate applicable to estates and trusts under IRC Section 1(e), which is currently 37%.

The Liquidating Trust shall comply with all tax reporting and tax compliance requirements applicable to the disputed ownership fund, including, but not limited to, the filing of separate income tax returns for the disputed ownership fund and the payment of any federal, state or local income tax due.

"Modified gross income" is the qualified settlement fund's IRC Section 61 gross income computed with the modifications detailed in Treasury Regulation Section 1.468B-2(b)(1)-(4), with such modifications including deductions for administrative costs and other incidental expenses incurred in connection with the operation of the fund that would be deductible under chapter 1 of the IRC in determining the taxable income of a corporation.

If and when a Disputed Claim becomes an Allowed Claim, the Holder of the now Allowed Claim will become a Liquidating Trust Beneficiary and generally will recognize gain or loss in its taxable year that includes the date of the conversion of the Disputed Claim to an Allowed Claim in an amount equal to the difference between the amount realized in respect of its Allowed Claim and its adjusted tax basis in the Allowed Claim, as further described above under Consequences of the Liquidating Trust.

If a Disputed Claim is resolved for an amount less than the amount contributed to the Disputed Claims reserve with respect to such Disputed Claim, the difference will be released from the Disputed Claims reserve and distributed pro rata to the Holders of Claims within the applicable Class of Liquidating Trust Beneficiaries. Any such amount received by a Liquidating Trust Beneficiary will constitute an additional amount realized by such Liquidating Trust Beneficiary and will increase the gain, or reduce the loss, recognized by the Liquidating Trust Beneficiary with respect to its Claim.

F. Importance of Obtaining Professional Tax Assistance

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLANS, AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE ABOVE DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND

MAY VARY DEPENDING ON A HOLDER'S INDIVIDUAL CIRCUMSTANCES. ACCORDINGLY, HOLDERS ARE URGED TO CONSULT WITH THEIR TAX ADVISORS ABOUT THE FEDERAL, STATE, LOCAL AND NON-U.S. INCOME AND OTHER TAX CONSEQUENCES OF THE PLANS.

XII. CONCLUSION

The Plan Proponents believe that confirmation and implementation of the Plans is preferable to any of the alternatives described herein because it will provide the greatest recoveries to Holders of Claims. Any alternative to confirmation of the Plans, such as liquidation under chapter 7 or attempts to confirm an alternative liquidating plan, would involve significant delays, uncertainty, and substantial additional administrative costs. Moreover, as described above, the Plan Proponents believe that creditors will receive greater and earlier recoveries under the Plans than under the alternatives.

For these reasons, the Liquidating Debtors, the Committee, and the Prepetition Agent urge all Holders of Claims in Classes 4, 5, 6, and 9 to vote to accept the Plans and to evidence their acceptance by returning their signed ballots so that they will be received by the Voting Agent no later than 4:00 p.m. (prevailing Eastern Time) on December 9, 2021.

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Dated: November 5, 2021

Respectfully submitted,
EAGLE HOSPITALITY REAL INVESTMENT TRUST
(on behalf of itself and the other Debtors and Debtors-in-Possession)

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