IMMEDIATE RELEASE

Eagle Hospitality Trust Sponsor Urges Collaboration to Save REIT

- **Urban Commons believes it is time to unite and deliver a sustainable survival plan for the REIT**
- **The Sponsor objects to deliberately being portrayed in a negative light**

SINGAPORE, August 21, 2020 – In a Breach Notice sent to Eagle Hospitality Trust (EHT or REIT), Urban Commons (UC or Sponsor or Master Lessee), the Los Angeles-based real estate investment and development firm and Sponsor of EHT, has strongly objected to the continuous negative aspersions being levelled against it by EHT. UC believes that its reputation is being deliberately damaged at the behest of EHT's advisors and this is against the best interests of the ordinary unitholders of the Trust as the focus should be about the survival of the business.

Snapshot of the situation thus far:

What has happened	Urban Common's Responses
➢ COVID-19 is a global pandemic that has affected all countries in the world and no one could have anticipated it. With global lockdowns and a ban on travel, the ability of hotels to generate revenue has been severely hit. It is precisely for this type of unexpected situation that casualty (Force Majeure) provisions (the "Casualty Clauses") exist in the Master Lease Agreements ("MLAs").	➢ Under the casualty clauses, the Lessees are not obliged to pay rent during a Force Majeure situation. UC and the Lessees did not guarantee continued operation of EHT's properties or payment of rental in the face of a COVID-19 like situation.

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- EHT and its advisers have been repeating allegations of defaults, to the point that the opportunity to develop solutions to rescue EHT have been ignored.

Prior to February of this year, none of the defaults listed in EHT's recent announcement existed, in part due to the UC's management of the assets and the continual infusion of cash into respective hotel operations. The Lessees have been operating up to February 2020 with approximately US$20MM accounts payable ("AP") and were not issued defaults. After EHT employed third-party consultants, with the Lessees being removed from control, the AP has ballooned from US$20 million to approximately US$45 million.

- Has EHT and its advisors considered the possibility that their interpretation of the Casualty Clause under the MLA may be wrong and the Lessees' position is correct?

- UC has shared a plan to provide critically needed financial support to EHT. Despite this it has not yet obtained cooperation from EHT or its consultants to implement this plan. Since April 2020, the UC has attempted to engage with the Trustee and its advisors on multiple occasions, but to no avail. Our plan would allow us to minimise costs, refinance the Bank of America debt, control unnecessary expenses, prevent dilution for all unitholders and raise enough funds to survive through the pandemic.

- Has EHT announced or informed EHT's unitholders of the potential implications if their interpretation is wrong?

- EHT has not yet informed its unitholders of the implications of the Casualty Clauses.

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Time to Unite and Save the Reit

UC firmly believes that for the sake of ordinary unitholders, it is critical that the major stakeholders and advisors put aside their differences, stabilise the situation and work towards a resolution that will ensure that the Trust does not face further financial loss.

"It is time to unite, collaborate, and create strategies that can mitigate losses and liabilities in these challenging times. Rather than working together, it seems that EHT's advisors have misled the REIT into believing there is only one outcome – the replacement of the Sponsor no matter the damage that would be sustained in the process. Must everything be adversarial and cause uncertainty? This a recipe for disaster, we are already watching millions of unitholder's dollars being wasted," said Howard Wu, Founder and Principal at UC.

The Lessee and Lessor's Responsibility

It is the Lessee's interpretation that the condition of the (hotel) building is the Lessor's responsibility. It is clearly stated in the IPO (Initial Public Offering) Prospectus that the Lessee may not provide income during a pandemic-like situation. The US government has mandated a limit on travel and tourism with enforced quarantine, and simultaneously, consultants interfered with operations, with Bank of America Mortgage Lending (BAML) locking UC's bank accounts, causing the Lessee/Lessor structure to collapse. Despite this, UC is publicly blamed by EHT for outcomes driven by the REIT and its third-party consultants.

Under the Lessee/Lessor structure in normal circumstances, the Lessor's role is to maintain the hotel while the Lessee operates the business and passes through more than ~98% of net revenues to the REIT. The current COVID-19 global pandemic, however, has triggered a Force Majeure event in which the hotels have been made inoperable, and this has severely affected the ability to generate hotel income. This is precisely why the casualty clauses exist in the Master Lease Agreements (MLAs). The risk factors identified in EHT's Prospectus identifies such events including "widespread communicable diseases, such as the human avian flu and severe acute respiratory syndrome ("SARS") and other events beyond the control of EHT". When such a Force Majeure event occurs, the losses and maintenance expenses should no longer be the responsibility of the Lessee.

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Damaged Reputation of Urban Commons

Since the IPO, the Lessees have encountered unfulfilled Lessor obligations that has caused the Lessee to be burdened financially. The Lessees had been operating at approximately US$20 million AP and were not issued defaults. In February, a seasonally slow time of year, the effects of COVID-19 had just started impacting the hotel, tour, travel, and airline industries. Instead of working with UC to develop a strategy for the unexpected and unprecedented situation, EHT employed third-party consultants, and subsequently BAML locked the Lessee's bank accounts.

Any hotel will always have an amount of accounts payable as well as accounts receivable, but since the onset of COVID-19, when the Lessor also became responsible for maintaining the building to an operable standard, AP has risen from approximately US$20 million to US$45 million. The surge in AP, which is the responsibility of the REIT, resulted in the drying up of cashflow and in defaults - yet according to EHT's announcements, these defaults were caused by UC only.

Since March 2020 and the onset of COVID-19, the Sponsor has not had operational control or access to the assets and their operating accounts. Since then, AP has ballooned, more than doubling to US$45 million.

It is disappointing that despite UC having debunked EHT's allegations several times, it continues to target UC and the Lessees in public announcements. The Sponsor was able to help the REIT maintain US$80 million in cash - including a US$28 million Security Deposit along with US$32 million ready to be distributed, before BAML locked bank accounts and caused the structure to collapse. Despite this, EHT has publicly and unfairly shifted the blame for outcomes driven by the REIT and its third-party consultants on to UC.

Furthermore, whether it was the doing of EHT's third-party consultancy, FTI Consulting, the chief restructuring officers of EHT managers, or BAML, the income generated by the three hotels, which remained operational, were siphoned from revenue collection and used to pay current and ongoing expenses of those hotels that remained close. Such egregious actions and poor cash management caused specific defaults from Crestline Hotel & Resorts, the management company operating two of the three hotels that remained open (Holiday Inn Denver East and Renaissance Denver). Not only was Crestline forced to issue defaults, but the company has stated that these hotels cannot remain operational without access to the locked bank account, and the respective third parties ceasing to divert cash generated from these hotels.

"We are disappointed that actions by the REIT have been hostile, constantly portraying ill intent," *added Mr. Wu.* ***"The REIT's Special Committee is retaining third-party consultants***

who limit the Lessee's ability to make crucial operating decisions. FTI has not only restricted our finances, but it has also had closed-door discussions with hotel management companies and franchisors, requesting they limit or cease communications with the Lessee, in some cases advising not to provide the Lessee with current or historical data, making it impossible for the Lessee's to successfully operate and perform the operational oversight and enact fiduciary initiatives to mitigate the losses being experienced at the hotels. These underhanded plays must stop as they undermine the core values of our business. The Lessee's ties with the Sponsor are a critical component to future success, so it's time to start nurturing those relationships, work together, and create the most likely chance of survival."

The Survival Plan

The Sponsor has remained focused on survival, having sent multiple plans to the REIT since April. Rather than canceling MLAs and walking away, which would likely cause the need for bankruptcy, the Sponsor continues to do everything in its power to help the REIT survive, despite interference by the REIT's advisors inhibiting the Lessee's ability to operate. UC also wishes to highlight that its portfolio of non-REIT assets, thanks to careful and collaborative negotiations with creditors, has not defaulted. This demonstrates the Sponsor's ability to navigate through this difficult period of economic hardship due to COVID-19 and other unexpected calamities.

UC Focuses on the following:

1. Refinance the defaulted debt quickly, as we already have a term sheet in place.
2. Raise the minimum amount to sustain the REIT and to minimise dilutions to unitholders.
3. Come up with an amicable solution to restart and sustain the operations of the REIT.

"We urge that unitholders consider what happens next if the interpretation of the Casualty Clause under the MLA by EHT is wrong and the Lessees' position is correct," *added Mr. Wu.* ***"The REIT has been wasting millions of dollars while the best solution has not only been right in front of them the entire time, but the plan has been presented to them on multiple occasions. UC is the only party that can bring the situation under control and stop the hemorrhaging of cash that we are witnessing and resolve this quickly."***

 # Ends #

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About Urban Commons
Urban Commons is a Los Angeles-based real estate investment and development firm with a successful track record of developing, repositioning, and rebranding assets throughout the United States. The company focuses on improving under-managed and underutilized assets by developing innovative solutions that promote optimal economic, social, and environmental returns.

Since its founding in 2008, Urban Commons has owned, operated and developed a variety of real estate properties including several dozen hotels, apartments, retail, office, and senior care, throughout the United States including the development of nearly one million square feet of commercial retail space.

For more information on Urban Commons, please visit: https://urban-commons.com/

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