

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY
Caption in Compliance with D.N.J. LBR 9004-1

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In re:

CBRM Realty Inc. *et al.*,

Debtors.¹

Chapter 11

Case No. 25-15343 (MBK)
(Joint Administration Requested)

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: CBRM Realty Inc. (2420), Crown Capital Holdings LLC (1411), Kelly Hamilton Apts LLC (1115), Kelly Hamilton Apts MM LLC (0765), RH Chenault Creek LLC (8987), RH Copper Creek LLC (0874), RH Lakewind East LLC (6963), RH Windrun LLC (0122), RH New Orleans Holdings LLC (7528), and RH New Orleans Holdings MM LLC (1951). The location of the Debtors' service address in these chapter 11 cases is: In re CBRE Realty, Inc., et al., c/o White & Case LLP, 1221 Avenue of the Americas, New York, New York 10020.



NOTICE OF ENTRY INTO DIP TERM SHEETS

PLEASE TAKE NOTICE that, on May 26, 2025, certain of the above-captioned debtors and debtors in possession (collective, the “**Debtors**”) entered into that certain Binding Term Sheet for Senior Secured, Superpriority Debtor-in-Possession Financing with 3650 SS1 Pittsburgh LLC with respect to the Debtors’ Kelly Hamilton property in Pittsburgh, Pennsylvania (the “**Kelly Hamilton DIP Facility**”), a copy of which is attached hereto as **Exhibit A**.

PLEASE TAKE FURTHER NOTICE that, on May 26, 2025, certain of the Debtors entered into that certain NOLA Debtors Binding Term Sheet for Senior Secured, Superpriority Debtor-in-Possession Financing with DH1 Holdings LLC, CKD Funding LLC, and CKD Investor Penn LLC with respect to certain of the Debtors’ properties in New Orleans, Louisiana (the “**NOLA DIP Facility**” and, together with the Kelly Hamilton DIP Facility, the “**DIP Facilities**”), a copy of which is attached hereto as **Exhibit B**.

PLEASE TAKE FURTHER NOTICE that the Debtors intend to file a motion seeking entry of orders authorizing the Debtors to enter into the DIP Facilities on the terms set forth in **Exhibit A** and **Exhibit B**, respectively.

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Dated: May 27, 2025

Respectfully submitted,

/s/ Andrew Zatz

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EXHIBIT A

Binding Term Sheet For
Senior Secured, Superpriority
Debtor-in-Possession Financing

Date: May 26, 2025

This term sheet (this “**Term Sheet**”) is being presented by 3650 SS1 Pittsburgh LLC (the “**DIP Lender**”). Capitalized terms used in this Term Sheet shall have the meanings ascribed to such terms in this Ter Sheet.

This Term Sheet is subject solely to the following conditions: (i) satisfaction of all conditions precedent set forth herein, including any modifications or supplements hereinafter requested by the DIP Lender, are satisfied or waived in the sole discretion of the DIP Lender; (ii) the DIP Lender agrees to and executes this Term Sheet; (iii) the United States Bankruptcy Court for the District of New Jersey (the “**Bankruptcy Court**”), in connection with the Chapter 11 Cases, authorizes and approves the DIP Facility on terms and conditions, including any modifications or supplements thereto except as expressly set forth in this Term Sheet, which are satisfactory to the Debtors and the DIP Lender in each of its respective sole discretion and pursuant to order(s) of the Bankruptcy Court in form and substance acceptable to the DIP Lender in its sole discretion; (iv) the signing of formal loan documents (“**Loan Documents**”) signed by an authorized signatory of DIP Lender; (vi) notice and opportunity to object provided to the United States Department of Justice; (vii) the Debtors filing within 30 days of the Petition Date a chapter 11 plan providing for the establishment of the Litigation Trust and the Kelly Hamilton Restructuring Transaction (such plan, the “**Chapter 11 Plan**”) and a related disclosure statement (the “**Disclosure Statement**”); (vii) receipt by the DIP Lender of a collateral assignment of the Housing Assistance Payments Contract entered into by and between the U.S. Department of Housing and Urban Development (“**HUD**”) and Kelly Hamilton Debtor (as successor in interest) on October 10, 1982 (as amended, the “**HAP Contract**”) from HUD; and (viii) the Bankruptcy Court approving the Disclosure Statement, confirming the Chapter 11 Plan, and approving the Kelly Hamilton Restructuring Transaction in accordance with the milestones in this Term Sheet. The transaction contemplated herein shall be structured in all events to be REIT compliant in a manner determined by the Debtors and the DIP Lender.

<u>Debtors</u>	<p>CBRM Realty Inc., Crown Capital Holdings, LLC, Kelly Hamilton Apts, LLC (the “Kelly Hamilton Debtor”), and Kelly Hamilton Apts MM LLC (collectively, the “Debtors” and, each, a “Debtor”), as debtors and debtors in possession under title 11 of chapter 11 of the United States Code (the “Bankruptcy Code”).</p> <p>Not later than May 19, 2025, each Debtor shall commence a case under chapter 11 of the Bankruptcy Code in the Bankruptcy Court (the “Chapter 11 Cases” and the date of filing such cases, the “Petition Date”).</p> <p>Any individual or entity that the Debtors determine, after reasonable inquiry, either directly or indirectly controls or owns 20.0% or more of the direct or indirect equity interests in any Debtor must be disclosed for KYC purposes and shall be depicted on an organizational chart to be provided by the Debtors to the DIP Lender as soon as reasonably practicable following the Petition Date.</p>
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<u>Kelly Hamilton Property</u>	The Kelly Hamilton Debtor is the 100% owner of that certain project commonly known as Kelly Hamilton that consists of approximately 115 units (the “ Kelly Hamilton Property ”).
<u>DIP Facility</u>	<p>The DIP Lender shall extend to the Debtors, as joint and several obligors, a secured debtor-in-possession credit facility (the “DIP Facility”) made available to the Debtors in a principal amount of up to \$9,705,162 (the “DIP Facility Amount”), comprised of one or more new term loans made by the DIP Lender on the Closing Date (as defined herein) (such new loan and obligations, the “DIP Loan” and commitments with respect to such DIP Loan, the “DIP Commitments”) to be funded as set forth below under the heading “Draw Funding Conditions”, subject to, among other things, the entry of an interim order (the “Interim Order”) and final order (the “Final Order” and collectively with the Interim Order, the “DIP Orders”), as applicable, by the Bankruptcy Court approving the DIP Facility. All DIP Loan and other obligations outstanding under the DIP Facility shall become due and payable on the Maturity Date.</p> <p>As used herein, the Interim Order and the Final Order shall each mean an unstayed order in form and substance consistent with this Term Sheet and, to the extent not consistent with this Term Sheet, otherwise satisfactory to the DIP Lender in its sole discretion, entered upon an application or motion of the Debtors that is in form and substance consistent with this Term Sheet and, to the extent not consistent with this Term Sheet, otherwise satisfactory to the DIP Lender, which order: (i) authorizes the Debtors to enter into the transactions contemplated by this Term Sheet, including the authorization to borrow under the DIP Facility on the terms set forth herein, (ii) grants to the DIP Lender the superpriority claim status and senior priming and other liens contemplated in this Term Sheet, (iii) subject to entry of the Final Order, contains provisions prohibiting claims against the collateral of the Indemnified Parties pursuant to section 506(c) of the Bankruptcy Code, a waiver of any “equities of the case” exception under section 552(b) of the Bankruptcy Code, and a waiver of the equitable doctrine of marshalling, (iv) approves payment by the Debtors of all of the fees and expenses provided for herein, (v) prohibits the Debtors or any party in interest from seeking to cram down the DIP Loan in a manner objected to by the DIP Lender, and (vi) shall not have been stayed, vacated, reversed, or rescinded or, without the prior written consent of the DIP Lender in its sole discretion, amended or modified.</p>
<u>Assumption of Existing Property-Level Agreements</u>	<p>The DIP Orders and any other similar order shall provide that Elizabeth A. LaPuma, as independent fiduciary, has the full authority to act on behalf of, and legally bind, each Debtor.</p> <p>Critical Vendor Real Estate Advisor. The DIP Orders shall require the Debtors to appoint Lynd Management Group LLC and LAGSP as real estate advisors (the “Critical Vendor Real Estate Advisor”; together with the Debtors’ other professionals, collectively, the</p>

	<p>“Professionals”). The DIP Orders shall provide an acknowledgment by the Debtors of the critical nature of the contracts between the Debtors and the Critical Vendor Real Estate Advisor.</p> <p><i>Assumption of Service Agreements.</i> The DIP Facility shall require the Debtors to file a motion to assume all Service Agreements, as amended and restated as of the Petition Date, between the Debtors and the Critical Vendor Real Estate Advisor (collectively, the “Service Agreements”) and Asset Management Agreements as amended and restated as of the Petition Date, between the Debtors and the Critical Vendor Real Estate Advisor for the health and safety of the tenants residing in the Debtors’ real estate properties during the continued operation of the those real estate properties (collectively, the “Asset Management Agreements”).</p> <p><i>LAGSP Administrative Expense Claim.</i> For purposes of the Debtors’ assumption of the Service Agreements, the Debtors shall stipulation that the Service Agreements have an approximate balance owed of \$953,000 (“Cure Amount”) after application of the Kelly Hamilton Lender LLC Funding Reserve. The Cure Amount shall be satisfied from cash flow from Debtor in the amount \$328,000, and the remaining \$625,000 outstanding shall be treated as an administrative expense claim (the “LAGSP Administrative Expense Claim”). The LAGSP Administrative Expense Claim shall be released upon consummation of the Kelly Hamilton Restructuring Transaction without any further approval or action by any person or entity.</p> <p><i>Assignment of Service Agreements.</i> Pursuant to 11 U.S.C. 365(b), and in order to ensure the health and safety of the tenants residing at the Kelly Hamilton Property, funding of the DIP Loan is contingent upon entry of one or more orders of the Bankruptcy Court authorizing the Debtors’ assumption of, and assignment to the DIP Lender or an affiliate thereof, in connection with the Kelly Hamilton Restructuring Transaction the Service Agreements and any and all contracts between the Kelly Hamilton Debtor and HUD entered into by Kelly Hamilton Debtor in connection with the Kelly Hamilton Property.</p>
<p><u>Draw Funding Conditions</u></p>	<p>The Debtors shall be limited to one (1) draw request per month. All draws shall be subject to DIP Lender’s customary and standard disbursement practices and procedures to be set forth in the Loan Documents (including, but not limited to, no pending defaults and such funds being disbursed pursuant to the Approved Budget).</p> <p>The Debtors shall, following entry of the Interim Order, draw \$9,705,162 from the DIP Facility. At such time, the DIP Lender shall transfer \$2,450,000.00 into an escrow account (the “Escrow Account”) established for the benefit of Elizabeth A. LaPuma as independent fiduciary, the Debtors’ counsel, the Debtors’ financial advisor, and the Debtors’ notice and claims agent.</p> <p>The applicable beneficiary shall be entitled to receive payment from the Escrow Account subject to: (1) the Bankruptcy Court entering orders authorizing the Debtors to retain such counsel and financial</p>

	<p>advisor, as applicable; (2) approval by the Bankruptcy Court of any fees, expenses, and costs of the Debtors' counsel and financial advisor, as applicable; and (3) the presentment by the applicable beneficiary or its designee of a draw notice that certifies the satisfaction of each of the preceding conditions. Notwithstanding anything to the contrary in this paragraph, Ms. LaPuma shall be entitled to payment from the Escrow Account as provided in that certain letter agreement dated September 26, 2024.</p> <p>If an Event of Default occurs after the funding of the Initial Draw or if the DIP Facility is terminated after the funding of the Initial Draw, then, the DIP Lender shall be entitled to all funds remaining in the Escrow Account after an amount equal to the fees, costs, and expenses of the Debtors' counsel, the Debtors' financial advisor, the Debtors' notice and claims agent, and Ms. LaPuma as independent fiduciary as of the date of any such Event of Default or termination of the DIP Facility, as applicable, to the extent provided in the Approved Budget.</p> <p>The DIP Lender shall be a beneficiary and party to the Escrow Account's escrow agreement to permit the DIP Lender to enforce its right to the residual funds, subject to the terms of this Term Sheet, the Interim Order, and the Loan Documents.</p>
<p><u>Separate Cash Accounts</u></p>	<p>Other than the proceeds of the DIP Facility transferred to the Escrow Account, the proceeds of the DIP Facility and all other cash from operation of the Debtors and the Kelly Hamilton Property during the period in which the DIP Facility is in place shall be maintained in one or more segregated accounts over which the DIP Lender shall have a lien as described below.</p> <p>Following entry of the Interim Order, Debtors shall establish (i) a restricted lockbox account at a bank acceptable to and for the benefit of DIP Lender whereby all revenue generated from the Kelly Hamilton Property shall be paid directly (the "Clearing Account"), for the avoidance of doubt, the pre-petition unpaid HUD rent monies owed to the Debtor shall be deposited in to the Clearing Account and are subject to the super-priority lien of the DIP Lender and remain collateral of the DIP Lender, and (ii) an account controlled by DIP Lender whereby funds in the Clearing Account shall be swept monthly into (the "Cash Management Account"). All funds in the Cash Management Account shall be applied by DIP Lender to payments of debt service, required reserves, approved operating expenses and other items required under the loan documents and the Approved Budget and the remaining cash flow (the "Excess Cash Flow") shall be deposited in an account controlled by the DIP Lender (the "Excess Cash Flow Reserve") as additional collateral for the DIP Loan.</p> <p>All Debtor accounts shall be collaterally assigned to Lender and Borrower and the respective bank shall deliver a deposit account control agreement with respect to the Clearing Account and Borrower's operating account, each such agreement to be in form and substance reasonably acceptable to Lender.</p>

<u>Payments</u>	All interest shall compound monthly, and be calculated on an actual/360 basis. The accrual period shall run from the first day of the month preceding the payment date through and including the last day of the month in which the payment date occurs. The monthly payment shall be payable on the first day of the month. The DIP Loan (and all amounts due thereon) shall be due and payable in full on the Maturity Date.
<u>Interest Rate</u>	Interest shall accrue on the outstanding principal balance at a per annum fixed rate of 16%, which shall be a combination of: (a) a current pay (“CP”) component at 10% fixed and (b) a payment in kind (“PIK”) component at 6% fixed.
<u>Default Rate</u>	Maximum allowed by applicable law.
<u>Origination Fee</u>	3.0% of the DIP Facility, which fee is deemed fully earned, due and payable at Closing.
<u>Servicer</u>	DIP Lender shall have the right to appoint an agent or a servicer, which may be an affiliate of DIP Lender, of the DIP Facility. The servicer’s fee (the “ Servicing Fee ”) shall be \$7,500 per month and shall be payable by the Debtors to the DIP Lender monthly in equal installments.
<u>Maturity Date</u>	The maturity date (“ Maturity Date ”) shall be the earliest to occur of (i) November 30, 2025; (ii) the closing date following entry of one or more final orders approving the sale of all or substantially all of the real estate and related operating assets belonging to the Debtors in the Chapter 11 Cases, (iii) the acceleration of any outstanding DIP Loan following the occurrence of an Event of Default (as defined herein or in the Loan Documents) that has not been cured in accordance with the Loan Documents, or (iv) the filing of a plan which is inconsistent with terms of this Term Sheet or (v) entry of an order by the Bankruptcy Court in the Chapter 11 Cases either (a) dismissing the Chapter 11 Cases or converting one or more Chapter 11 Cases to Chapter 7 of the Bankruptcy Code, or (b) appointing a Chapter 11 trustee or an examiner with enlarged powers relating to the operation of the business of the Debtors (<i>i.e.</i> , powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code), in each case without the consent of the DIP Lender; <i>provided, however</i> , that to the extent that the Debtors effectuate the Kelly Hamilton Restructuring Transaction as a sale under section 363 of the Bankruptcy Code, rather than under the Chapter 11 Plan, the Maturity Date shall be abated pending confirmation of the Chapter 11 Plan and consummation of the Chapter 11 Plan. All amounts outstanding under the DIP Facility shall be due and payable in full, and the DIP Commitments thereunder shall terminate on the Maturity Date.
<u>Anticipated Closing Date</u>	The parties shall use their commercially reasonable efforts to facilitate the date (the “ Closing Date ”) of the closing of the funding of the DIP

	<p>Facility (the “Closing”) to occur on or prior to 10 business days after the entry of the Interim Order, provided, however, the aforementioned closing date shall be subject to satisfaction of all conditions to the Closing set forth in the Loan Documents.</p>
<p><u>Use of DIP Loan Proceeds</u></p>	<p>The Debtors will be permitted to use the proceeds of the DIP Facility to payoff the existing mortgage indebtedness of the Kelly Hamilton Property, to pay Kelly Hamilton Debtor’s ordinary course operating expenses (including any expenses related to bring units back online and critical/life safety issues at the property), payment of prepetition fees due to the Critical Vendor Real Estate Advisor, operational, capital, and other costs of the Debtors, including, without limitation, any payments authorized to be made under “first day” or “second day” orders, and payments related to the working capital and other general corporate purposes of the Debtors, including the payment of professional fees and expenses, and, in each case, consistent with, subject to, and within the categories and limitations contained in, the Approved Budget (as defined herein) (collectively, the “Permitted Uses”).</p> <p>No portion of the proceeds under the DIP Facility or any cash collateral subject to the liens of the DIP Lender may be utilized for the payment of professional fees and disbursements incurred in connection with any challenge to (i) the amount, extent, priority, validity, perfection or enforcement of the indebtedness of the Debtors owing to the DIP Lender, or (ii) liens or security interests in the collateral securing such indebtedness, including challenges to the perfection, priority or validity of the liens granted in favor of the DIP Lender with respect thereto.</p> <p>The DIP Order shall provide that each Debtor shall not knowingly transfer any of such Debtor’s property and /or cash or other proceeds of the DIP Facility to Mark Silber (“Silber”); Frederick Schulman (“Schulman”); any professional, attorney, representative, or other agent of Silber, Schulman, or any “relative” (as such term is defined under section 101(45) of the Bankruptcy Code) of either Silber or Schulman; or any “entity” (as such term is defined under section 101(15) of the Bankruptcy Code) that is owned or controlled by Silber, Schulman, or any affiliate ” (as such term is defined under section 101(2) of the Bankruptcy Code) of either Silber or Schulman.</p> <p>As soon as reasonably practicable following entry of the DIP Order, the Debtors shall cause counsel or any advisor engaged by or on behalf of the Debtors to provide any information reasonably requested by the United States of America regarding: (a) the projected uses of the DIP Facility (including any payments or other transfer to any Debtor or any non-Debtor affiliate); or (b) any potential violation of federal criminal law involving Silber or Schulman.</p> <p>Notwithstanding anything to the contrary in the DIP Order or the Loan Documents, the foregoing shall not prohibit, restrict, or otherwise affect (or be deemed to prohibit, restrict, or otherwise affect) the Debtors from making any payment or other transfer contemplated by the Approved Budget or that is otherwise approved by the Bankruptcy</p>

	<p>Court after notice and a hearing (in all cases subject to DIP Lender’s consent and the limitations provide in the Approved Budget), including, without limitation: (a) any payment or other transfer by the Debtors to or on behalf of any professional person retained by (or proposed to be retained by the Debtors or any non-debtor affiliate), including, without limitation, White & Case LLP (in its capacity as counsel to the Debtors and certain non-debtor affiliates), IslandDundon (in its capacity as financial advisor to the Debtors an certain non-debtor affiliates), LAGSP, LLC and Lynd Management Group LLC its capacity as property manager and asset manager to the Debtors and certain non-debtor affiliates, or Verita Global (in its capacity as noticing and claims agent to the Debtors); (b) Elizabeth A. LaPuma (in her capacity as independent fiduciary); (c) the United States Trustee; or (d) the DIP Lender or any affiliate thereof, including counsel to the DIP Lender and LAGSP, LLC or any of their respective designated affiliates.</p>
<u>Approved Budget</u>	<p>“Approved Budget” shall mean the rolling consolidated 13-week cash flow and financial projections of the Debtors covering the period ending on November 30, 2025, and itemizing on a weekly basis all uses, and anticipated uses, of the DIP Facility, revenues or other payments projected to be received and all expenditures proposed to be made during such period, which shall at all times be in form and substance reasonably satisfactory to the DIP Lender, which Approved Budget may be amended only with the consent of the DIP Lender. The Approved Budget is included in <u>Exhibit A</u> of this Term Sheet.</p>
<u>Budget – Permitted Variance</u>	<p>The Debtors shall not make or commit to make any payments other than those identified in the Approved Budget. The Debtors shall not permit aggregate expenditures under the Approved Budget to exceed one hundred and fifteen percent (115%) of the total budgeted expenses or aggregate cash receipts under the Approved Budget to be less than eighty-five percent (85%) of the total budgeted cash receipts, in each case calculated on a rolling two-week basis commencing as of the Petition Date”), with the first such testing to begin two weeks after the Petition Date; <i>provided</i> that the cash disbursements considered for determining compliance with this covenant shall exclude disbursements in respect of (x) restructuring professional fees and (y) restructuring charges arising on account of the Chapter 11 Cases, including payments made to vendors that qualify as “Critical Vendors” and interest due under the existing mortgage.</p> <p>Subject to the provisions of this Term Sheet, budgeted expenditures and cash receipts may be paid and received, as applicable, in an earlier or later period in the reasonable discretion of the Debtors, in which event, the Approved Budget shall be deemed so amended for the purpose of calculating variances.</p>
<u>Reporting</u>	<p>After entry of the Interim Order, the Debtors shall provide to the DIP Lender, as soon as available but no later than 5:00 p.m. Eastern Time on the last Friday of the rolling two-week period, a budget variance</p>

	and reconciliation report setting forth: (i) a comparative reconciliation, on a line-by-line basis, of actual cash receipts and disbursements against the cash receipts and disbursements forecast in the Approved Budget, and (ii) the percentage variance of the aggregate receipts and aggregate disbursements, for (A) the rolling two-week period ended on (and including) the last Sunday of the two-week reporting period and (B) the cumulative period to date, (iii) projections for the following nine weeks, including a rolling cash receipts and disbursements forecast for such period and (iv) such other information requested from time to time by DIP Lender.
<u>Bankruptcy Sale</u>	<p>The DIP Funding Term Sheet and Loan Documents shall include a milestone for the Debtors to file the Chapter 11 Plan and the Disclosure Statement within 30 days after the Petition Date.</p> <p>Notwithstanding anything to the contrary herein and in all events subject to DIP Lender's conversion option as set forth herein, the Debtors shall have the right to solicit proposals for the Debtors' assets and, subject to approval by the Bankruptcy Court, to sell the Debtors' assets to a potential acquirer other than the DIP Lender, provided that the Debtors satisfy the DIP Facility in full in cash as provided herein.</p>
<u>Rights to Credit Bid</u>	<p>The DIP Lender shall have the right to credit bid the DIP Loan balance in a Kelly Hamilton Restructuring Transaction effectuated under section 363 of the Bankruptcy Code or the Chapter 11 Plan, which purchase shall include the right of the DIP Lender to request that the Debtors assume the HAP Contract and assign the HAP Contract to the DIP Lender (subject to HUD approval).</p>
<u>Conversion Option</u>	<p>The Debtors may seek to effectuate a sale, recapitalization, reorganization, or other transaction (whether in a single transaction or a series of transactions) related to the Kelly Hamilton Debtor and its real estate assets and related operating assets (the "Kelly Hamilton Restructuring Transaction") under section 363 of the Bankruptcy Code or under the Chapter 11 Plan.</p> <p>To the extent that a Kelly Hamilton Restructuring Transaction does not occur prior to confirmation of the Chapter 11 Plan, the Debtors may, with the DIP Lender's consent, effectuate a Kelly Hamilton Restructuring Transaction under the Chapter 11 Plan.</p> <p>To the extent that the DIP Lender sponsors the Kelly Hamilton Restructuring Transaction (as an asset acquirer, plan sponsor, or other similar capacity), the Debtors may, subject to approval by the Bankruptcy Court as part of confirmation of the Chapter 11 Plan.</p> <p>In connection with the Kelly Hamilton Restructuring Transaction, the DIP Lender shall have the option, exercisable at its sole discretion, to convert all or a portion of the outstanding principal amount of the DIP Loan, including any accrued but unpaid interest, into shares of a newly created series of preferred equity in the Kelly Hamilton Debtor or other Debtors, or any reorganized Debtor (the "Preferred Equity"), in a manner acceptable to the Debtors and the DIP Lender. In the event any</p>

	portion of DIP Lender's debt is converted into any form of equity (i.e., common shares or preferred shares), the DIP Lender or an affiliated entity shall be the general partner/managing member of such newly formed ownership entity.
<u>Prepayments</u>	Notwithstanding any prepayment of the DIP Loan, the Debtors shall be obligated to pay a minimum amount of standard interest (i.e., non-default interest or fees) equal to six (6) months of interest on the full principal amount of the DIP Loan (the " Minimum Interest "). If the DIP Loan is repaid in whole or in part prior to the date that is six (6) months from the Closing Date, the Debtor shall, on the date of such repayment, pay to the DIP Lender the amount of standard interest that would have accrued on the amount repaid through the end of such six-month period, less any interest previously paid with respect to such amount.
<u>Mandatory Prepayments</u>	Except as otherwise provided in the Approved Budget, mandatory repayments of any draws under the DIP Facility shall be required in an amount equal to (i) 100% of the net sale proceeds from non-ordinary course asset sales of the Collateral (including, without limitation, a sale of all or substantially all of the Debtors' assets), (ii) 100% of the proceeds of the incurrence of any indebtedness other than in the ordinary course of business, (iii) 100% of insurance proceeds received by the Debtors (only in the event that such receipt is an extraordinary receipt that relates to an acquired asset and exceeds \$250,000), and (iv) any condemnation proceeds received by the Debtors.
<u>Security/Priority</u>	<p>Subject to the Carve-Out, all amounts owing by the Debtors to the DIP Lender under the DIP Facility shall be joint and several as to each Debtor and (a) will be entitled to superpriority claim status pursuant to section 364(c)(1) of the Bankruptcy Code with priority over any or all administrative expense claims of every kind and nature whatsoever, and (b) will be secured by a perfected security interest pursuant to section 364(c)(2), section 364(c)(3) and section 364(d) of the Bankruptcy Code with priority over the security interest securing Debtors' existing secured credit facilities and other indebtedness (the "Existing Indebtedness").</p> <p>The relative priority of all amounts owed under the DIP Facility will be subject only to a carve-out for (collectively, the "Carve-Out"):</p> <ul style="list-style-type: none"> (i) the costs and administrative expenses permitted to be incurred by any Chapter 7 trustee under section 726(b) of the Bankruptcy Code pursuant to an order of the Bankruptcy Court following any conversion of the Chapter 11 Cases pursuant to section 1112 of the Bankruptcy Code in an amount not to exceed \$25,000; (ii) the amount equal to: (a) any fees and expenses incurred by the Debtors' independent fiduciary, the Debtors' counsel, and the Debtors' financial advisor prior to an Event of Default in an amount not to exceed the amount set forth in the Approved

	<p>Budget, whether or not such fees, expenses, and costs have been approved by the Bankruptcy Court as of such date, plus (b) up to \$150,000 in the aggregate to pay any allowed fees, expenses, and costs incurred by the Debtors' independent fiduciary, counsel, financial adviser, and notice and claims agent following occurrence of an Event of Default,); and</p> <p>(iii) the payment of fees pursuant to 28 U.S.C. § 1930.</p> <p>Nothing herein shall be construed as impairing the ability of any party in interest to object to any fees and expenses of a professional in the Chapter 11 Cases.</p> <p>All of the liens described herein shall be effective and perfected as of the entry of any DIP Order and without the necessity of the execution of mortgages, security agreements, pledge agreements, financing statements or other agreements.</p>
<u>Collateral</u>	<p>Subject to the Carve-Out, all amounts owing by the Debtors under the DIP Facility in respect thereof will be secured by a first priority perfected security interest in and lien on (the “DIP Facility Liens”) all assets (tangible, intangible, real, personal and mixed) of the Debtors, including any collateral granted in respect of the Kelly Hamilton Debtor's existing loan agreement, including, without limitation, (1) all assets (tangible, intangible, real, personal and mixed) of the Debtors, whether now owned or hereafter acquired, including, without limitation, deposit and other accounts, inventory, equipment, receivables, capital stock or other ownership interest in subsidiaries, investment property, instruments, chattel paper, real estate, leasehold interests, contracts, patents, copyrights, trademarks, and other general intangibles, (2) upon entry of the Final Order, any proceeds of any DIP Lender Litigation Claims, and (3) any proceeds of the foregoing (the property described in clauses (1), (2), and (3), collectively, the “Collateral”). Notwithstanding anything to the contrary in this Term Sheet, the Collateral shall not include the Estate Litigation Assets, the Litigation Trust Fund Amount, or the proceeds thereof.</p> <p>The obligations under the DIP Facility shall be the joint and several obligation of each Debtor and the DIP Lender may exercise its rights with respect to any asset or grouping of assets, through foreclosure or otherwise. Subject to entry of the Final Order, the Debtors shall waive and the DIP Orders shall prohibit marshalling of any of the Collateral or other interest of the DIP Lender or under any similar theory.</p>
<u>Litigation Trust</u>	<p>“Estate Litigation Assets” means any claims or causes of action, including claims or causes of action under chapter 5 of the Bankruptcy Code or applicable non-bankruptcy law, held by the Debtors or their estates and the proceeds thereof, other than any such claims or causes of action against any Indemnified Party. For the avoidance of any doubt, the Estate Litigation Assets shall include any claim or cause of action, including any claim or cause of action under chapter 5 of the</p>

	<p>Bankruptcy Code or applicable non-bankruptcy law, held by the Debtors or their estates and the proceeds thereof against Moshe (Mark) Silber, Frederick Schulman, Piper Sandler & Co., Mayer Brown LLP, Rhodium Asset Management LLC and its affiliates, Syms Construction LLC, Rapid Improvements LLC, NB Affordable Foundation Inc., title agencies, independent real estate appraisal firms, any other current or former insiders of the Debtors, and each of the aforementioned entities' affiliates, partners, members, managers, officers, directors, and agents.</p> <p>"DIP Lender Litigation Claims" means, upon entry of the Final Order approving the DIP Facility, any claims or causes of action, including claims or causes of action under chapter 5 of the Bankruptcy Code or applicable non-bankruptcy law, held by the Debtors against any Indemnified Party.¹</p> <p>"Litigation Trust Fund Amount" means an amount equal to \$443,734 of the proceeds of the DIP Facility pursuant to the Interim DIP Facility Amount, which amount shall be reserved to fund the hard costs of the investigation, development, and prosecution of the Estate Litigation Assets. To the extent additional funds are sought to fund the hard costs of the investigation, development, and prosecution of the Estate Litigation Assets, the DIP Lender shall be entitled to submit a proposal to provide financing to the Debtors with respect to the Estate Litigation Assets, and the Debtors shall consider any such proposal in good faith. The Debtors shall, and shall cause their professionals to provide, reasonable information and updates if requested by the DIP Lender regarding the Debtors' efforts to obtain any financing with respect to the Estate Litigation Assets.</p> <p>Provided that the steering committee of certain holders of notes issued by Crown Capital Holdings LLC that is represented by Faegre Drinker Biddle & Reath LLP (the "Steering Committee of Noteholders") does not object to the DIP Facility or the rights and remedies of the DIP Lender thereunder, the DIP Lender shall be deemed to agree that:</p> <ul style="list-style-type: none"> the Debtors may either retain or transfer to a trust or other entity established under the Chapter 11 Plan for the benefit of the holders of notes issued by Crown Capital Holdings LLC and the Debtors' other general unsecured creditors (the "Litigation Trust") cash in an amount equal to the Litigation Trust Funding Amount; the Final Order will (subject to a customary challenge period) fully release all DIP Lender Litigation Claims, and provide the Indemnified Parties a full release from the Debtors and their estates, including any successors or assigns; <i>provided,</i>
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¹ For the avoidance of doubt, the Estate Litigation Assets, the Assigned Litigation Assets, and the DIP Lender Litigation Claims shall not include any claims or causes of action against Elizabeth A. LaPuma, in her capacity as the Debtors' independent fiduciary, the Debtors' counsel, the Debtors' financial advisor, or the Debtors' notice and claims agent.

	<p><i>however</i>, that such indemnity or release shall not, as to any Indemnified Party, be available to the extent that any losses, claims, damages, liabilities or expenses resulted from the gross negligence, bad faith or willful misconduct of such Indemnified Party as determined by a final, non-appealable judgment of a court of competent jurisdiction;</p> <ul style="list-style-type: none"> • the Estate Litigation Assets shall not constitute Collateral under the DIP Facility; • the Estate Litigation Assets shall not include any DIP Lender Litigation Claims; • the Debtors shall not transfer or seek to transfer any DIP Lender Litigation Claims to the Litigation Trust; and • the DIP Lender Litigation Claims shall constitute and remain the DIP Lenders' Collateral for purposes of the DIP Facility until the DIP Lender Litigation Claims are fully released.
<p><u>Conditions Precedent to the Closing</u></p>	<p>The obligations of the DIP Lender to consummate the transactions contemplated herein and to make the DIP Facility available to the Debtors are subject to the satisfaction, in each case in the sole judgment of the DIP Lender, of the following:</p> <ul style="list-style-type: none"> • The Debtors shall have paid all fees and expenses (including reasonable fees and out-of-pocket expenses of counsel) required to be paid to the DIP Lender on or before the Closing Date. • All motions and other documents to be filed with and submitted to the Bankruptcy Court in connection with the DIP Facility and the approval thereof shall comply with the terms of this Term Sheet and be in form and substance reasonably satisfactory to the DIP Lender. • The Interim Order shall be in full force and effect, and shall not have been appealed, reversed, modified, amended, stayed for a period of five (5) business days or longer, vacated or subject to a stay pending appeal, in the case of any modification, amendment or stay pending appeal, in a manner, or relating to a matter, that is or may be materially adverse to the interests of the DIP Lender. • The DIP Lender shall have received and approved the Approved Budget to the extent the version attached as Exhibit A to this Term Sheet is amended prior to the Closing Date. • The United States of America does not object to, or the Bankruptcy Court overrules an objection to, approval of the DIP Facility.
<p><u>Representations and Warranties</u></p>	<p>The Loan Documents will contain customary representations and warranties to be made as of the Closing Date and upon each draw request made by the Debtors.</p>

<p><u>Affirmative, Negative and Financial Covenants</u></p>	<p>The Loan Documents will include certain covenants, including, without limitation: (a) approval over the Approved Budget, (b) approval over all brokerage and management agreements, (c) approval of all leases that do not satisfy the approved leasing parameters set forth in the Loan Documents, and (d) single purpose entity restrictions.</p>
<p><u>Events of Default</u></p>	<p>The events of default in the Loan Documents shall be usual and customary for a DIP Loan of this nature including, without limitation, failure to make debt-service or other payments when due pursuant to the Loan Documents; failure of the Debtors to make deposits into the required accounts for which the Debtors are required to make such deposits; breach of any covenant; breach of representations and warranties; any action by the U.S. Department of Justice to initiate forfeiture proceedings against any asset owned either partially or entirely by any Debtor; judgments and attachments; making payments outside of the Approved Budget; failure to file and confirm the Chapter 11 Plan; and the filing of a chapter 11 plan inconsistent with this Term Sheet.</p>
<p><u>Bankruptcy Court Filings</u></p>	<p>As soon as practicable in advance of filing with the Bankruptcy Court, Debtors shall furnish to the DIP Lender (i) the motion seeking approval of and proposed form of the DIP Orders, which motion shall be in form and substance reasonably satisfactory to the DIP Lender; (ii) as applicable, any motions seeking approval of bidding procedures and any section 363 sale, and the proposed forms of orders related thereto, which shall be in form and substance reasonably satisfactory to the DIP Lender; and (iii) any motion and proposed form of order filed with the Bankruptcy Court relating to any management equity plan, incentive, retention or severance plan, and/or the assumption, rejection, modification or amendment of any material contract (each of which must be in form and substance reasonably satisfactory to the DIP Lender).</p>
<p><u>Indemnification and Release</u></p>	<p>The Debtors hereby agree to protect, defend, indemnify, release and hold harmless the DIP Lender, 3650 REIT Investment Management LLC (“REIT 3650”), any fund or separately-managed account that REIT 3650 manages, 3650 Special Situations Real Estate Investment Trust A LLC and its affiliated entities, Kelly Hamilton Lender LLC, The Lynd Group Holdings, LLC, Lynd Management Group LLC, Lynd Acquisitions Group, LLC, LAGSP, LLC and in each case such entity’s respective affiliates, principals, affiliates, officers, employees, agents and other representatives (collectively, “Indemnified Parties”) for, from and against any and all claims, suits, liabilities, losses, costs, expenses (including reasonable, out-of-pocket attorneys’ fees and costs) imposed upon or incurred by or asserted against any Indemnified Party arising out of or relating to the Debtors (and any subsidiaries or affiliates), prior loans, mortgages, all avoidance actions under Title 11 of the U.S.C., this Term Sheet or the transactions contemplated thereby, except for those arising out of the willful misconduct or gross</p>

	<p>negligence of the DIP Lender as determined by a non-appealable court order. The foregoing indemnity shall include, without limitation, any costs and expenses incurred in the enforcement of any binding provisions of this Term Sheet. This indemnification provision shall survive in the event the Bankruptcy Court fails to approve the DIP Facility.</p> <p>The consideration for this indemnification and release is the DIP Lender's agreement, subject to approval by the Bankruptcy Court, to enter into the DIP Facility as provided in this Term Sheet.</p>
Third-Party Release of Indemnified Parties	<p>The Debtors agree that the Chapter 11 Plan filed with the Bankruptcy Court will include a third-party release of the Indemnified Parties subject to the right of third parties affected by such release to "opt out" of the release. For the avoidance of any doubt, the Debtors shall not be obligated under this Term Sheet to file or seek approval of a chapter 11 plan that includes a non-consensual third-party release of any person or entity.</p>
<u>Stalking Horse Purchase Agreement</u>	<p>The DIP Lender shall be entitled, subject to approval by the Bankruptcy Court, to enter into a stalking horse purchase agreement with respect to the Kelly Hamilton Debtor's assets under section 363 of the Bankruptcy Code. Subject to entry of the Interim Order and execution of a stalking horse purchase agreement for the Debtors' assets under section 363 of the Bankruptcy Code or the Chapter 11 Plan, the Debtors agree to seek approval of a reasonable stalking horse break-up fee of \$250,000 to the DIP Lender to compensate the DIP Lender for out of pocket due diligence expenses, among other costs.</p>
<u>Fiduciary Duties</u>	<p>No term of this Term Sheet to the contrary, the Debtors shall have the right to take any action (or to refuse to take any action) to the extent that the Debtors determine that taking any such action (or declining to take any such action) is consistent with the Debtors' fiduciary duties.</p>

Additional Agreement Terms

Closing Fees, Costs, and Expenses: Subject to approval of the DIP Facility by the Bankruptcy Court, whether or not the transaction contemplated herein closes, subject to available liquidity, the Kelly Hamilton Debtor shall be obligated to pay all of DIP Lender's out-of-pocket fees, costs and expenses (in each case, without markup) related to this transaction, including, without limitation, the fees and expenses of DIP Lender's outside counsel, title report fees and costs, survey costs, and costs incurred in obtaining and/or reviewing due diligence materials, including, without limitation, environmental and engineering reports and travel costs of DIP Lender's personnel or representatives.

Waiver of Right to Trial by Jury: Debtors, and by its acceptance hereof, DIP Lender, hereby expressly waive any right to trial by jury of any claim, demand, action or cause of action (1) arising under this Term Sheet, loan or DIP Funding or any other instrument, document or agreement executed or delivered in connection therewith, including, without limitation, any present or future modification thereof or (2) in any way connected with or related or incidental to the dealings of the parties hereto or any of them with respect to this Term Sheet (as now or hereafter modified) or the transaction related hereto, in each case whether such claim, demand, action or cause of action is new existing or hereafter arising, and whether sounding in contract or tort or otherwise; and each party hereby agrees and consents that any such claim, demand or cause of action shall be decided by a court trial without a jury.

Break-up Fee: In the event the Bankruptcy Court authorizes the Kelly Hamilton Debtor to obtain financing secured by the Kelly Hamilton Property from an alternative DIP lender (an "**Approved Alternative Financing Transaction**"), the Kelly Hamilton Debtor will immediately pay to the DIP Lender \$250,000 (the "**Break-up Fee**"), which shall be an obligation of the Kelly Hamilton Debtor and payable upon, and solely from the proceeds of, the Approved Alternative Financing Transaction. Subject to approval of the DIP Facility by the Bankruptcy Court, the obligation of the Kelly Hamilton Debtor to pay the Break-up Fee shall survive the termination of this Term Sheet.

DIP Lender has specifically advised Debtors that it is devoting considerable internal resources to successfully consummate a transaction as contemplated in this Term Sheet and as such, it is not only expending meaningful costs and expenses in addition to reimbursable third-party out-of-pocket expenses, but, also and more importantly, foregoing other investment opportunities. To address this significant financial commitment to be made by DIP Lender, prior to the execution of this Term Sheet, the parties hereto have (i) discussed a potential determination of DIP Lender's damages in the event that Debtors were to breach the exclusivity provision set forth herein, and (ii) concluded that such determination is difficult and impractical as of the date of this Term Sheet. Therefore, given such discussions between the parties, which are hereby expressly acknowledged and confirmed, Debtors agree that the amount of the applicable Break-up Fee is a reasonable estimate of DIP Lender's damages as of the date of this Term Sheet and provides a satisfactory alternative to Debtor's performance of its obligations under the "Exclusivity" paragraph set forth above and is not intended as a penalty.

Miscellaneous: This Term Sheet shall be governed, construed and interpreted in accordance with the laws of the State of New York and any action brought regarding this Term Sheet must be brought in a state or federal court in New York, New York. The United States Bankruptcy Court for the District of New Jersey shall have exclusive jurisdiction over any matters involving this Term Sheet or the transactions contemplated by this Term Sheet. The Debtors hereby represent, warrant, covenant and agree that: (i) each Debtor has the power and authority to execute this Term Sheet, to bind Debtors hereunder, (ii) the proposed transaction described herein is not the subject of a commitment or term sheet executed by Debtors from another lender; and (iii) no other party has a right of refusal or other option which could cause the DIP Facility not to be consummated.

IN WITNESS WHEREOF, the parties hereto have executed and agree to be bound by the terms set forth in this Term Sheet or caused the same to be executed by their respective duly authorized officers as of the day and year first above written.


DIP LENDER:

3650 SS1 PITTSBURGH LLC,
a Delaware limited liability company

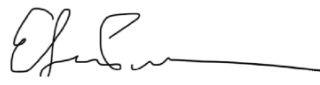
By: 
Name: Peter LaPointe
Title: Managing Partner

DEBTORS:

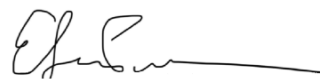
CBRM REALTY, INC.,
a New York corporation

By: 
Elizabeth LaPuma, Authorized Signatory

CROWN CAPITAL HOLDINGS, LLC.,
a Delaware limited liability company

By: 
Elizabeth LaPuma, Authorized Signatory

KELLY HAMILTON APTS MM, LLC.,
a Delaware limited liability company

By: 
Elizabeth LaPuma, Authorized Signatory

KELLY HAMILTON APTS, LLC.,
a Delaware limited liability company


By: 
Elizabeth LaPuma, Authorized Signatory

EXHIBIT A

Approved Budget

Sources and Uses			
Sources		Uses	
Loan Proceeds	\$9,705,162	Repayment of Existing Senior Loan	\$3,575,000
		Working Capital	\$313,021
		Kelly Hamilton Capex - Phase 1	\$1,300,000
		Professional Fees	\$2,450,000
		Litigation Trust	\$453,734
		Asset Management Fees (Lynd)	\$400,000
		Kelly Hamilton Tax Payments	\$47,000
		DIP Lender Professional Fees / Contingency	\$460,000
		Origination Fee	\$291,155
		Interest Reserve	\$370,252
		Servicing Fee Reserve	\$45,000
	<u>\$9,705,162</u>		<u>\$9,705,162</u>

EXHIBIT B

NOLA Debtors Binding Term Sheet For

Senior Secured, Superpriority

Debtor-in-Possession Financing

Dated as of May 26, 2025

This term sheet (this “**Term Sheet**”) is a lending commitment from DH1 Holdings LLC (“**DH1**”), CKD Funding LLC (“**CKD Funding**”) and CKD Investor Penn LLC (“**CKD Penn**”, and together with DH1 and CKD Funding, collectively, the “**NOLA DIP Lender**”). Capitalized terms used in this Term Sheet shall have the meanings ascribed to such terms in this Term Sheet.

This Term Sheet is subject solely to the following conditions: (i) satisfaction of all conditions precedent set forth herein, including any modifications or supplements hereinafter requested by the NOLA DIP Lender, are satisfied or waived in the sole discretion of the NOLA DIP Lender; (ii) the NOLA DIP Lender agrees to and executes this Term Sheet; (iii) the United States Bankruptcy Court for the District of New Jersey (the “**Bankruptcy Court**”), in connection with the Chapter 11 Cases, authorizes and approves the DIP Facility on terms and conditions, including any modifications or supplements thereto except as expressly set forth in this Term Sheet, which are satisfactory to the Debtors and the NOLA DIP Lender in each of its respective sole discretion and pursuant to order(s) of the Bankruptcy Court in form and substance acceptable to the NOLA DIP Lender in its sole discretion; (iv) the entry of an interim order (the “**Interim Order**”) attached hereto as **Exhibit A**, and a final order (the “**Final Order**”), authorizing the Debtors to enter into the DIP Facility; (v) the signing of formal loan documents (following entry of the Final Order, the “**DIP Loan Documents**”) consistent in all material respects with this Term Sheet by the Debtors and NOLA DIP Lender in connection with entry of the Final Order; and (vi) the Debtors’ agreement to comply with the milestones set forth herein, including with respect to the filing of a chapter 11 plan providing for the establishment of the Litigation Trust and, if applicable, the NOLA Restructuring Transaction (such plan, the “**Chapter 11 Plan**”) and a related disclosure statement (the “**Disclosure Statement**”).

The transaction contemplated herein shall be structured in all events to be REIT compliant in a manner determined by the Debtors and the NOLA DIP Lender.

<u>Debtors</u>	<p>RH Chenault Creek LLC, RH Windrun LLC, RH Copper Creek LLC, RH Lakewind East LLC (collectively, the “NOLA Debtors”), CBRM Realty Inc., Crown Capital Holdings, LLC, RH New Orleans Holding LLC, and RH New Orleans Holdings MM LLC (collectively, the “Debtors” and, each, a “Debtor”), as debtors and debtors in possession under title 11 of chapter 11 of the United States Code (the “Bankruptcy Code”).</p> <p>Any individual or entity that the Debtors determine, after reasonable inquiry, either directly or indirectly controls or owns 20.0% or more of the direct or indirect equity interests in any Debtor must be disclosed for KYC purposes and shall be depicted on an organizational chart to be provided by the Debtors to the NOLA DIP Lender as soon as reasonably practicable following the Petition Date.</p>
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<u>NOLA DIP Loan Parties</u>	The NOLA Debtors, CBRM Realty Inc. (subject to entry of the Final Order), and Crown Capital Holdings, LLC.
<u>NOLA Properties</u>	<p>Each of the following NOLA Debtors are the respective 100% owner of each respective commonly known project as follows (together, the “NOLA Properties”):</p> <ol style="list-style-type: none"> 1. Carmel Brook Apartments owned by Debtor RH Chenault Creek LLC; 2. Carmel Spring Apartments owned by Debtor RH Windrun LLC; 3. Laguna Creek Apartments owned by Debtor RH Copper Creek LLC; and 4. Laguna Reserve Apartments owned by Debtor RH Lakewind East LLC.
<u>DIP Facility</u>	<p>The NOLA DIP Lender shall extend to the NOLA DIP Loan Parties, as joint and several obligors, a secured debtor-in-possession credit facility (the “DIP Facility”) in the aggregate principal amount of up to \$17,422,728 (the “DIP Facility Amount”), comprised of (a) one or more new term loans made by the NOLA DIP Lender on the respective Closing Dates (such new loans and obligations, the “DIP Loan” and commitments with respect to such DIP Loan, the “DIP Commitments”) to be funded upon the entry of the Interim Order and the Final Order (together, the “DIP Orders”), as applicable, by the Bankruptcy Court approving the DIP Facility; and (b) a roll-up of the Prepetition First Lien Loans (as defined below); as follows:</p> <ol style="list-style-type: none"> 1. <u>New Money Loans</u>. A superpriority senior secured multiple draw term loan credit facility in the principal amount of \$8,461,524 (the “New Money Commitments” and the term loans made thereunder, the “New Money Loans”), of which (x) \$4,960,725 shall be available upon entry of the Interim Order on the Interim Closing Date (the “Interim DIP Facility Amount”), and (y) \$3,500,799 shall be available upon entry of the Final Order on the Final Closing Date (the “Additional Final DIP Amount”). Such funds made available as part of the New Money Loans shall be provided in connection with the Sources and Uses (defined herein) set forth in the Approved Budget (defined herein). 2. <u>Roll-Up Loans</u>. A superpriority term loan facility in the principal amount of \$8,961,204 (the “Roll-Up Term Loans”), of which (x) \$4,960,725 shall be deemed funded in accordance with clause (i) below upon entry of this Interim Order, and (y) \$4,000,479 shall be deemed funded in accordance with clause (ii) below, subject to the entry of and the terms of the Final Order, which Roll-Up Term Loans shall be deemed converted from an equal amount of Prepetition First Lien Loans (as defined below) into and exchanged for such Roll-Up Term Loans, in each case, at the times, and in

	<p>accordance with the terms and conditions set forth in this Term Sheet and the other DIP Loan Documents and as set forth below;</p> <ol style="list-style-type: none">i. On the date of the Interim Order, concurrently with the making of the New Money Loans in the Interim DIP Amount as described above, \$4,960,725 in aggregate principal amount of Prepetition First Lien Loans (the “Initial Rolled-Up Prepetition First Lien Loans”) shall be deemed converted into and exchanged for Roll-Up Term Loans, and Roll-Up Term Loans in an aggregate principal amount of \$4,960,725 shall be deemed funded on the date of the Interim Order, without constituting a novation, and shall satisfy and discharge the Initial Rolled-Up Prepetition First Lien Loans. The Roll-Up Term Loans deemed funded on the date of the Interim Order shall be deemed to be made by DH1 and CKD Funding.ii. On the date of the entry of the Final Order, concurrently with the making of the New Money Loans in the Additional Final DIP Amount as described above, \$4,000,479 in aggregate principal amount of remaining Prepetition First Lien Loans (the “Remaining Prepetition First Lien Loans”) shall be deemed converted into and exchanged for Roll-Up Term Loans, and Roll-Up Term Loans in an aggregate principal amount of \$4,000,479 shall be deemed funded on the date of the Final Order, without constituting a novation, and shall satisfy and discharge \$4,000,479 in aggregate principal amount of the Remaining Prepetition First Lien Loans. The Roll-Up Term Loans deemed funded on the date of the Final Order shall be deemed to be made by DH1 and CKD Funding. <p>All DIP Loan and other obligations outstanding under the DIP Facility shall become due and payable on the Maturity Date.</p> <p>As used herein, the Interim Order and the Final Order shall each mean an order in form and substance consistent with this Term Sheet and, to the extent not consistent with this Term Sheet, otherwise satisfactory to the NOLA DIP Lender in its sole discretion, entered upon an application or motion of the Debtors that is in form and substance consistent with this Term Sheet and the DIP Loan Documents and, to the extent not consistent with this Term Sheet and the DIP Loan Documents, otherwise satisfactory to the NOLA DIP Lender, which order: (i) authorizes the Debtors to enter into the transactions contemplated by this Term Sheet, including the authorization to borrow under the DIP Facility on the terms set forth herein, (ii) grants to the NOLA DIP Lender superpriority claims and the DIP Facility Liens, (iii) subject to approval of the Final Order, contains provisions prohibiting claims against the collateral of the DIP Lender Released</p>
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	<p>Parties pursuant to section 506(c) of the Bankruptcy Code, a waiver of any “equities of the case” exception under section 552(b) of the Bankruptcy Code, and a waiver of the equitable doctrine of marshalling, and extending the DIP Facility Liens to the proceeds of the Debtors’ causes of action under Chapter 5 of the Bankruptcy Code, (iv) approves payment by the Debtors of all of the fees and expenses provided for herein, (v) prohibits the Debtors or any party in interest from seeking to satisfy the DIP Loan in a manner other than in full in cash or as otherwise consented to by the NOLA DIP Lender, and (vi) shall not have been stayed, vacated, reversed, or rescinded or, without the prior written consent of the NOLA DIP Lender in its sole discretion, amended or modified.</p>
<u>Governance</u>	<p>The DIP Orders and any other similar order shall provide that Elizabeth A. LaPuma, as independent fiduciary, has the full authority to act on behalf of, and legally bind, each Debtor.</p> <p>The DIP Orders shall require the Debtors to appoint a financial advisor and an individual employed by IslandDundon as Chief Restructuring Officer (the “CRO”).</p> <p>Any material modification or termination of the engagement of the CRO shall require the prior consent of the NOLA DIP Lender.</p> <p>Pursuant to section 365(b) of the Bankruptcy Code, and to ensure the health and safety of the tenants residing at the NOLA Properties, the NOLA DIP Lender’s agreement to fund the DIP Loan is contingent upon entry of one or more orders of the Bankruptcy Court authorizing: (i) the Debtors’ assumption of, and assignment to the NOLA DIP Lender or an affiliate thereof, those existing service agreements (including, without limitation, any and all contracts with the U.S. Department of Housing and Urban Development (“HUD”)) currently entered into by the NOLA Debtors at the NOLA Properties that are approved in advance by the NOLA DIP Lender; and (ii) the rejection of those existing service agreements and asset management agreements currently entered into by the NOLA Debtors at the NOLA Properties that are approved in advance by the NOLA DIP Lender. The NOLA DIP Lender has the right to approve any property manager or request the replacement of any property manager for the NOLA Debtors at the NOLA Properties.</p>
<u>Escrow Account and Initial Draw</u>	<p>The Debtors shall be limited to one (1) draw request per month. All draws shall be subject to the NOLA DIP Lender’s customary and standard disbursement practices and procedures including, but not limited to, no pending defaults and such funds being disbursed pursuant to the Approved Budget.</p> <p>The Debtors shall, following entry of the Interim Order, draw \$4,960,725 from the DIP Facility (the “Initial Draw”). At such time, the NOLA DIP Lender shall transfer \$1,550,000 of the Initial Draw into an escrow account (the “Escrow Account”) established for the benefit of Elizabeth A. LaPuma as independent fiduciary, the Debtors’</p>

	<p>counsel, the Debtors' financial advisor, and the Debtors' notice and claims agent.</p> <p>All prepetition liens that are not Permitted Liens and are secured by the Collateral shall be paid and discharged in full in cash prior to or as part of the Initial Draw as provided in the Approved Budget. "Permitted Liens" means any (i) mechanics', carriers', workmen's, repairmen's or other like liens arising or incurred in the ordinary course of business for amounts not yet due or payable or, if due and payable, are not delinquent or the validity of which are being contested in good faith and for which appropriate reserves have been established in accordance with GAAP, and which are included in the calculation of working capital, and liens of third-party lessors over assets owned by them and leased to a third party, (ii) liens for taxes, assessments or other governmental charges that are not due and payable or that may be paid without penalty, or that are being contested in good faith by appropriate proceedings, and which appropriate reserves have been established in accordance with GAAP, and which are included in the calculation of working capital, and (iii) easements, covenants, conditions, rights-of-way, leases, restrictions, encroachments and other similar charges and encumbrances or other minor non-monetary title defects that, individually and in aggregate, have not and would not reasonably be expected to materially interfere with the ordinary conduct of the Debtors' operation of the real property assets to which they relate and would not materially detract from the value of, impair the use of, or interfere with the real estate as currently used by the Debtors' business operations.</p> <p>The applicable beneficiary shall be entitled to receive payment from the Escrow Account subject to: (1) the Bankruptcy Court entering orders authorizing the Debtors to retain such counsel and financial advisor, as applicable; (2) approval by the Bankruptcy Court of any fees, expenses, and costs of the Debtors' counsel and financial advisor, as applicable; and the presentment by the applicable beneficiary or its designee of a draw notice that certifies the satisfaction of each of the preceding conditions and that the fees requested by the applicable beneficiary is consistent with the Approved Budget. Notwithstanding anything to the contrary in this paragraph, Ms. LaPuma shall be entitled to payment from the Escrow Account as provided in that certain letter agreement dated September 26, 2024.</p> <p>If an Event of Default occurs after the funding of the Initial Draw or if the DIP Facility is terminated after the funding of the Initial Draw, then, the NOLA DIP Lender shall be entitled to all funds remaining in the Escrow Account after an amount equal to the fees, costs, and expenses of the Debtors' counsel, the Debtors' financial advisor, the Debtors' notice and claims agent, and Ms. LaPuma as independent fiduciary as of the date of any such Event of Default or termination of the DIP Facility, as applicable, to the extent provided in the Approved Budget.</p> <p>The NOLA DIP Lender shall be a beneficiary and party to the Escrow Account's escrow agreement to permit the NOLA DIP Lender to</p>
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	enforce its right to the residual funds, subject to the terms of this Term Sheet and the Interim Order.
<u>Separate Cash Accounts</u>	<p>Other than the proceeds of the DIP Facility transferred to the Escrow Account, the proceeds of the DIP Facility and all other cash from operation of the NOLA Debtors and the NOLA Properties during the period in which the DIP Facility is in place shall be maintained in one or more segregated accounts over which the NOLA DIP Lender shall have a lien as described below.</p> <p>Following entry of the Interim Order, Debtors shall establish (i) restricted lockbox accounts at a bank acceptable to and for the benefit of NOLA DIP Lender whereby all revenue generated from the NOLA Properties shall be paid directly (the “Clearing Account”) (for the avoidance of doubt, any prepetition unpaid HUD rent monies owed to the NOLA Debtors shall be deposited into the Clearing Account and subject to the super-priority liens of the NOLA DIP Lender and remain collateral of the NOLA DIP Lender), and (ii) an account controlled by NOLA DIP Lender whereby funds in the Clearing Account shall be swept monthly into (the “Cash Management Account”). All funds in the Cash Management Account shall be applied by the NOLA DIP Lender to payments of debt service, required reserves, approved operating expenses and other items required under the Approved Budget and the remaining cash flow (the “Excess Cash Flow”) shall be deposited in an account over which the NOLA DIP Lender shall have a lien (the “Excess Cash Flow Reserve”) as additional collateral for the DIP Loan.</p> <p>All NOLA Debtor accounts shall be collaterally assigned to the NOLA DIP Lender and the respective bank shall deliver a deposit account control agreement with respect to the Escrow Account, Clearing Account and Debtors’ operating account, each such agreement to be in form and substance reasonably acceptable to the NOLA DIP Lender.</p>
<u>Payments</u>	All interest shall compound monthly, and be calculated on an actual/360 basis. The accrual period shall run from the first day of the month preceding the payment date through and including the last day of the month in which the payment date occurs. The monthly payment shall be payable on the first day of the month. The DIP Loan (and all amounts due thereon) shall be due and payable in full on the Maturity Date.
<u>Interest Rate</u>	Interest shall accrue on the outstanding principal balance at a per annum fixed rate of 18%, which shall be paid as follows: (a) 12% paid in cash; plus (b) 6% paid in kind.
<u>Default Rate</u>	Maximum allowed by applicable law, or as otherwise set by the Loan Documents.
<u>Origination Fee</u>	3.0% of the DIP Facility, which fee is deemed fully earned, due and payable at Closing.

<u>Servicer</u>	The NOLA DIP Lender shall have the right to appoint an agent or a servicer, which may be an affiliate of the NOLA DIP Lender, of the DIP Facility. The servicer's fee (the " Servicing Fee ") shall be not greater than \$1,000 per month and shall be payable by the Debtors to the NOLA DIP Lender monthly in equal installments.
<u>Maturity Date</u>	The maturity date (" Maturity Date ") shall be the earliest to occur of (i) October 30, 2025; (ii) the closing date following entry of one or more final orders approving the NOLA Restructuring Transaction; (iii) the acceleration of any outstanding DIP Loan following the occurrence of an Event of Default; (iv) the filing of a plan which is inconsistent with terms of this Term Sheet of the DIP Loan Documents; or (v) entry of an order by the Bankruptcy Court in the Chapter 11 Cases either (a) dismissing the Chapter 11 Cases or converting one or more Chapter 11 Cases to Chapter 7 of the Bankruptcy Code, (b) the Bankruptcy Court does not authorize or approve the DIP Facility Liens, or (c) appointing a Chapter 11 trustee or an examiner with enlarged powers relating to the operation of the business of the Debtors (<i>i.e.</i> , powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code), in each case without the consent of the NOLA DIP Lender; <i>provided, however</i> , that to the extent that the Debtors effectuate a NOLA Restructuring Transaction as a sale under section 363 of the Bankruptcy Code, rather than under the Chapter 11 Plan, the Maturity Date shall be abated pending confirmation of the Chapter 11 Plan and consummation of the Chapter 11 Plan. All amounts outstanding under the DIP Facility shall be due and payable in full, and the DIP Commitments thereunder shall terminate on the Maturity Date.
<u>Anticipated Closing Dates</u>	Subject to the Conditions Precedent to Closing and other terms set forth in this Term Sheet or the DIP Loan Documents, the parties shall use their commercially reasonable efforts to facilitate the closing under the Interim Order for the Interim DIP Facility Amount to occur on or prior to 3 business day after the entry of the Interim Order (the " Interim Closing Date "), and the closing under the Final Order for the Additional Final DIP Facility Amount to occur on the first business day the Final Order has been in full force and effect for at least fifteen (15) days, and not have been or be subject to being appealed, reversed, modified, amended, stayed, vacated or subject to a stay, in the case of any modification, amendment or stay pending appeal, in a manner, or relating to a matter, that is or may be materially adverse to the interests of the NOLA DIP Lender, <i>provided however</i> , in the event of a waiver of the stay period set forth in Federal Bankruptcy Rule 8002(a)(1), the NOLA DIP Lender, may, in their sole discretion, agree to close prior to the fifteenth day following entry of the Final Order (such applicable date, the " Final Closing Date ", together with the Interim Closing Date, the " Closing Dates ", and each a " Closing Date ").
<u>Use of DIP Loan Proceeds</u>	The Debtors will use the proceeds of the Interim DIP Facility Amount and the Additional Final DIP Facility Amount in accordance with

	<p>Exhibit B (the “Sources and Uses”) and the Approved Budget. As detailed on the Sources and Uses, the Debtors will use the Interim DIP Facility Amount to fund amounts for rehabilitation, capital expenditures, ordinary course operating expenses (including any expenses related to bring units back online and critical/life safety issues at the property), including, without limitation, any payments authorized to be made under “first day” or “second day” orders, and payments related to the working capital and other general corporate purposes of the Debtors, including the payment of professional fees and expenses, and, in each case, consistent with, subject to, and within the categories and limitations contained in, the Approved Budget (collectively, the “Permitted Uses”).</p> <p>No portion of the proceeds under the DIP Facility or any cash collateral subject to the liens of the NOLA DIP Lender may be utilized for the payment of professional fees and disbursements incurred in connection with any litigation or investigation that is commenced to challenge (i) the amount, extent, priority, validity, perfection or enforcement of the indebtedness of the Debtors owing to the NOLA DIP Lender (including, without limitation, the amount, extent, priority, validity, perfection or enforcement of any prepetition indebtedness owed to a NOLA DIP Lender) , or (ii) liens or security interests in the collateral securing such indebtedness, including challenges to the perfection, priority or validity of the liens granted in favor of the NOLA DIP Lender with respect thereto (including, without limitation, the perfection, priority or validity of any prepetition liens granted in favor of a NOLA DIP Lender).</p> <p>The DIP Orders shall provide that each Debtor shall not knowingly transfer any of such Debtor’s property and/or cash or other proceeds of the DIP Facility to Mark Silber (“Silber”); Frederick Schulman (“Schulman”); any professional, attorney, representative, or other agent of Silber, Schulman, or any “relative” (as such term is defined under section 101(45) of the Bankruptcy Code) of either Silber or Schulman; or any “entity” (as such term is defined under section 101(15) of the Bankruptcy Code) that is owned or controlled by Silber, Schulman, or any affiliate ” (as such term is defined under section 101(2) of the Bankruptcy Code) of either Silber or Schulman.</p> <p>As soon as reasonably practicable following entry of the DIP Order, the Debtors shall cause the CRO or any other counsel or advisor engaged by or on behalf of the Debtors to provide any information reasonably requested by the United States of America regarding: (a) the projected uses of the DIP Facility (including any payments or other transfer to any Debtor or any non-Debtor affiliate); or (b) any potential violation of federal criminal law involving Silber or Schulman.</p> <p>Notwithstanding anything to the contrary in the DIP Orders, or the DIP Loan Documents, the foregoing shall not prohibit, restrict, or otherwise affect (or be deemed to prohibit, restrict, or otherwise affect) the Debtors from making any payment or other transfer contemplated by the Approved Budget or that is otherwise approved by the Bankruptcy</p>
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	<p>Court after notice and a hearing (in all cases subject to NOLA DIP Lender’s consent and the limitations provide in the Approved Budget), including, without limitation: (a) any payment or other transfer by the Debtors to or on behalf of any professional person retained by (or proposed to be retained by the Debtors or any non-debtor affiliate), including, without limitation, White & Case LLP (in its capacity as counsel to the Debtors and certain non-debtor affiliates), IslandDundon (in its capacity as financial advisor to the Debtors an certain non-debtor affiliates), or Verita Global (in its capacity as noticing and claims agent to the Debtors); (b) Elizabeth A. LaPuma (in her capacity as independent fiduciary); (c) the United States Trustee; or (d) the NOLA DIP Lender or any affiliate thereof, including counsel to the NOLA DIP Lender.</p>
<u>Approved Budget</u>	<p>“Approved Budget” shall mean the rolling consolidated 13-week cash flow and financial projections of the Debtors covering the period ending on October 30, 2025, and itemizing on a weekly basis all uses, and anticipated uses, of the DIP Facility, revenues or other payments projected to be received and all expenditures proposed to be made during such period, which shall at all times be in form and substance reasonably satisfactory to the NOLA DIP Lender, which Approved Budget may be amended only with the consent of the NOLA DIP Lender. The Approved Budget shall be agreed by the NOLA DIP Lender and NOLA DIP Loan Parties, in a form consistent with the Sources and Uses appended as <u>Exhibit B</u> of this Term Sheet.</p>
<u>Budget – Permitted Variance</u>	<p>The Debtors shall not make or commit to make any payments other than those identified in the Approved Budget. The Debtors shall not permit aggregate expenditures under the Approved Budget to exceed one hundred and fifteen percent (115%) of the total budgeted expenses or aggregate cash receipts under the Approved Budget to be less than eighty-five percent (85%) of the total budgeted cash receipts, in each case calculated on a rolling two-week basis commencing as of the Petition Date, with the first such testing to begin two weeks after the Petition Date; <i>provided</i> that the cash disbursements considered for determining compliance with this covenant shall exclude disbursements in respect of (x) the NOLA DIP Lender’s expenses and professional fees and (y) payments made to vendors that qualify as “Critical Vendors” and are approved by the NOLA DIP Lender and interest due under the existing mortgage.</p>
<u>Reporting and Information</u>	<p>After entry of the Interim Order, the Debtors shall:</p> <ol style="list-style-type: none"> i. provide to the NOLA DIP Lender, as soon as available but no later than 5:00 p.m. Eastern Time on the last Friday of the rolling two-week period, a budget variance and reconciliation report setting forth: (i) a comparative reconciliation, on a line-by-line basis, of actual cash receipts and disbursements against the cash receipts and disbursements forecast in the Approved Budget, and (ii) the percentage variance of the aggregate receipts and aggregate disbursements, for (A) the

	<p>rolling two-week period ended on (and including) the last Sunday of the two-week reporting period and (B) the cumulative period to date, (iii) projections for the following nine weeks, including a rolling cash receipts and disbursements forecast for such period and (iv) such other information requested from time to time by the NOLA DIP Lender;</p> <p>ii. provide to the NOLA DIP Lender or its counsel or advisors (i) (a) usual and customary financial reporting based on the Debtors' prior practice, taking into account the debtor-in-possession status of the Debtors, (b) prompt delivery (email shall suffice) to the NOLA DIP Lender, and in any event within 5 business days after receipt thereof by any Debtor, copies of each notice or other correspondence received from any federal or state authority or agency of the United States (or comparable state authority or agency in any applicable non-U.S. jurisdiction) concerning the NOLA Properties, any investigation or possible investigation or other inquiry by such department or agency regarding financial or other operational results or activities of any Debtor, and (c) upon request of the NOLA DIP Lender, prompt delivery (email shall suffice) of copies of any detailed audit reports, management letters, or recommendations submitted to the independent director or CRO of any Debtor by independent accountants in connection with the books or accounts of any Debtor; and</p> <p>iii. weekly updates on the uses of capital expenditures on the NOLA Properties and any sale process (including, without limitation, full copies of any preliminary and final bids received).</p>
<u>Treatment of Existing Lynd Service Agreements</u>	The NOLA Debtors shall treat the existing property management and asset management agreements in a manner reasonably acceptable to the NOLA DIP Lender.
<u>Bankruptcy Milestones</u>	<p>The DIP Facility shall include the following milestones:</p> <ul style="list-style-type: none"> • Not later than May 30, 2025, the Bankruptcy Court shall have entered the Interim Order; • The Bankruptcy Court shall have entered the Final Order no later than June 30, 2025; • The Debtors shall have filed the Chapter 11 Plan and the Disclosure Statement no later than 90 days after the Petition Date (<i>i.e.</i>, August 17, 2025); • The Bankruptcy Court shall have entered an order approving the Disclosure Statement and an order approving the NOLA

	<p>Restructuring Transaction no later than 120 days after the Petition Date (<i>i.e.</i>, September 16, 2025);</p> <ul style="list-style-type: none"> • The Bankruptcy Court shall have entered an order confirming the Chapter 11 Plan no later than 165 days after the Petition Date (<i>i.e.</i>, October 31, 2025); and • The Debtors shall have closed the NOLA Restructuring Transaction and the effective date of the Chapter 11 Plan shall have occurred within 15 days of confirmation of the Chapter 11 Plan. <p>Notwithstanding anything to the contrary herein and in all events subject to the NOLA DIP Lender's conversion option as set forth herein, the Debtors shall have the right to solicit proposals for the Debtors' assets and, subject to approval by the Bankruptcy Court, to sell the Debtors' assets to a potential acquirer other than the NOLA DIP Lender, <i>provided</i> that the Debtors shall be required to satisfy the DIP Facility in full in cash as provided herein unless the NOLA DIP Lender otherwise agrees in writing.</p>
<u>Rights to Credit Bid</u>	<p>The NOLA DIP Lender shall have the right to credit bid the full amount of the DIP Loan in any sale under section 363 of the Bankruptcy Code or the Chapter 11 Plan, which purchase shall include the right of the NOLA DIP Lender to request that the NOLA Debtors assume the HAP Contract and assign the HAP Contract to the NOLA DIP Lender (subject to HUD approval).</p>
<u>Conversion Option</u>	<p>In connection with the Chapter 11 Cases, the Debtors shall seek to sell the assets of, capitalize, or reorganize the NOLA Debtors (the "NOLA Restructuring Transaction").</p> <p>The Debtors may seek to effectuate a NOLA Restructuring Transaction under section 363 of the Bankruptcy Code or under the Chapter 11 Plan. The Debtors shall agree with the NOLA DIP Lender that no motion under section 363 of the Bankruptcy Code or under a Chapter 11 Plan shall be filed until thirty (30) days after the petition date. In such a sale, the NOLA DIP Lender shall have the right, exercisable in its sole discretion, to assign its right to credit bid the obligations under the DIP Facility to a designee, including an affiliate of the NOLA DIP Lender, in each case, on terms acceptable to the Debtors and the NOLA DIP Lender and subject to approval by the Bankruptcy Court.</p> <p>To the extent that a NOLA Restructuring Transaction does not occur prior to confirmation of the Chapter 11 Plan, the Debtors may, with the NOLA DIP Lender's consent, effectuate a NOLA Restructuring Transaction under the Chapter 11 Plan.</p> <p>To the extent that the NOLA DIP Lender sponsors the NOLA Restructuring Transaction (as an asset acquirer, plan sponsor, or other similar capacity), the Debtors may, subject to approval by the Bankruptcy Court as part of confirmation of the Chapter 11 Plan or otherwise, provide, as part of the NOLA Restructuring Transaction for the option, exercisable at the NOLA DIP Lender's sole discretion, to</p>

	<p>convert all or a portion of the outstanding principal amount of the DIP Loan, including any accrued but unpaid interest, into shares of a newly created series of preferred equity in any applicable Debtor, in a manner acceptable to the Debtors and the NOLA DIP Lender.</p> <p>In the event any portion of the NOLA DIP Lender's debt is converted into any form of equity of a Debtor or non-Debtor affiliate under the Chapter 11 Plan (<i>i.e.</i>, common shares or preferred shares), the Debtors, subject to approval by the Bankruptcy Court, shall identify the NOLA DIP Lender as the general partner/managing member of such entity.</p>
<u>Prepayments</u>	<p>Notwithstanding any prepayment of the DIP Loan, the Debtors shall be obligated to pay a minimum amount of standard interest (<i>i.e.</i>, non-default interest or fees) equal to three (3) months of interest on the full principal amount of the DIP Loan (the "Minimum Interest"). If the DIP Loan is repaid in whole or in part prior to the date that is three (3) months from the Interim Closing Date, the Debtor shall, on the date of such repayment, pay to the NOLA DIP Lender the amount of standard interest that would have accrued on the amount repaid through the end of such three-month period, less any interest previously paid with respect to such amount.</p>
<u>Mandatory Prepayments</u>	<p>Except as otherwise provided in the Approved Budget, mandatory repayments of any draws under the DIP Facility shall be required in an amount equal to (i) 100% of the net sale proceeds from non-ordinary course asset sales of the Collateral (including, without limitation, a sale of all or substantially all of the Debtors' assets), (ii) 100% of the proceeds of the incurrence of any indebtedness other than in the ordinary course of business, (iii) 100% of the proceeds of Estate Litigation Assets, (iv) 100% of insurance proceeds received by the Debtors (only in the event that such receipt is an extraordinary receipt that exceeds \$250,000), and (v) any condemnation proceeds received by the Debtors.</p>
<u>Security/Priority</u>	<p>Subject to the Carve-Out, all amounts owing by the NOLA DIP Loan Parties to the NOLA DIP Lender under the DIP Facility shall be joint and several as to each NOLA DIP Loan Party and (a) will be entitled to superpriority claim status pursuant to section 364(c)(1) of the Bankruptcy Code with priority over any or all administrative expense claims of every kind and nature whatsoever, and (b) will be secured by a perfected senior security interests.</p> <p>The relative priority of all amounts owed under the DIP Facility will be subject only to a carve-out for (collectively, the "Carve-Out"): </p> <ul style="list-style-type: none"> (i) the costs and administrative expenses permitted to be incurred by any Chapter 7 trustee under section 726(b) of the Bankruptcy Code pursuant to an order of the Bankruptcy Court following any conversion of the Chapter 11 Cases pursuant to section 1112 of the Bankruptcy Code in an amount not to exceed \$25,000;

	<p>(ii) the amount equal to: (a) the cash held in the Escrow Account with respect to any fees and expenses incurred by the Debtors' independent fiduciary, the Debtors' counsel, and the Debtors' financial advisor prior to an Event of Default in an amount not to exceed the amount set forth in the Approved Budget, whether or not such fees, expenses, and costs have been approved by the Bankruptcy Court as of such date, plus (b) up to \$150,000 in the aggregate to pay any allowed fees, expenses, and costs incurred by the Debtors' independent fiduciary, counsel, financial adviser, and notice and claims agent following occurrence of an Event of Default;); and</p> <p>(iii) the payment of fees pursuant to 28 U.S.C. § 1930.</p> <p>Nothing herein shall be construed as impairing the ability of any party in interest to object to any fees and expenses of a professional in the Chapter 11 Cases.</p> <p>All of the liens described herein shall be effective and perfected as of the entry of any DIP Order and without the necessity of the execution of mortgages, security agreements, pledge agreements, financing statements or other agreements.</p>
<u>Collateral</u>	<p>Subject to the Carve-Out, all amounts owing by the NOLA DIP Loan Parties under the DIP Facility in respect thereof will be secured by a first priority perfected security interest in and lien on (the “DIP Facility Liens”) all assets (tangible, intangible, real, personal and mixed) of the NOLA DIP Loan Parties, whether now owned or hereafter acquired, including, without limitation, deposit and other accounts, inventory, equipment, receivables, capital stock or other ownership interest in subsidiaries, investment property, instruments, chattel paper, real estate, leasehold interests, contracts, patents, copyrights, trademarks, and other general intangibles, including, without limitation, (1) any collateral granted in respect of the NOLA Debtors' existing loan agreements (with the consent of the NOLA DIP Lender for the NOLA Debtors in its capacity as prepetition lender), (2) subject to entry of the Final Order, any proceeds of the Estate Litigation Assets, (3) subject to entry of the Final Order, a replacement lien in tangible, intangible, real, personal and mixed property of an entity, other than a NOLA Debtor, that the NOLA Debtors and the NOLA DIP Lender identify to collateralize the NOLA Debtors' obligations with respect to the CKD Prepetition Junior Lien; and (4) with respect to each of the foregoing, all products and proceeds thereof (collectively, the “Collateral”).</p>
<u>Litigation Trust Matters</u>	<p>“Estate Litigation Assets” means any claims or causes of action, including claims or causes of action under chapter 5 of the Bankruptcy Code or applicable non-bankruptcy law, held by the Debtors or their estates and the proceeds thereof, other than any such claims or causes of action against any DIP Lender Released Party. For the avoidance of any doubt, the Estate Litigation Assets shall include any claim or</p>

	<p>cause of action, including any claim or cause of action under chapter 5 of the Bankruptcy Code or applicable non-bankruptcy law, held by the Debtors or their estates and the proceeds thereof against Moshe (Mark) Silber, Frederick Schulman, Piper Sandler & Co., and any other current or former insiders of the Debtors.¹</p> <p>“Litigation Trust Fund Amount” means an amount equal to \$250,000 of the proceeds of the DIP Facility pursuant to the Interim DIP Facility Amount, plus \$750,000 of the proceeds of the DIP Facility pursuant to the Additional Final DIP Facility Amount, which amount shall be reserved to fund the hard costs of the investigation, development, and prosecution of the Estate Litigation Assets. To the extent additional funds are sought to fund the hard costs of the investigation, development, and prosecution of the Estate Litigation Assets, the NOLA DIP Lender shall be entitled to submit a proposal to provide financing to the Debtors with respect to the Estate Litigation Assets, and the Debtors shall consider any such proposal in good faith. The Debtors shall, and shall cause their professionals to provide, reasonable information and updates if requested by the NOLA DIP Lender regarding the Debtors’ efforts to obtain any financing with respect to the Estate Litigation Assets.</p> <p>Subject to the DIP Facility Liens, the Debtors may either retain or transfer to a trust or other entity established under the Chapter 11 Plan (the “Litigation Trust”) the Estate Litigation Assets and cash in an amount equal to the Litigation Trust Funding Amount. The NOLA DIP Lender shall have no right to receive any recovery or other distribution from the Litigation Trust, which shall be established for the benefit of the Debtors’ general unsecured creditors.</p> <p>Notwithstanding anything in this Term Sheet to the contrary, and for the avoidance of any doubt, as material consideration for the NOLA DIP Lender’s commitment to provide the DIP Facility as provided under this Term Sheet, the Debtors and the NOLA DIP Lender agree that:</p> <ul style="list-style-type: none"> • the Debtors will transfer the Estate Litigation Assets to the Litigation Trust; • the Estate Litigation Assets shall not include any DIP Lender Released Claims; • the Debtors shall not transfer or seek to transfer any DIP Lender Released Claims to the Litigation Trust; and • the DIP Lender Released Claims shall constitute and remain the NOLA DIP Lender’s Collateral for purposes of the DIP
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¹ For the avoidance of doubt, so long as the DIP Facility remains outstanding, the Estate Litigation Assets and the DIP Lender Litigation Claims shall not include any claims or causes of action against the NOLA DIP Lender (or any related parties), Elizabeth A. LaPuma, in her capacity as the Debtors’ independent fiduciary, the Debtors’ counsel, the Debtors’ financial advisor, or the Debtors’ notice and claims agent.

	Facility until the DIP Lender Released Claims are fully released.
<u>Stipulations</u>	<p>The NOLA DIP Loan Parties shall stipulate to:</p> <ol style="list-style-type: none"> i. the amount, validity, priority, and perfection of the indebtedness of Debtor RH Lakewind East LLC, Debtor RH Copper Creek LLC, and Debtor RH Windrun LLC due to CKD Funding under its prepetition loans (the “CKD Funding Prepetition First Lien Loans”) evidenced by a Non-Revolving Commercial Line of Credit Note dated July 8, 2024 in the principal amount of up to \$10 million and secured by a Multiple Indebtedness Mortgage, Pledge of Leases and Rents and Security Agreement dated July 8, 2024 (the “CKD Funding Prepetition First Liens”) ii. the amount, validity, priority, and perfection of the indebtedness of Debtor RH Chenault Creek LLC due to DH1 under its prepetition loans evidenced by (a) an Amended and Restated Secured Promissory Note dated as of March 12, 2024 in the principal amount of \$4,060,875.87, and Assignment of Amended and Restated Secured Promissory Note and Mortgage, Pledge of Leases and Rents, and Security Agreement, and Allonge to Amended and Restated Secured Promissory Note dated September 6, 2024, and (b) a Non-Revolving Commercial Line of Credit Note dated as of April 4, 2024 in the principal amount of \$7,500,000.00 (the “DH1 Prepetition First Lien Loans”, and together with the CKD Prepetition First Lien Loans, collectively, the “Prepetition First Lien Loans”), each of which secured by (a) a Mortgage, Pledge of Leases and Rents, and Security Agreement dated March 13, 2024, and (b) a Multiple Indebtedness Mortgage, Pledge of Lease and Rents and Security Agreement dated as of April 4, 2024 (the “DH1 Prepetition First Liens”, and together with the CKD Prepetition First Liens, collectively, the “Prepetition First Liens”) iii. the validity, priority, and perfection of the mortgage on the NOLA Properties granted to CKD Penn pursuant to a Multiple Indebtedness Mortgage, Pledge of Leases and rents and Security Agreement dated August 16, 2024 (the “CKD Prepetition Junior Lien”). iv. subject to the Final Order, the Debtors and their estates have no valid claims or causes of action, including any claims under chapter 5 of the Bankruptcy Code or applicable non-bankruptcy law, against the NOLA DIP Lenders or any related parties.

<p><u>Release by the Debtors of the DIP Lender Released Parties</u></p>	<p>Pursuant to the Final Order and the Chapter 11 Plan, the Debtors and their estates, and the Litigation Trust, as applicable, will (subject to a customary challenge period) make customary stipulations as to the extent of the amount, validity, and priority of the DIP fully release any and all claims or causes of action, including claims or causes of action under chapter 5 of the Bankruptcy Code or applicable non-bankruptcy law and any claims or causes of action with respect to the Roll-Up Term Loans, held by the Debtors or their estates against any DIP Lender Released Party, including any successors or assigns and related parties (the “DIP Lender Released Claims”); <i>provided, however</i>, that the Debtors and their estates shall not release, nor be deemed to release, any DIP Lender Released Party, with respect to any losses, claims, damages, liabilities or expenses that a court of competent jurisdiction determined by a final, non-appealable order to have resulted from the gross negligence, bad faith or willful misconduct of such DIP Lender Released Party.</p>
<p><u>Conditions Precedent to the Closing</u></p>	<p>The obligations of the NOLA DIP Lender to consummate the transactions contemplated herein and to make the DIP Facility available to the Debtors are subject to the satisfaction, in each case in the sole judgment of the NOLA DIP Lender, of the following:</p> <ul style="list-style-type: none"> • The Debtors shall have paid all fees and expenses (including reasonable fees and out-of-pocket expenses of counsel) of the NOLA DIP Lender on or before each of the Closing Dates; • For any advance after the Initial Draw, the Debtors shall have caused the Bankruptcy Court to enter the Final Order.; • For the Interim Closing Date, the Interim Order shall be in full force and effect, and shall not have been appealed, reversed, modified, amended, stayed for a period of three (3) business days or longer, vacated or subject to a stay pending appeal, in the case of any modification, amendment or stay pending appeal, in a manner, or relating to a matter, that is or may be materially adverse to the interests of the NOLA DIP Lender; • For the Final Closing Date, the Final Order shall be in full force and effect for at least fifteen (15) days, and shall not have been or be subject to being appealed, reversed, modified, amended, stayed, vacated or subject to a stay, in the case of any modification, amendment or stay pending appeal, in a manner, or relating to a matter, that is or may be materially adverse to the interests of the NOLA DIP Lender. If the Debtors seek and obtain a waiver of the fourteen-day stay period set forth in Federal Bankruptcy Rule 8002(a)(1), the NOLA DIP Lender, in its sole discretion, may proceed to close prior to the fifteenth day period set forth in the prior sentence; • The NOLA DIP Lender shall have received and approved the Approved Budget; and


	<ul style="list-style-type: none"> The United States of America does not object to, or the Bankruptcy Court overrules an objection to, approval of the DIP Facility.
<u>Representations and Warranties</u>	<p>The DIP Loan Documents will contain customary representations and warranties, including, but not limited to, corporate existence and good standing, authority to enter into and enforceability of loan documentation, validity of Interim Order, the Final Order, governmental approvals, non-violation of other material agreements (other than as a result of the commencement of the Chapter 11 Cases), financial statements, litigation, compliance with certain laws, taxes, and insurance.</p>
<u>Affirmative, Negative and Financial Covenants</u>	<p>The DIP Orders and DIP Loan Documents will include certain covenants, including, without limitation: (a) approval over the Approved Budget, (b) approval over all brokerage and management agreements, (c) approval of all leases that do not satisfy the approved leasing parameters set forth in the Loan Documents, (d) approval over the sale of any Collateral, and (d) single purpose entity restrictions.</p> <p>The DIP Orders and DIP Loan Documents will additionally covenant that the NOLA DIP Loan Parties will (a) not seek any additional debtor-in-possession, on a priming, pari-passu-or junior basis, without the prior consent of the NOLA DIP Lender, (b) oppose attempt by the United States of America to seize any Collateral, and (c) challenge the validity of any prepetition mortgage on the NOLA Properties granted to Cleveland International Fund-One University Circle Apartments, Ltd. (or any of its affiliates).</p>
<u>Events of Default</u>	<p>The DIP Orders will include events of default for (a) failure to make debt-service or other payments when due pursuant to the DIP Orders; (b) failure by the Debtors to make deposits into the reserves; (c) any action by the U.S. Department of Justice to initiate forfeiture proceedings against any asset owned either partially or entirely by any Debtor; (d) failure by the Debtors to make payments consistent with the Approved Budget; (e) failure by the Debtors to file and confirm the Chapter 11 Plan in accordance with the milestones set forth herein; (f) the confirmation of a chapter 11 plan inconsistent with this Term Sheet; and (g) filing a motion for the sale under section 363 of the Bankruptcy Code of the NOLA Properties that is inconsistent with this Term Sheet.</p>
<u>Bankruptcy Court Filings</u>	<p>As soon as practicable in advance of filing with the Bankruptcy Court, Debtors shall furnish to the NOLA DIP Lender (i) the motion seeking approval of and proposed form of the DIP Orders, which motion shall be in form and substance reasonably satisfactory to the NOLA DIP Lender; (ii) as applicable, any motions seeking approval of bidding procedures and any section 363 sale, and the proposed forms of orders related thereto, which shall be in form and substance reasonably satisfactory to the NOLA DIP Lender; and (iii) any motion and proposed form of order filed with the Bankruptcy Court relating to any</p>

	management equity plan, incentive, retention or severance plan, and/or the assumption, rejection, modification or amendment of any material contract (each of which must be in form and substance reasonably satisfactory to the NOLA DIP Lender).
<u>Indemnification and Release</u>	The Debtors hereby agree to protect, defend, indemnify, release and hold harmless the NOLA DIP Lender and the NOLA DIP Lender's affiliates, principals, affiliates, officers, employees, agents and other representatives (collectively, " DIP Lender Released Parties ") for, from and against any and all claims, suits, liabilities, losses, costs, expenses (including reasonable, out-of-pocket attorneys' fees and costs) imposed upon or incurred by or asserted against any DIP Lender Released Party arising out of or relating to the Debtors (and any subsidiaries or affiliates), prior loans, mortgages, all avoidance actions under Title 11 of the U.S.C., this Term Sheet or the transactions contemplated thereby, except for those arising out of the willful misconduct or gross negligence of the NOLA DIP Lender as determined by a non-appealable court order. The foregoing indemnity shall include, without limitation, any costs and expenses incurred in the enforcement of any binding provisions of this Term Sheet.
<u>Stalking Horse Purchase Agreement</u>	<p>The NOLA DIP Lender shall be entitled, but not required, subject to approval by the Bankruptcy Court, to enter into a stalking horse purchase agreement with respect to the NOLA Debtors' assets under section 363 of the Bankruptcy Code.</p> <p>To the extent that the NOLA DIP Lender credit bids less than the full amount of the DIP Loan in any sale under section 363 of the Bankruptcy Code or the Chapter 11 Plan, the Debtors and the NOLA DIP Lender shall agree that any deficiency claim shall be treated as a deficiency claim afforded priority as a prepetition general unsecured claim and that any such deficiency claim shall be satisfied in a manner generally consistent with the treatment provided to, or provided with consideration of a form and in an amount generally consistent with the consideration provided to, general unsecured creditors.</p> <p>To the extent that the Debtors and the NOLA DIP Lender enter into an agreement for the NOLA DIP Lender to acquire the NOLA Debtors' assets under section 363 of the Bankruptcy Code or the Chapter 11 Plan, the Debtors will seek approval of a reasonable stalking horse break-up fee of \$275,000, which fee shall be payable subject to approval of the Bankruptcy Court to the NOLA DIP Lender to compensate the NOLA DIP Lender for its stalking horse commitment to purchase the NOLA Properties and an expense reimbursement of up to \$150,000 for the out of pocket due diligence and professional expenses, among other costs, in connection with the purchase of such assets.</p>
<u>Fiduciary Duties</u>	No term of this Term Sheet to the contrary, the Debtors shall have the right to take any action (or to refuse to take any action) to the extent that the Debtors determine that taking any such action (or declining to take any such action) is consistent with the Debtors' fiduciary duties.


<u>Confidentiality</u>	Until the filing of the DIP motion (to which this Term Sheet will be attached), the Debtors will keep, and will instruct and cause their agents, advisors and legal counsel to keep, this Term Sheet and all negotiations with the NOLA DIP Lender strictly confidential and not disclose same to any third party, except as required by law, by the Bankruptcy Court or consented to by the NOLA DIP Lender; provided that the Debtors shall be permitted to disclose this Term Sheet to the Steering Committee of Noteholders represented by Faegre Drinker Biddle & Reath LLP. Debtors will disclose to the NOLA DIP Lender the names of any agents, advisors and legal counsel to whom this Term Sheet is provided, if any, and Debtors agree that it shall only disclose this Term Sheet only to those agents, advisors or legal counsel who have a need to know the contents hereof and who shall in each case be informed of the confidential nature of this document.
<u>Miscellaneous</u>	This Term Sheet shall be governed, construed and interpreted in accordance with the laws of the State of New York and any action brought regarding this Term Sheet must be brought in a state or federal court in New York, New York.

IN WITNESS WHEREOF, the parties hereto have executed and agree to be bound by the terms set forth in this Term Sheet or caused the same to be executed by their respective duly authorized officers as of the day and year first above written.


DH1 HOLDINGS LLC:

By: 
Name: Aron Gittleson
Title: Authorized Representative

CKD FUNDING LLC:


By: 
Name: Aron Gittleson
Title: Authorized Representative

CKD INVESTORS PENN LLC:

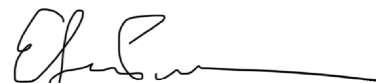
By: 
Name: Aron Gittleson
Title: Authorized Representative

DEBTORS:


CBRM REALTY INC.,
a New York corporation

By: 
Elizabeth LaPuma, Authorized Signatory


CROWN CAPITAL HOLDINGS, LLC.,
a Delaware limited liability company

By: 
Elizabeth LaPuma, Authorized Signatory


RH CHENAULT CREEK LLC,
a Delaware limited liability company

By: 
Elizabeth LaPuma, Authorized Signatory

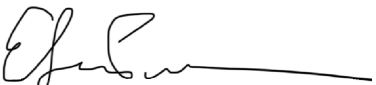
RH COPPER CREEK LLC,
a Delaware limited liability company

By: 
Elizabeth LaPuma, Authorized Signatory

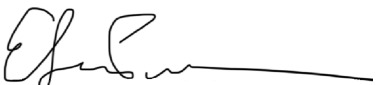
RH LAKEWIND EAST LLC,
a Delaware limited liability company

By: 
Elizabeth LaPuma, Authorized Signatory

RH WINDRUN LLC,
a Delaware limited liability company

By: 
Elizabeth LaPuma, Authorized Signatory

RH New Orleans Holding LLC,
a Delaware limited liability company

By: 
Elizabeth LaPuma, Authorized Signatory

RH New Orleans Holdings MM LLC,
a Delaware limited liability company


By: 
Elizabeth LaPuma, Authorized Signatory

EXHIBIT A

Interim Order

EXHIBIT B – Sources and Uses

DIP Facility

Sources

Nolo Interim	\$ 4,960,725.00
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Uses

Insurance	\$ 143,312.00
Taxes	\$ 1,039,865.00
CapEx	\$ 1,000,000.00
Working Capital / Excess Reserve	\$ 677,548.00
Litigation Trust	\$ 250,000.00
DIP Lender Fees	\$ 300,000.00
Prof. Fees	\$ 1,550,000.00
Current Pay Int. Reserve	\$ -
	\$ 4,960,725.00

Sources

Nolo Final DIP	\$ 3,500,799.00
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Uses

Litigation Trust	\$ 750,000.00
CapEx	\$ 500,000.00
DIP Lender Fees	\$ 150,000.00
Working Capital Excess Reserve	\$ 650,799.00
Interest Reserve	\$ -
Prof. Fees	\$ 810,000.00
AP Critical Vendors	\$ 640,000.00
	\$ 3,500,799.00