

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)
(Jointly Administered)

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.



**DEBTORS' MOTION
FOR ENTRY OF AN ORDER
(I) AUTHORIZING THE DEBTORS
TO OBTAIN POSTPETITION FINANCING,
(II) GRANTING LIENS AND SUPERPRIORITY
ADMINISTRATIVE EXPENSE CLAIMS, (III) MODIFYING
THE AUTOMATIC STAY, AND (IV) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) respectfully state as follows in support of this motion:

Preliminary Statement²

1. The Debtors require immediate access to liquidity. The amount of cash currently held by the Debtors, in addition to the Debtors’ forecasted receipts from operations in the ordinary course, is insufficient to fund the Debtors’ businesses and these chapter 11 cases. As a result, the Debtors and their professionals engaged—before and after the commencement of these cases—with potential lenders on terms for value-maximizing debtor-in-possession financing facilities. That process yielded competitive commitments from new, third-party lenders and the Debtors’ incumbent, prepetition lenders. Ultimately, after good faith, arms’-length negotiations, the Debtors have determined to seek approval of two debtor-in-possession financing facilities offered by their prepetition lenders, which will provide the Debtors sufficient liquidity to support the orderly continuation and operation of their businesses, satisfy payroll obligations, fund the administration of these chapter 11 cases, make necessary capital expenditures to preserve the value of the Debtors’ assets (and secured creditors’ collateral), and provide the Debtors runway to consummate a restructuring or sale transaction for the benefit of all stakeholders.

2. These two financing facilities are principally secured by the assets of two separate

² Capitalized terms used but not otherwise defined in this Preliminary Statement shall have the meanings ascribed to such terms in this motion or the *Declaration of Matthew Dundon, Principal of IslandDundon LLC, in Support of Debtors’ Chapter 11 Petitions and First Day Pleadings* [Docket No. 44] (the “**First Day Declaration**”), as applicable.

silos of Debtors. First, Debtor Kelly Hamilton Apts LLC (the “**Kelly Hamilton Debtor**”)—which operates a low-income housing development in Philadelphia, Pennsylvania—obtained a lending commitment from its prepetition lender for a senior secured debtor-in-possession credit facility in a principal amount of up to \$9,705,162, comprised of one or more new term loans (the “**Kelly Hamilton DIP Facility**”). Second, Debtors RH Chenault Creek LLC, RH Copper Creek LLC, RH Lakewind East LLC, and RH Windrun LLC (collectively, the “**NOLA Debtors**”)—which operate low-income housing developments in New Orleans, Louisiana—obtained a lending commitment from certain prepetition lenders for a secured debtor-in-possession credit facility in the aggregate principal amount of up to \$17,422,728, comprised of one or more new term loans and a roll-up of the lenders’ prepetition loans (the “**NOLA DIP Facility**” and, together with the Kelly Hamilton DIP Facility, the “**DIP Facilities**”).

3. The terms of the DIP Facilities are summarized in greater detail in this motion, and include the following:

- Following entry of the Interim Orders, the Debtors may draw the \$9,705,162 Kelly Hamilton DIP Facility in full and \$4,960,725 in new money under the NOLA DIP Facility.
- Following entry of the Final Orders, the Debtors may draw the remaining \$3,500,799 in new money under the NOLA DIP Facility.
- Prepetition secured claims of the NOLA DIP Lender will be rolled up concurrently with the funding of new money loans—*e.g.*, \$4,960,725 will be rolled up after entry of the NOLA Interim Order and funding, and \$4,000,479 will be rolled up after entry of the NOLA Final Order and funding.
- The Kelly Hamilton DIP Facility accrues interest at 16% (with 10% in cash and 6% PIK) and the NOLA DIP Facility accrues interest at 18% (with 12% in cash and 6% PIK).
- All borrowings and disbursements will be made consistent with an approved budget. That budget provides, among other things, for over \$1.4 million in proceeds from the DIP Facilities to be used to fund a litigation trust (or similar post-confirmation entity) to investigate and prosecute claims against

the Debtors' insiders and other parties for the benefit of the Debtors' general unsecured creditors.

- The DIP Lenders will receive priming liens and superpriority claims for repayment of all amounts owed under the DIP Facilities.

4. Any DIP facility must be evaluated in light of a debtor's individual facts and circumstances. Here, the DIP Facilities maximize value for the Debtors' stakeholders, reflect the reasoned and sound exercise of the Debtors' business judgment, and incorporate the best terms available in the market. The terms of the DIP Facilities are necessary to avoid massive harm to the Debtors' business and loss of value for all stakeholders, and also to give the Debtors the opportunity to pursue a going concern transaction. The Debtors had a very difficult time arranging DIP financing, given the charges against the Debtors' former insiders described in the First Day Declaration, and did not receive any alternative proposals with superior terms. Without access to the DIP Facilities, the Debtors' ability to operate and ultimately maximize the value of their estates will be materially—if not irreparably—jeopardized, all to the great detriment of any prepetition secured parties that are being primed under the DIP Facilities and that have not (unlike the DIP Lenders) expressly consented to being primed. Those parties also stand to benefit significantly from a potential restructuring transaction, which is only possible if the Debtors obtain immediate access to the DIP Facilities. Therefore, the Debtors believe the terms of the DIP Facilities are warranted under the facts of these chapter 11 cases and applicable law.

5. In sum, the relief requested by this motion is a necessary step to preserve the Debtors' operations and bridge to a transaction that maximizes value for their estates. On this record, and as the Debtors are prepared to demonstrate at the Court's hearing on this motion, the relief requested herein presents a sound exercise of business judgment and should be approved.

Relief Requested

6. The Debtors seek entry of interim orders (the “**Kelly Hamilton Interim Order**”

and the “**NOLA Interim Order**,” as applicable, and together, the “**Interim Orders**”) and final orders (the “**Kelly Hamilton Final Order**” and the “**NOLA Final Order**,” as applicable, and together, the “**Final Orders**”), to be filed in connection herewith, granting the following relief:³

- **Kelly Hamilton DIP Facility:** Authorizing certain of the Debtors to enter into a debtor-in-possession financing facility on the terms set forth in the Binding Term Sheet for Senior Secured, Superpriority Debtor-in-Possession Financing, dated May 26, 2025, attached hereto as **Exhibit A** (the “**Kelly Hamilton DIP Term Sheet**”), with 3650 SS1 Pittsburgh LLC (the “**Kelly Hamilton DIP Lender**”);
- **NOLA DIP Facility:** Authorizing certain of the Debtors to enter into a debtor-in-possession financing facility on the terms set forth in the NOLA Debtors Binding Term Sheet for Senior Secured, Superpriority Debtor-in-Possession Financing, dated May 26, 2025, attached hereto as **Exhibit B** (the “**NOLA DIP Term Sheet**”), with DH1 Holdings LLC, CKD Funding LLC, and CKD Investor Penn LLC (collectively, the “**NOLA DIP Lender**” and, together with the Kelly Hamilton DIP Lender, the “**DIP Lenders**”);
- **Cash Collateral:** Authorizing the Debtors to use the proceeds of the DIP Facilities and the prepetition collateral of the Debtors’ prepetition secured lenders, including cash collateral, subject to the terms of each DIP Facility’s definitive documentation;
- **DIP Liens:** Authorizing the Debtors to grant first-priority, fully perfected liens on all assets subject only to the Carve-Out (as defined below);
- **DIP Superpriority Claims:** Granting superpriority administrative expense claims to the lenders and agents (if applicable) under the DIP Facilities (collectively, the “**DIP Secured Parties**”) for all amounts due under the DIP Facilities, subject only to the Carve-Out;
- **Adequate Protection:** Granting adequate protection to certain of the Debtors’ prepetition secured lenders to the extent of any postpetition diminution in value of their interests in any prepetition collateral;
- **Automatic Stay:** Vacating and modifying the automatic stay imposed by section 362 of title 11 of the United States Code (the “**Bankruptcy Code**”), to the extent necessary to implement and effectuate the terms and provisions of the agreements, documents, and instruments delivered or executed in connection with the DIP Facilities (collectively, the “**DIP Documents**”);

³ The Debtors will file the proposed form of the Kelly Hamilton Interim Order (which will attach the proposed credit agreement under the Kelly Hamilton DIP Facility) prior to the initial hearing on this motion. An initial draft of the NOLA Interim Order is attached hereto as **Exhibit C**, which remains subject to review by the Debtors and the NOLA DIP Lender and which may be revised prior to the initial hearing on this motion. The Debtors will also file proposed forms of each Final Order prior to the Final Hearing (as defined herein).

- **Final Hearing:** Scheduling a final hearing (the “**Final Hearing**”) to consider final approval of the DIP Facilities, the Debtors’ use of cash collateral, and the other relief requested in this motion on a final basis, and approving the form of notice with respect to the Final Hearing; and
- **Immediate Effectiveness:** Waiving any applicable stay (including under Bankruptcy Rule 6004) with respect to the effectiveness and enforceability of each Interim Order and providing for the immediate effectiveness of each Interim Order.

Jurisdiction and Venue

7. The United States Bankruptcy Court for the District of New Jersey (the “**Court**”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Standing Order of Reference to the Bankruptcy Court Under Title 11*, entered July 23, 1984, and amended on September 18, 2012 (Simandle, C.J.). The Debtors confirm their consent to the Court entering a final order.

8. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

9. The bases for the relief requested herein are sections 105, 361, 362, 363, 364, 503, 506, 507, and 552 of title 11 of the Bankruptcy Code, rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and rules 4001-3 and 9013-5 of the Local Bankruptcy Rules for the District of New Jersey (the “**Local Rules**”).

Concise Statement Pursuant to Bankruptcy Rule 4001(b) and Local Rule 4001-3

10. The table below contains a summary of the material terms of the proposed DIP Facilities, together with references to the applicable sections of the DIP Documents or other relevant source documents, as required by Bankruptcy Rule 4001(c)(1)(B) and Local Rule 4001-3.⁴

Bankruptcy Rule	Summary of Material Terms
Parties to the DIP Agreements	NOLA DIP Borrowers: RH Chenault Creek LLC, RH Windrun LLC, RH Copper Creek LLC, RH Lakewind East LLC, CBRM Realty Inc. (subject to

⁴ The summaries contained in this motion are qualified in their entirety by the provisions of the documents referenced. To the extent anything in this motion is inconsistent with such documents, the terms of the applicable

Bankruptcy Rule	Summary of Material Terms
<p>Bankruptcy Rule 4001(c)(1)(B)</p>	<p>entry of the Final Order), and Crown Capital Holdings, LLC</p> <p>NOLA DIP Lender: DH1 Holdings LLC, CKD Funding LLC, and CKD Investor Penn LLC</p> <p>NOLA DIP Agent: Any agent or servicer appointed by the NOLA DIP Lender, which may be an affiliate of the NOLA DIP Lender</p> <p><i>See NOLA DIP Term Sheet at 1, 7.</i></p> <p>Kelly Hamilton DIP Borrower: Kelly Hamilton Apts LLC</p> <p>Kelly Hamilton DIP Lender: 3650 SS1 Pittsburgh LLC</p> <p>Kelly Hamilton DIP Agent: Any agent or servicer appointed by the Kelly Hamilton DIP Lender, which may be an affiliate of the Kelly Hamilton DIP Lender</p> <p><i>See Kelly Hamilton DIP Term Sheet at 1, 5.</i></p>
<p>Commitment</p> <p>Bankruptcy Rule 4001(c)(1)(B)</p>	<p>Kelly Hamilton DIP Facility: \$9,705,162</p> <p>NOLA DIP Facility: \$17,422,728, including roll-up of \$8,961,204 and new capital of \$8,461,524</p> <p><i>See Kelly Hamilton DIP Term Sheet at 2; see NOLA DIP Term Sheet at 2-3.</i></p>
<p>Conditions of Borrowing</p> <p>Bankruptcy Rule 4001(c)(1)(B)</p>	<p>The DIP Facilities include conditions to closing that are customary and appropriate for similar debtor in possession financings of this type, including entry of each Interim Order and each Final Order and payment of outstanding fees to the DIP Lenders.</p> <p><i>See Kelly Hamilton DIP Term Sheet at 12; see NOLA DIP Term Sheet at 16-17.</i></p>
<p>Use of DIP Facilities</p> <p>Bankruptcy Rule 4001(b)(1)(B)(ii)</p>	<p>Proceeds of the DIP Facilities will be used in accordance with the terms thereof, including:</p> <ul style="list-style-type: none"> (i) paying off the existing mortgage indebtedness related to the Kelly Hamilton property owned by the Kelly Hamilton Debtor with the proceeds of the Kelly Hamilton DIP Facility; (ii) rehabilitation and capital expenditures; and (iii) the Debtors' ordinary course operating expenses (including any expenses related to bringing units back online and critical/life safety issues at the properties), 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.

documents shall control. Capitalized terms used in the following summary chart but not otherwise defined have the meanings ascribed to them in the DIP Documents or the respective Interim Order, as applicable.

Bankruptcy Rule	Summary of Material Terms
	<i>See Kelly Hamilton DIP Term Sheet at 6-7; see NOLA DIP Term Sheet at 7-9.</i>
Variance Reporting Bankruptcy Rule 4001(c)(1)(B)	<p>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.</p> <p><i>See Kelly Hamilton DIP Term Sheet at 7; see NOLA DIP Term Sheet at 9.</i></p>
Term Bankruptcy Rule 4001(b)(1)(B)(iii), 4001(c)(1)(B)	<p>Each DIP Facility has a customary term and maturity date, including October 30, 2025 for the NOLA DIP Facility and November 30, 2025 for the Kelly Hamilton DIP Facility.</p> <p><i>See Kelly Hamilton DIP Term Sheet at 5; see NOLA DIP Term Sheet at 7.</i></p>
Interest Rates Bankruptcy Rule 4001(c)(1)(B)	<p>Kelly Hamilton DIP Facility: 16%, which shall be a combination of: (a) a current pay component at 10% fixed and (b) a payment in kind component at 6% fixed.</p> <p>NOLA DIP Facility: 18%, which shall be paid as follows: (a) 12% paid in cash; <i>plus</i> (b) 6% paid in kind.</p> <p><i>See Kelly Hamilton DIP Term Sheet at 5; see NOLA DIP Term Sheet at 6.</i></p>
Fees Bankruptcy Rule 4001(c)(1)(B)	<p>Origination Fee: 3.0% of the DIP Facilities, which shall be deemed fully earned, due, and payable upon closing of the DIP Facilities.</p> <p>Break-Up Fee: \$250,000.00 for the Kelly Hamilton DIP Lender, in the event the Bankruptcy Court authorizes the Debtors to obtain financing from an alternative lender. In addition, the Debtors may seek Bankruptcy Court approval for the Kelly Hamilton DIP Lender and NOLA DIP Lender to serve as stalking horse purchasers for the Kelly Hamilton Property and the NOLA Debtors' assets, respectively, subject to a \$250,000 stalking horse break-up fee for the Kelly Hamilton DIP Lender, \$275,000 stalking horse break-up fee for the NOLA DIP Lender, and \$150,000 expense reimbursement for the NOLA DIP Lender.</p> <p><i>See Kelly Hamilton DIP Term Sheet at 5, 14, and Additional Agreement Terms; see NOLA DIP Term Sheet at 6, 18.</i></p>
DIP Collateral Bankruptcy Rule 4001(c)(1)(B)	<p>Subject to the Carve-Out, each of the Kelly Hamilton DIP Facility and the NOLA DIP Facility are secured by substantially all of the relevant obligor's assets.</p> <p><i>See Kelly Hamilton DIP Term Sheet at 10; see NOLA DIP Term Sheet at 13.</i></p>
Liens and	<p>Subject to the Carve-Out, all amounts owing by the Debtors to the DIP Lenders under the DIP Facilities (a) will be entitled to superpriority claim status pursuant</p>

Bankruptcy Rule	Summary of Material Terms
Priorities Bankruptcy Rules 4001(c)(1)(B)(i), 4001-3(c)(1)	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 the relevant obligor’s existing secured credit facilities and other indebtedness. <i>See Kelly Hamilton DIP Term Sheet at 9-10; see NOLA DIP Term Sheet at 12-13.</i>
Carve Out Bankruptcy Rule 4001(c)(1)(B)	The relative priority of all amounts owed under the DIP Facilities will be subject only to a “ Carve-Out ” in favor of the Debtors’ professionals, the costs of a potential chapter 7 trustee, and the payment of fees pursuant to 28 U.S.C. § 1930. <i>See Kelly Hamilton DIP Term Sheet at 9-10; see NOLA DIP Term Sheet at 12-13.</i>
Events of Default Bankruptcy Rules 4001(c)(1)(B), 4001-3(c)(3)	The DIP Documents include customary events of default. <i>See Kelly Hamilton DIP Term Sheet at 13; see NOLA DIP Term Sheet at 17.</i>
Chapter 11 Milestones Bankruptcy Rule 4001(c)(1)(B), 4001-3(c)(4)	The Debtors are required to comply with customary milestones for filing a plan, conducting an asset sale, and completing the administration of these chapter 11 cases. <i>See Kelly Hamilton DIP Term Sheet at 1, 8; see NOLA DIP Term Sheet at 10-11.</i>
Indemnification and Release Bankruptcy Rule 4001(c)(1)(B)(ix)	The Debtors shall protect, defend, indemnify, release and hold harmless the DIP Lenders and certain related 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 such parties arising out of or relating to the Debtors (and any subsidiaries or affiliates), prior loans, mortgages, all avoidance actions under the Bankruptcy Code, the DIP Facilities, except for those arising out of willful misconduct or gross negligence as determined by a non-appealable court order. <i>See Kelly Hamilton DIP Term Sheet at 13-14; see NOLA DIP Term Sheet at 18.</i>
506(c) Waiver; No Marshaling; 552(b) Waiver; Bankruptcy Rule 4001(c)(1)(B)(x) Local Rule 4001-3	Subject to entry of each Final Order, the Debtors shall waive any right of surcharge under section 506(c) of the Bankruptcy Code, any “equities of the case” exception under section 552(b) of the Bankruptcy Code, and the equitable doctrine of marshaling with respect to the DIP Collateral. <i>See Kelly Hamilton DIP Term Sheet at 2; see NOLA DIP Term Sheet at 3-4.</i>

Bankruptcy Rule	Summary of Material Terms
Liens on Avoidance Action Proceeds Local Rule 4001-3	Subject to entry of each Final Order, the liens securing the DIP Facilities shall extend to the proceeds of the Debtors' causes of action under Chapter 5 of the Bankruptcy Code. <i>See Kelly Hamilton DIP Term Sheet at 2; see NOLA DIP Term Sheet at 3-4.</i>
Challenge Period Local Rule 4001-3	Each Final Order shall provide a reasonable and customary challenge period for interested parties, including any official committee appointed in these chapter 11 cases, to investigate and challenge the Debtors' release and waiver of claims against the DIP Lenders.
Non-Consensual Priming	The liens granted under the NOLA DIP Facility will prime the prepetition interests of the NOLA Prepetition Mortgage Lender (as defined below).

The Debtors' Prepetition Capital Structure

11. The Debtors' prepetition secured indebtedness consists of the following obligations:

12. ***Prepetition Loans – Kelly Hamilton Debtor.*** The Kelly Hamilton Debtor borrowed a term loan in the original principal amount of \$3,500,000 (the “**Prepetition Kelly Hamilton Loan**”) from Kelly Hamilton Lender LLC (the “**Kelly Hamilton Lender**”), pursuant to that certain Loan and Security Agreement, dated as of September 20, 2024, between the Kelly Hamilton Debtor, as Borrower, and the Kelly Hamilton Lender, as Lender, evidenced by that certain Term Note, dated as of September 20, 2024 and secured by an Open-End Commercial Mortgage, Security Agreement and Assignment of Leases and Rents, dated as of September 20, 2024.

13. ***Prepetition Loans – NOLA Debtors.*** Debtors RH Lakewind East LLC, RH Copper Creek LLC, and RH Windrun LLC borrowed loans with the original principal amount of up to \$10,000,000 (the “**Prepetition CKD Loans**”) from CKD Funding LLC (“**CKD Funding**”), pursuant that certain Non-Revolving Commercial Line of Credit Note, dated as of July 8, 2024 and secured by a Multiple Indebtedness Mortgage, Pledge of Leases and Rents and Security

Agreement, dated as of July 8, 2024.

14. Debtor RH Chenault Creek LLC borrowed loans (the “**Prepetition DH1 Loans**”) from DH1 Holdings LLC (“**DH1**”), pursuant to (a) that certain 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 as of September 6, 2024, and (b) that certain Non-Revolving Commercial Line of Credit Note, dated as of April 4, 2024, in the original principal amount of up to \$7,500,000, each of which is secured by a Mortgage, Pledge of Leases and Rents and Security Agreement, dated as of March 13, 2024, and a Multiple Indebtedness Mortgage, Pledge of Lease and Rents and Security Agreement, dated as of April 4, 2024.

15. Additionally, CKD Investor Penn LLC (“**CKD Penn**”) holds a mortgage on the properties held by the NOLA Debtors pursuant to a Multiple Indebtedness Mortgage, Pledge of Leases and Rents and Security Agreement, dated as of August 16, 2024, and Cleveland International Fund – NRP West Edge, LTD (“**CIF**”), purports to hold a mortgage on the property held by Debtor RH Lakewind East LLC pursuant to a Mortgage, Security Agreement, assignment of Leases and Rents and Fixture Filing, dated as of December 11, 2024.⁵

16. The NOLA Interim Order will grant adequate protection in the form of replacement liens and superpriority administrative expense claims to CKD Penn and CIF on account of the Debtors’ postpetition use of such parties’ collateral and the priming of their liens under the NOLA DIP Facility.

⁵ The Debtors do not admit the validity or allowance of CIF’s alleged mortgage or prepetition claim and reserve all rights to challenge such mortgage and claim at an appropriate time.

Basis for Relief

I. The Debtors Should Be Authorized to Obtain Postpetition Financing Under the DIP Facilities

17. The Debtors satisfy the requirements for relief under section 364 of the Bankruptcy Code, which authorizes a debtor to obtain secured or superpriority financing under certain circumstances. The Debtors were unable to procure sufficient financing in the form of unsecured credit, which would be allowable under section 503(b)(1) or as an administrative expense, in accordance with sections 364(a) or (b) of the Bankruptcy Code. *See* 11 U.S.C. §§ 364(a)–(b). The Debtors also negotiated vigorously, and at arm’s length, with the DIP Lenders to secure the DIP Facilities on the terms described herein. For these reasons, as discussed further below, the Debtors satisfy the necessary conditions under section 364 for authority to enter into the DIP Facilities.

A. Entry into the DIP Facilities Is an Exercise of the Debtors’ Sound Business Judgment

18. The Court should authorize the Debtors, as an exercise of their sound business judgment, to enter into the DIP Documents and obtain access to the DIP Facilities. Courts grant a debtor in possession considerable deference in acting in accordance with its business judgment in obtaining postpetition secured credit, so long as the agreement to obtain such credit does not run afoul of the provisions of, and policies underlying, the Bankruptcy Code. *See, e.g., TWA v. Travellers Int’l AG. (In re TWA)*, 163 B.R. 964, 974 (Bankr. D. Del. 1994) (approving a postpetition loan and receivables facility because such facility “reflect[ed] sound and prudent business judgment”); *In re L.A. Dodgers LLC*, 457 B.R. 308, 313 (Bankr. D. Del. 2011) (“[C]ourts will almost always defer to the business judgment of a debtor in the selection of the lender.”); *In re Ames Dep’t Stores, Inc.*, 115 B.R. 34, 40 (Bankr. S.D.N.Y. 1990) (“[C]ases consistently reflect that the court’s discretion under section 364 is to be utilized on grounds that

permit reasonable business judgment to be exercised so long as the financing agreement does not contain terms that leverage the bankruptcy process and powers or its purpose is not so much to benefit the estate as it is to benefit a party-in-interest.”).

19. Specifically, to determine whether the business judgment standard is met, a court need only “examine whether a reasonable business person would make a similar decision under similar circumstances.” *In re Exide Techs.*, 340 B.R. 222, 239 (Bankr. D. Del. 2006); *see also In re Curlew Valley Assocs.*, 14 B.R. 506, 513–14 (Bankr. D. Utah 1981) (noting that courts should not second guess a debtor’s business decision when that decision involves “a business judgment made in good faith, upon a reasonable basis, and within the scope of [the debtor’s] authority under the [Bankruptcy] Code”).

20. Furthermore, in considering whether the terms of postpetition financing are fair and reasonable, courts consider the terms in light of the relative circumstances of both the debtor and the potential lender. *See In re Farmland Indus., Inc.*, 294 B.R. 855, 886 (Bankr. W.D. Mo. 2003) (while many of the terms favored the DIP Lenders, “taken in context, and considering the relative circumstances of the parties,” the court found them to be reasonable); *see also Unsecured Creditors’ Comm. Mobil Oil Corp. v. First Nat’l Bank & Trust Co. (In re Elingsen McLean Oil Co., Inc.)*, 65 B.R. 358, 365 n.7 (W.D. Mich. 1986) (recognizing a debtor may have to enter into “hard bargain[s]” to acquire funds for its reorganization). The Court may also appropriately take into consideration non-economic benefits to the Debtors offered by a proposed postpetition facility.

21. For example, in *In re ION Media Networks, Inc.*, the Bankruptcy Court for the Southern District of New York held that:

Although all parties, including the Debtors and the Committee, are naturally motivated to obtain financing on the best possible terms, a business decision to obtain credit from a particular lender is almost never based purely on economic terms. ***Relevant features of the***

financing must be evaluated, including non-economic elements such as the timing and certainty of closing, the impact on creditor constituencies and the likelihood of a successful reorganization. This is particularly true in a bankruptcy setting where cooperation and establishing alliances with creditor groups can be a vital part of building support for a restructuring that ultimately may lead to a confirmable reorganization plan. That which helps foster consensus may be preferable to a notionally better transaction that carries the risk of promoting unwanted conflict.

No. 09-13125, 2009 WL 2902568, at *4 (Bankr. S.D.N.Y. July 6, 2009).

22. The Debtors' determination to move forward with the DIP Facilities is a sound exercise of the Debtors' business judgment. The Debtors have spent months seeking capital for their real estate properties individually and in conjunction with the efforts of certain affiliated entities. Those efforts recently culminated with three paths: (a) obtaining financing on a consensual basis from the Debtors' existing senior secured lenders, which would provide capital and minimize the risk of costly litigation with a contest DIP approval hearing; (b) obtain financing on a non-consensual priming basis from a holder of the notes issued by Debtor Crown Capital Holdings LLC, which would have provided capital for the business and significant funding for a future litigation trust but would have involved a costly priming battle with DH1, CKD Funding, and CKD Penn in their capacities as prepetition lenders to the NOLA Debtors; or (c) liquidate and provide little, if any, recovery to creditors through the Debtors' operating and litigation assets.

23. In the face of this choice, the Debtors have elected to enter into the DIP Facilities, which are two side-by-side debtor-in-possession financings that will fund the Debtors' operating assets, the administrative costs of these chapter 11 cases, and secure over \$1.4 million of funding for a future litigation trust established to pursue claims and causes of action against Mark Silber and other insiders. The DIP Facilities will send a clear message to tenants and vendors that these chapter 11 cases and the misconduct of the Debtors' prepetition insiders will not impair the Debtors' go-forward

operations. The Debtors negotiated the DIP Facilities and DIP Documents with the DIP Secured Parties in good faith, at arm's length, and with the assistance of their respective advisors, and the Debtors believe that they have obtained the best financing available under the circumstances. Accordingly, entry into and performance under the DIP Facilities is an exercise of the Debtors' sound business judgement and should be approved.

B. The Debtors Should Be Authorized to Grant Liens, Priming Liens, and Superpriority Claims

24. Section 364 of the Bankruptcy Code distinguishes among (a) obtaining unsecured credit in the ordinary course of business, (b) obtaining unsecured credit out of the ordinary course of business, and (c) obtaining credit with specialized priority or with security. *See* 11 U.S.C. § 364. If a debtor in possession cannot obtain postpetition credit on an unsecured basis, pursuant to section 364(b) of the Bankruptcy Code, a court may authorize a debtor to obtain credit or to incur debt, the repayment of which is entitled to superpriority administrative expense status, or is secured by a senior lien on unencumbered property, or a junior lien on encumbered property, or a combination of the foregoing. *Id.* In addition, pursuant to section 364(d) of the Bankruptcy Code, a court may authorize a debtor to obtain postpetition credit secured by a lien that is equal or senior in priority to existing liens on encumbered property (*i.e.*, a "priming" lien) when a debtor is unable to obtain credit on other terms and the interests of existing lienholders are adequately protected, or if the existing lienholders consent to such priming.

25. The Debtors propose to grant the DIP Lenders superpriority administrative expense claims for repayment of the DIP obligations with priority over all other claims against the Debtors (subject to the Carve-Out); senior secured liens on all of the Debtors' unencumbered property; and priming senior secured liens on the Debtors' property encumbered by prepetition liens. Therefore, the approval of the DIP Facilities is governed by both sections 364(c) and 364(d) of the Bankruptcy

Code.

i. The Debtors Satisfy Section 364(c)'s Requirements to Obtain Financing on a Senior Secured and Superpriority Basis

26. In the event that a debtor demonstrates that it is unable to obtain unsecured credit allowable as an administrative expense under section 503(b)(1) of the Bankruptcy Code, section 364(c) provides that a court:

may authorize the obtaining of credit or the incurring of debt (1) with priority over any or all administrative expenses of the kind specified in section 503(b) or 507(b) of [the Bankruptcy Code]; (2) secured by a lien on property of the estate that is not otherwise subject to a lien; or (3) secured by a junior lien on property of the estate that is subject to a lien.

11 U.S.C. § 364(c).

27. Courts have articulated a three-part test to determine whether a debtor is entitled to financing under section 364(c) of the Bankruptcy Code. Specifically, courts look to whether:

- a. the debtor is unable to obtain unsecured credit under section 364(b) of the Bankruptcy Code, *i.e.*, by allowing a lender only an administrative claim;
- b. the credit transaction is necessary to preserve the assets of the estate; and
- c. the terms of the transaction are fair, reasonable, and adequate, given the circumstances of the debtor-borrower and proposed lenders.

See, e.g., In re Crouse Grp., Inc., 71 B.R. 544, 549 (Bankr. E.D. Pa. 1987); *In re Los Angeles Dodgers LLC*, 457 B.R. at 312; *See In re Ames Dep't Stores*, 115 B.R. at 37–40 ; *see also In re St. Mary Hosp.*, 86 B.R. 393, 401–02 (Bankr. E.D. Pa. 1988).

28. *First*, to show that the credit required is not obtainable on an unsecured basis, a debtor need only demonstrate “by a good faith effort that credit was not available without” the protections of sections 364(c) of the Bankruptcy Code. *Bray v. Shenandoah Fed. Savs. & Loan Ass’n (In re Snowshoe Co.)*, 789 F.2d 1085, 1088 (4th Cir. 1986) (stating section 364 “imposes no duty to seek credit from every possible lender before concluding that such credit is unavailable”).

The Debtors have not been able to obtain unsecured credit or an alternative DIP financing on better

terms than those reflected in the DIP Documents.

29. *Second*, the DIP Facilities are necessary to preserve the Debtors' estates. In the absence of DIP financing, the Debtors will lack sufficient funding to meet their obligations during these chapter 11 cases, as set forth in the Approved Budget. The DIP Facilities have been sized to provide the Debtors with liquidity to continue the operation of their businesses, including their properties, fund necessary capital expenditures, satisfy their obligations to tenants and the federal government, pay wage and salary obligations for their employees, and continue to satisfy other working capital and operational needs during these chapter 11 cases.

30. *Third*, the terms of the DIP Facilities are fair, reasonable, and adequate under the circumstances. The DIP Facilities provide critical liquidity on terms that are comparable to other DIP financings and generally consistent with market terms for companies seeking similar postpetition financing. *See, e.g., In re Rite Aid Corp.*, No. 25-14861 (MBK) (Bankr. D.N.J. May 7, 2025) [Docket No. 143 ¶ 9] (approving DIP facility with terms and collateral package generally consistent with proposed DIP Facility); *In re WeWork, Inc.*, No. 23-19865 (JKS) (Bankr. D.N.J. May 8, 2024) [Docket No. 1883] (same); *In re Thrasio Holdings, Inc.*, No. 24-11840 (CMG) (Bankr. D.N.J. Mar. 1, 2024) [Docket No. 81] (same); *In re Cyxtera Techs., Inc.*, No. 23-14854 (JKS) (Bankr. D.N.J. Jun. 7, 2023) [Docket No. 70] (same).

31. In light of the foregoing, the Court should authorize the Debtors, pursuant to sections 364(c)(1) and 364(c)(2) of the Bankruptcy Code, to provide the DIP Lenders with superpriority administrative expense claims and first priority liens on all unencumbered property of the estates.

ii. The Debtors Should Be Authorized to Obtain Priming Liens Under Section 364(d) of the Bankruptcy Code

32. Section 364(d) provides that debtors may obtain credit secured by a senior or equal

lien on property of the estate already subject to a lien where the debtor is “unable to obtain such credit otherwise” and “there is adequate protection of the interest of the holder of the lien on the property of the estate on which such senior or equal lien is proposed to be granted.” 11 U.S.C. § 364(d)(1). The Debtors may incur “priming” liens under the DIP Facilities if they are unable to obtain unsecured or junior secured credit and either (a) the affected secured lenders consent, or (b) adequate protection exists for such priming lien. *See Anchor Savs. Bank FSB v. Sky Valley, Inc.*, 99 B.R. 117, 122 (N.D. Ga. 1989).

33. When determining whether to authorize a debtor to obtain credit secured by a “priming” lien as authorized by section 364(d) of the Bankruptcy Code, courts focus on whether the transaction will enhance the value of the debtors’ assets. Courts consider a number of factors, including, without limitation:

- a. whether alternative financing is available on any other basis (*i.e.*, whether any better offers, bids or timely proposals are before the court);
- b. whether the proposed financing is necessary to preserve estate assets and is necessary, essential and appropriate for continued operation of the debtors’ business;
- c. whether the terms of the proposed financing are reasonable and adequate given the circumstances of both the debtors and proposed lender(s);
- d. whether the proposed financing agreement was negotiated in good faith and at arm’s length and entry therein is an exercise of sound and reasonable business judgment and in the best interest of the debtor’s estate and its creditors; and
- e. whether the proposed financing agreement adequately protects prepetition secured creditors.

See, e.g., Ames Dep’t Stores, 115 B.R. at 37–39; *Bland v. Farmworker Creditors*, 308 B.R. 109, 113–14 (S.D. Ga. 2003); *see also* 3 Collier on Bankruptcy ¶ 364.04[1] (15th ed. rev. 2008). In particular, courts have authorized financing involving priming liens to avoid imminent liquidation. *See, e.g., In re Prospect Medical Holdings, Inc.*, No. 25-80002-SGJ11 (Bankr. N.D. Tex. Jan. 14,

2025) [Docket No. 101 ¶ 7] (granting senior priming DIP liens to avoid liquidation); *In re Franchise Group, Inc.*, No. 24-12480 (Bankr. D. Del. Nov. 7, 2024) [Docket No. 134 ¶ 6(c)] (same); *In re True Religion Apparel, Inc.*, No. 20-10941 (Bankr. D. Del. Apr. 15, 2020) [Docket No. 78 ¶ 2.1] (same); *In re Patriot Coal Corp.*, No. 15-32450-KLP (Bankr. E.D. Va. May 13, 2015) [Docket No. 67 ¶ 14(a)(iv)] (same).

34. The NOLA DIP Facility's priming liens with respect to CIF should be approved.⁶ *First*, the NOLA Debtors were unable to find alternative financing that preserved the NOLA Debtors as going-concern operations. No potential financing party was willing to provide the NOLA Debtors with unsecured or junior secured financing. The NOLA Debtors have an extremely limited pool of unencumbered assets that was insufficient to attract potential financing counterparties. Additionally, in light of the misconduct of the Debtors' former insiders and the near-term potential shutdown of the Debtors' operations, no counterparty was willing to assume the risk of extending credit on an unsecured or junior secured basis. The NOLA DIP Lender was not willing to extend new capital to the NOLA Debtors absent being provided priming liens on the NOLA Debtors' property, including the encumbered assets of the NOLA Debtors.

35. *Second*, the NOLA Debtors require immediate access to the NOLA DIP Facility to provide adequate liquidity for the operation and maintenance of their properties. Absent such relief, the NOLA will suffer material and irreparable harm, as they simply cannot operate or maintain their operations in the ordinary course without cash on hand and would face an immediate liquidity crisis. Accordingly, value will be lost and the NOLA Debtors' ability to effectuate a restructuring transaction will be significantly threatened. Conversely, the NOLA Debtors' access

⁶ For the avoidance of doubt, each of the DIP Lenders, in connection with committing to fund the DIP Facilities, has expressly consented to the priming of its prepetition liens on the terms and conditions set forth in the DIP Documents.

to liquidity will benefit all stakeholders—including CIF—by facilitating the NOLA Debtors’ efforts to preserve and enhance the value of the NOLA Debtors’ assets.

36. *Third*, the Debtors and their advisors determined that the DIP Facilities are the only alternative readily available for such liquidity. The Debtors conducted arm’s-length negotiations with the DIP Lenders regarding the terms of the DIP Facilities. The Debtors are only able to obtain these negotiated terms by agreement to provide first priority priming liens. The Debtors do not believe, moreover, that the financing necessary to fund these chapter 11 cases and prevent an immediate liquidation of the Debtors’ estates is available from other parties on comparable terms.

37. *Finally*, and as discussed more fully below, the Debtors will provide adequate protection for CIF’s alleged interests in prepetition collateral subject to the NOLA DIP Facility’s priming liens.

C. The Debtors’ Proposed Adequate Protection Should Be Approved

38. Parties with an interest in cash collateral or collateral that may be used to secure postpetition financing are entitled to adequate protection, including if such interests are being primed. *See* 11 U.S.C. §§ 363(e), 364(d). While section 361 of the Bankruptcy Code provides examples of forms of adequate protection, such as granting replacement liens and administrative claims, courts decide what constitutes sufficient adequate protection on a case-by-case basis. *See, e.g., In re Satcon Tech. Corp.*, No. 12-12869, 2012 WL 6091160, at *6 (Bankr. D. Del. Dec. 7, 2012). At the same time, it is well-recognized that “adequate protection” is not equivalent to “absolute protection.” *In re Beker Indus., Inc.*, 58 B.R. 725, 741 (Bankr. S.D.N.Y. 1986) (“Adequate protection, not absolute protection, is the statutory standard.”).

39. The NOLA Interim Order provides adequate protection for CIF because it allows the NOLA Debtors to continue operating their multifamily residential properties and generate revenue for the benefit of their creditors. *See, e.g., In re Salem Plaza Assoc.*, 135 B.R. 753, 758

(Bankr. S.D.N.Y. 1992) (holding that debtor's continued operation of shopping center, thereby "preserv[ing] the base that generates the income stream," provided adequate protection to secured creditor). In addition, CIF will be granted replacement liens and superpriority claims, in each case junior in all respects to the Carve-Out, the NOLA DIP Facility, and the liens and collateral granted to DH1 as DIP Lender under the NOLA DIP Facility.

40. The foregoing adequate protection package is appropriate under the circumstances, consistent with the market, and should be approved. *See, e.g., In re Rite Aid Corp.*, No. 25-14861 (MBK) (Bankr. D.N.J. May 7, 2025) [Docket No. 143 ¶ 9] (providing adequate protection liens to prepetition secured parties); *In re WeWork, Inc.*, No. 23-19865 (JKS) (Bankr. D.N.J. May 8, 2024) [Docket No. 1883]; *In re Thrasio Holdings, Inc.*, No. 24-11840 (CMG) (Bankr. D.N.J. Mar. 1, 2024) [Docket No. 81]; *In re Cyxtera Techs., Inc.*, No. 23-14854 (JKS) (Bankr. D.N.J. Jun. 7, 2023) [Docket No. 70].

II. The Debtors Should Be Authorized to Pay the Fees Required by the DIP Secured Parties Under the DIP Documents

41. Under the DIP Documents, the Debtors have agreed, subject to Court approval, to pay certain fees to the DIP Secured Parties. In particular, the Debtors have agreed to pay an Origination Fee of 3.0% of the DIP Facility, a nominal servicing fee of \$7,500 per month for the Kelly Hamilton DIP Facility, a nominal servicing fee of \$1,000 per month for the NOLA DIP Facility, and a break-up fee of \$250,000 if the Kelly Hamilton Debtor obtains replacement DIP financing prior to the conclusion of these chapter 11 cases. These fees are an integral component of the overall terms of the DIP Facilities and were required by the DIP Secured Parties as consideration for the extension of postpetition financing.

42. Courts in this district and others have approved similar fees in large chapter 11 cases. *See, e.g., In re Rite Aid Corp.*, No. 23-18992 (MBK) (Bankr. D.N.J. Oct. 17, 2023)

(approving 4.0 percent Upfront Fee of the DIP Term Loan Facility); *In re Cyxtera Techs., Inc.*, No. 23-14854 (JKS) (Bankr. D.N.J. Jun. 7, 2023) (approving a backstop fee of 6 percent and a 3 percent commitment fee on New Money Loans); *In re Akorn, Inc.*, No. 20-11177 (KBO) (Bankr. D. Del. May 22, 2022) (approving a commitment fee of approximately 3.0 percent of the DIP loans).

43. Because the fees under the proposed DIP Facilities are integral to the DIP Secured Parties' agreement to provide postpetition financing and consistent with the market, the Court should authorize the Debtors to pay the fees provided under the DIP Facilities, subject to the terms and conditions of the DIP Documents.

III. The Debtors Should Be Authorized to Use Cash Collateral

44. Pursuant to section 363(c)(2) of the Bankruptcy Code, a debtor may use cash collateral as long as “(A) each entity that has an interest in such cash collateral consents; or (B) the court, after notice and a hearing, authorizes such use, sale, or lease in accordance with the provisions of this section.” 11 U.S.C. § 363(c)(2). Section 363(e) of the Bankruptcy Code provides for adequate protection of interests in property when a debtor uses cash collateral. Further, section 362(d)(1) of the Bankruptcy Code provides for adequate protection of interests in property due to the imposition of the automatic stay. *See In re Cont'l Airlines*, 91 F.3d 553, 556 (3d Cir. 1996).

45. The Debtors have satisfied the requirements of sections 363(c)(2) and (e) and should be authorized to use the Cash Collateral. Each of the DIP Lenders has consented to the use of their cash collateral on the terms and conditions set forth in the DIP Documents. In addition, as described above, CIF will receive adequate protection that is fair and reasonable and that adequately protects such creditor's interest in its alleged prepetition collateral, including cash collateral, from any postpetition diminution in value. Accordingly, the Court should authorize the

Debtors to use cash collateral under section 363(c)(2) of the Bankruptcy Code.

IV. The DIP Lenders Should Be Deemed Good-Faith Lenders Under Section 364(e)

46. Section 364(e) of the Bankruptcy Code protects a good-faith lender's right to collect on loans extended to a debtor, and its right in any lien securing those loans, even if the authority of the debtor to obtain such loans or grant such liens is later reversed or modified on appeal. Section 364(e) of the Bankruptcy Code provides that:

The reversal or modification on appeal of an authorization under this section [364 of the Bankruptcy Code] to obtain credit or incur debt, or of a grant under this section of a priority or a lien, does not affect the validity of any debt so incurred, or any priority or lien so granted, to an entity that extended such credit in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and the incurring of such debt, or the granting of such priority or lien, were stayed pending appeal.

11 U.S.C. § 364(e).

47. The DIP Lenders qualify as good faith lenders under section 364(e). The DIP Facilities are the product of the Debtors' reasonable and informed determination that the DIP Lenders provided the best postpetition financing alternative available under the circumstances, as well as extended, arm's length, and good-faith negotiations between the Debtors and the DIP Lenders. The terms and conditions of the DIP Facilities are also reasonable under the circumstances. Further, the proceeds of the DIP Facilities will be used only for purposes that are permissible under the Bankruptcy Code and no consideration is being provided to any party to the DIP Facilities other than as described herein.

48. Accordingly, the Court should find that the DIP Lenders are entitled to the protections afforded by section 364(e) as good faith lenders to the Debtors.

V. The Automatic Stay Should Be Modified on a Limited Basis

49. The Interim Orders will provide that the automatic stay provisions of section 362

of the Bankruptcy Code will be modified to allow the DIP Secured Parties to file any financing statements, security agreements, notices of liens, and other similar instruments and documents in order to validate and perfect the liens and security interests granted to them under the DIP Facilities. The Interim Orders will also provide that the automatic stay is modified as necessary to permit the Debtors to grant liens to the DIP Secured Parties and to incur all liabilities and obligations set forth in the Interim Orders. Finally, the Interim Orders will provide that, following the occurrence of an event of default and an appropriate opportunity for the Debtors to obtain appropriate relief from the Court, the automatic stay shall be vacated and modified to the extent necessary to permit the applicable DIP Secured Party to exercise all rights and remedies in accordance with the DIP Documents and applicable law.

50. Stay modifications of this kind are ordinary and standard features of debtor in possession financing arrangements and, in the Debtors' business judgment, are reasonable and fair under the circumstances of these chapter 11 cases. *See, e.g., In re Rite Aid Corp.*, No. 23-18992 (MBK) (Bankr. D.N.J. Oct. 17, 2023) [Docket No. 120] (modifying automatic stay as necessary to effectuate the terms of the order); *In re WeWork, Inc.*, No. 23-19865 (JKS) (Bankr. D.N.J. May 8, 2024) [Docket No. 1883] (same); *In re Thrasio Holdings, Inc.*, No. 24-11840 (CMG) (Bankr. D.N.J. Mar. 1, 2024) [Docket No. 81]; *In re Cyxtera Techs., Inc.*, No. 23-14854 (JKS) (Bankr. D.N.J. Jun. 7, 2023) [Docket No. 70] (same).

The Debtors Require Immediate Access to the DIP Facilities and Cash Collateral

51. The Court may grant interim relief in respect of a motion filed pursuant to section 363(c) or 364 of the Bankruptcy Code where, as here, interim relief is "necessary to avoid immediate and irreparable harm to the estate pending a final hearing." Fed. R. Bankr. P. 4001(b)(2), (c)(2). Bankruptcy Rule 4001(c)(2) governs the procedures for obtaining authorization to obtain postpetition financing and provides, in relevant part:

The court may begin a final hearing on a motion for authority to obtain credit no earlier than 14 days after it has been served. If the motion so requests, the court may conduct a hearing before that 14 day period ends. After a preliminary hearing, the court may authorize using only the cash collateral necessary to avoid immediate and irreparable harm to the estate pending a final hearing.

F.R.B.P. 4001(b)(2).

52. The Debtors have an immediate postpetition need to access the funds provided by the DIP Facilities. The Debtors cannot maintain the value of their estates during the pendency of these chapter 11 cases without access to cash. The Debtors will be unable to operate their business as a going concern in the near term without the ability to access the DIP Facilities and use cash collateral and will suffer immediate and irreparable harm to the detriment of all creditors and other parties in interest.

53. The Debtors, therefore, seek immediate authority to access the DIP Facilities on an interim basis and as set forth in this motion and in the Interim Orders to prevent immediate and irreparable harm to their estates pending the Final Hearing pursuant to Bankruptcy Rules 4001(b) and 4001(c). Accordingly, the Debtors respectfully submit that they have satisfied the requirements of Bankruptcy Rule 4001 to support an expedited preliminary hearing and immediate access to the DIP Facilities and cash collateral on an interim basis.

Request of Waiver of Stay

54. To the extent that the relief sought in this motion constitutes a use of property under section 363(b) of the Bankruptcy Code, the Debtors seek a waiver of the fourteen-day stay under Bankruptcy Rule 6004(h). Further, to the extent applicable, the Debtors request that the Court find that the provisions of Bankruptcy Rule 6003 are satisfied. As explained herein, the relief requested in this motion is immediately necessary for the Debtors to be able to continue to operate their businesses and preserve the value of their estates.

Waiver of Memorandum of Law

55. The Debtors request that the Court waive the requirement to file a separate memorandum of law pursuant to Local Rule 9013-1(a)(3) because the legal basis upon which the Debtors rely is set forth herein and the motion does not raise any novel issues of law.

No Prior Request

56. No prior request for the relief sought in this motion has been made to this Court or any other court.

Reservation of Rights

57. Nothing contained in this motion or any order granting the relief requested in this motion, and no action taken pursuant to the relief requested or granted (including any payment made in accordance with any such order), is intended as or shall be construed or deemed to be: (a) an admission as to the amount of, basis for, or validity of any claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission or finding that any particular claim is an administrative expense claim, other priority claim or otherwise of a type specified or defined in this motion or any order granting the relief requested by this motion except as otherwise set forth in the motion; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (g) a waiver or limitation of any claims, causes of action or other rights of the Debtors or any other party in interest against any person or entity under the Bankruptcy Code or any other applicable law.

Notice

58. The Debtors will provide notice of this motion to the following parties and/or their respective counsel, as applicable: (a) the office of the United States Trustee for the District of New Jersey; (b) the DIP Lenders; (c) Lynd Living; (d) the Ad Hoc Group of Holders of Crown Capital Notes; (e) the United States Attorney's Office for the District of New Jersey; (f) the Internal Revenue Service; (g) the attorneys general in the states where the Debtors conducts their business operations; (h) the U.S. Department of Housing and Urban Development; and (i) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

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WHEREFORE, the Debtors request that the Court enter the Interim Orders and Final Orders, granting the relief requested in this motion and such other and further relief as the Court deems appropriate under the circumstances.

Dated: May 28, 2025

Respectfully submitted,

/s/ Andrew Zatz

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Exhibit A

Kelly Hamilton DIP Term Sheet

Exhibit B

NOLA DIP Term Sheet

Exhibit C

NOLA Interim Order

The NOLA Interim Order remains subject to continued review and revision by the Debtors, the NOLA DIP Lender, and other interested parties. The Debtors will file a revised form of the NOLA Interim Order prior to the initial hearing on this motion if the NOLA Interim Order is revised by agreement of the parties prior to such hearing.

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>Assumption of Service Agreements. 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>LAGSP Administrative Expense Claim. 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>Assignment of Service Agreements. 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

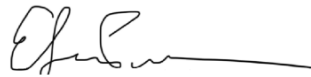
By: 
Name: Peter LaPointe
Title: Managing Partner

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>

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:

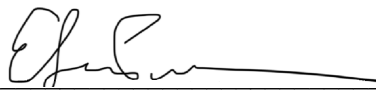
By: 
Name: Aron Gittleson
Title: Authorized Representative

CKD INVESTORS PENN LLC:

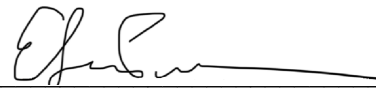
By: 
Name: Aron Gittleson
Title: Authorized Representative

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

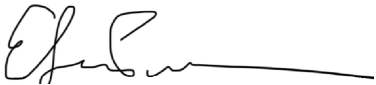
RH CHENAULT CREEK LLC,
a Delaware limited liability company

By: 
Elizabeth LaPuma, Authorized Signatory

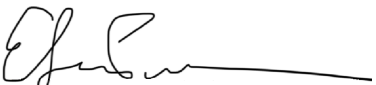
RH COPPER CREEK LLC,
a Delaware limited liability company

By: 
Elizabeth LaPuma, Authorized Signatory

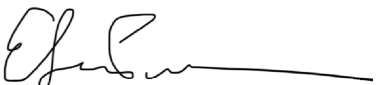
RH LAKEWIND EAST LLC,
a Delaware limited liability company

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

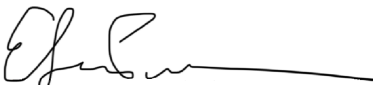
By: 
Elizabeth LaPuma, Authorized Signatory

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

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY Caption in Compliance with D.N.J. LBR 9004-1
In re: CBRM Realty Inc. <i>et al.</i> , Debtors. ¹

Chapter 11

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

**INTERIM ORDER (I) AUTHORIZING THE
DEBTORS TO OBTAIN POSTPETITION FINANCING,
(II) GRANTING LIENS AND SUPERPRIORITY
ADMINISTRATIVE EXPENSE CLAIMS, (III) MODIFYING
THE AUTOMATIC STAY, AND (IV) GRANTING RELATED RELIEF**

The relief set forth on the following pages, numbered 2 through 51, is ORDERED.

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 CBRM Realty Inc., et al., c/o White & Case LLP, 1221 Avenue of the Americas, New York, New York 10020.

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Debtors: CBRM REALTY INC., *et al.*

Case No. 25-15343 (MBK)

Caption of Order: INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION FINANCING, (II) GRANTING LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS, (III) MODIFYING THE AUTOMATIC STAY, AND (IV) GRANTING RELATED RELIEF

Upon the motion (the “**Motion**”)² of the debtors and debtors in possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases (collectively, the “**Chapter 11 Cases**”), pursuant to sections 105, 361, 362, 363, 364, 503, 506(c), 507, and 552 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (as amended, the “**Bankruptcy Code**”), rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and rules 4001-1, 4001-3, 9013-1, 9013-2, 9013-3, 9013-4 and 9013-5 of the Bankruptcy Local Rules for the District of New Jersey (the “**Local Rules**”), seeking entry of this interim order (this “**Interim Order**”):

- i. authorizing RH Chenault Creek LLC, RH Windrun LLC, RH Copper Creek LLC, RH Lakewind East LLC (collectively, the “**NOLA Debtors**”), CBRM Realty Inc. (“**CBRM**”) (subject to entry of the Final Order), and Crown Capital Holdings, LLC (“**Crown**”, and together with CBRM and the NOLA Debtors collectively, the “**Debtor Borrowers**,” and each individually, a “**Debtor Borrower**”), in their capacity as borrowers and as joint and several obligors, to obtain postpetition financing under a superpriority senior secured debtor in possession term loan credit facility (the “**DIP Facility**”), with an aggregate principal amount of up to \$17,422,728 (the “**DIP Facility Amount**”), comprised of
 - a. A superpriority senior secured multiple draw term loan credit facility in the principal amount of \$8,211,524 (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 subject to the terms and conditions of the DIP Orders (as defined below), that certain financing term sheet attached hereto as Exhibit A (the “**DIP Term Sheet**”), among the Debtor Borrowers and DH1 Holdings LLC (“**DH1**”), CKD Funding LLC (“**CKD Funding**”) and CKD Investor Penn LLC (“**CKD Penn**”, and

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

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Debtors: CBRM REALTY INC., *et al.*

Case No. 25-15343 (MBK)

Caption of Order: INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION FINANCING, (II) GRANTING LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS, (III) MODIFYING THE AUTOMATIC STAY, AND (IV) GRANTING RELATED RELIEF

together with DH1 and CKD Funding, collectively, the “**NOLA DIP Lender**”);

b. Roll-Up Loans. 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 accordance with the terms and conditions set forth in the DIP Term Sheet and the other DIP Loan Documents and as set forth below;

(i) Upon entry of this 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 this 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.

- ii. authorizing the Debtor Borrowers to use the proceeds of the DIP Facility (i) to pay costs, fees and expenses of the NOLA DIP Lender, as provided for in the DIP Term Sheet and this Interim Order, as well as all scheduled payments of interest and principal pursuant to the DIP Term Sheet, (ii) to provide working capital and for

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Debtors: CBRM REALTY INC., *et al.*

Case No. 25-15343 (MBK)

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other general corporate purposes of the Debtor Borrowers, and (iii) to satisfy the administrative expenses of these Chapter 11 Cases and other claims or amounts allowed by this Court;

- iii. granting valid, enforceable, binding, non-avoidable, and fully perfected superpriority liens on and security interests in substantially all of the property, assets, and other interests in property and assets of the Debtor Borrowers as set forth herein, whether such property is presently owned or after-acquired, and each Debtor Borrower's estate as created by section 541 of the Bankruptcy Code, of any kind or nature whatsoever, real or personal, tangible, intangible, or mixed, now existing or hereafter acquired or created, whether existing prior to or arising after the Petition Date (as defined below), subject only to the Carve-Out;
- iv. granting adequate protection to CKD Penn and CIF to the extent of any Postpetition Diminution in Value (as defined below) of such parties' respective liens on and interest in the Prepetition Collateral;
- v. granting superpriority administrative expense claims against each of the Debtor Borrowers' estates to the NOLA DIP Lender with respect to the DIP Obligations (as defined below) over any and all administrative expenses and other claims of any kind or nature subject and subordinate only to the payment of the Carve-Out on the terms and conditions set forth herein and in the DIP Term Sheet;
- vi. effective as of the Petition Date but subject to entry of the Final Order and to the extent set forth herein, waiving the Debtor Borrowers' and their estates' right to surcharge against the DIP Collateral (as defined below) pursuant to section 506(c) of the Bankruptcy Code;
- vii. effective as of the Petition Date but subject to entry of the Final Order and to the extent set forth herein, waiving the "equities of the case" exception under section 552(b) of the Bankruptcy Code with respect to the DIP Collateral and the proceeds, products, offspring, or profits thereof;
- viii. effective as of the Petition Date but subject to entry of the Final Order and to the extent set forth herein, waiving the equitable doctrine of marshaling with respect to the DIP Collateral and the DIP Secured Parties;
- ix. scheduling a final hearing (the "**Final Hearing**") to consider the relief requested in the Motion and the entry of a final order (the "**Final Order**", and together with this Interim Order, collectively, the "**DIP Orders**"), and approving the form of notice with respect to the Final Hearing;

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Debtors: CBRM REALTY INC., *et al.*

Case No. 25-15343 (MBK)

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- x. vacating and modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of the DIP Facility, the DIP Term Sheet, and this Interim Order;
- xi. waiving any applicable stay (including under Bankruptcy Rule 6004) with respect to the effectiveness and enforceability of this Interim Order and providing for immediate effectiveness of this Interim Order; and
- xii. granting related relief.

This Court having considered the Motion, the exhibits thereto, the *Declaration of Elizabeth A. LaPuma in Support of the Debtors' Chapter 11 Petitions and First Day Relief* (the "First Day Declaration") and the other evidence submitted or adduced and the arguments of counsel made at the Interim Hearing held pursuant to Bankruptcy Rule 4001(b)(2) on May 27, 2025; and this Court having heard and resolved or overruled any objections, reservations of rights, or other statements with respect to the relief requested in the Motion; and the Court having noted the appearances of all parties in interest; and it appearing that approval of the interim relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtor Borrowers and their estates pending the Final Hearing, and otherwise is fair and reasonable and in the best interests of the Debtor Borrowers, their estates, and all parties in interest, and is essential for the continued operation of the Debtor Borrowers' businesses and the preservation of the value of the Debtor Borrowers' assets; and it appearing that the Debtor Borrowers' entry into the DIP Term Sheet is a sound and prudent exercise of the Debtor Borrowers' business judgment; and the Debtor Borrowers having provided notice of the Motion as set forth in the Motion, and it appearing that no other or further notice of the Motion need be given; and after due deliberation and consideration,

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Debtors: CBRM REALTY INC., *et al.*

Case No. 25-15343 (MBK)

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and for good and sufficient cause appearing therefor,

BASED UPON THE RECORD ESTABLISHED AT THE INTERIM HEARING, THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:³

A. Petition Date. On May 19, 2025 (the “**Petition Date**”), the Debtors filed voluntary petitions under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of New Jersey, commencing these Chapter 11 Cases.

B. Debtors in Possession. The Debtors continue to manage and operate their businesses and properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these Chapter 11 Cases.

C. Jurisdiction and Venue. The Court has jurisdiction over the Motion, these Chapter 11 Cases, and the parties and property affected hereby pursuant to 28 U.S.C. § 1334. Venue for these Chapter 11 Cases is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding under 28 U.S.C. § 157(b) and this Court may enter a final order consistent with Article III of the United States Constitution. The bases for the relief sought in the Motion and granted in this Interim Order are sections 105, 361, 362, 363, 364, 503, 506, 507 and 552 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6004, and 9014, and Local Rules 4001-1, 4001-3, 9013-1, 9013-2, 9013-3, and 9013-4..

³ Findings of fact shall be construed as conclusions of law, and conclusions of law shall be construed as findings of fact, pursuant to Bankruptcy Rule 7052.

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Debtors: CBRM REALTY INC., *et al.*

Case No. 25-15343 (MBK)

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D. Committee. As of the date hereof, no official committee of unsecured creditors has been appointed in these Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code (any such committee, the “**Official Committee**”).

E. Debtors’ Stipulations. Subject only to the rights of parties in interest specifically set forth in paragraph [17] of this Interim Order (and subject to the limitations thereon contained in such paragraph or otherwise in this Interim Order), the Debtors stipulate and agree that (collectively, paragraphs E(i) through (vii) below are referred to herein as the “**Debtors’ Stipulations**”):

i. DH1 First Prepetition First Lien Loans. Debtor RH Chenault Creek LLC (“**Chenault**”) owns the Carmel Brook Apartments located at 12345 I-10 Service Road, New Orleans, LA 70128 (the “**Chenault Property**”).

a. On or about January 21, 2024, Akiri Funds, LLC (“**Akiri**”) made a commercial loan to Chenault pursuant to a Credit Agreement dated January 21, 2024 and Secured Promissory Note dated as of January 21, 2024 in the principal amount of \$3,635,475.00, as amended by an Amended and Restated Secured Promissory Note dated as of March 12, 2024 in the principal amount of \$4,060,875.87 (the “**Akiri Loan**”) and secured by a Mortgage, Pledge of Leases and Rents, and Security Agreement dated March 13, 2024 (the “**Akiri Mortgage**”). On or about September 6, 2024, Akiri sold and assigned the Akiri Loan and Akiri Mortgage to DH1, as

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Debtors: CBRM REALTY INC., *et al.*

Case No. 25-15343 (MBK)

Caption of Order: INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION FINANCING, (II) GRANTING LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS, (III) MODIFYING THE AUTOMATIC STAY, AND (IV) GRANTING RELATED RELIEF

evidenced by an Assignment of Amended and Restated Secured Promissory Note and Mortgage, Pledge of Leases and Rents, and Security Agreement (the “**DH1 Assignment**”). In connection with the DH1 Assignment, Akiri also executed an Allonge to Amended and Restated Secured Promissory Note dated September 6, 2024 (the “**Allonge**”).

b. DH1 also a separate loan to Chenault on or about April 4, evidenced by a Non-Revolving Commercial Line of Credit Note in the principal amount of \$7,500,000.00 (the “**DH1 Prepetition First Lien Loan**”) and secured by a Multiple Indebtedness Mortgage, Pledge of Lease and Rents and Security Agreement dated as of April 4, 2024 (the “**DH1 Prepetition First Lien Mortgage**”).

ii. *CKD Funding Prepetition First Lien Loans.* Debtor RH Windrun LLC (“**Windrun**”) owns the Carmel Spring Apartments located at 12151 I-10 Service Road, New Orleans, LA 70128. Debtor RH Lakewind East LLC (“**Lakewind**”) owns the Laguna Reserve Apartments located at 5131 Bundy Road, New Orleans, LA 70127 (the “**Lakewind Property**”). Debtor RH Copper Creek LLC (“**Copper**”) owns the Laguna Creek Apartments located at 6881 Parc Brittany Boulevard, New Orleans, LA 70126 (the “**Copper Creek Property**” and together with the Chenault Property, the Windrun Property and the Lakewind Property, collectively, the “**NOLA Properties**”). On or about July 8, 2024, CKD Funding

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Debtors: CBRM REALTY INC., *et al.*

Case No. 25-15343 (MBK)

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(together with DH1, collectively, the “**Prepetition First Lien Lenders**”) made a commercial loan to Windrun, Lakewind, and Copper Creek which loan was evidenced by a Non-Revolving Commercial Line of Credit Note in the principal amount of up to \$10 million (the “**CKD Funding Prepetition First Lien Loans**”, and together with the Akiri Loan, the DH1 Assignment, the Allonge, and the DH1 Prepetition First Lien Loan, collectively, the “**Prepetition First Lien Loans**”) and secured by a Multiple Indebtedness Mortgage, Pledge of Leases and Rents and Security Agreement dated July 8, 2024 (the “**CKD Funding Prepetition First Lien Mortgages**”, and together with the Akiri Mortgage, the DH1 Assignment, and the DH1 Prepetition First Lien Mortgage, collectively, the “**Prepetition First Lien Mortgages**”).

iii. *CKD Penn Prepetition Mortgage.* In connection with CKD Penn’s guaranty of the indebtedness of certain loan obligation of non-debtor affiliates of the Debtors (the “**CKD Penn Guaranty**”), CKD Penn holds a junior mortgage on each of the NOLA Properties pursuant to a Multiple Indebtedness Mortgage, Pledge of Leases and rents and Security Agreement dated August 16, 2024 (the “**CKD Penn Prepetition Junior Lien Mortgage**”).

iv. *Prepetition First Lien Obligations.* As of the Petition Date, the NOLA Debtors were obligated to the Prepetition First Lien Lenders, without objection, defense, counterclaim, or offset of any kind in the aggregate amount of

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Debtors: CBRM REALTY INC., *et al.*

Case No. 25-15343 (MBK)

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not less than \$8,961,204 on account of the Prepetition First Lien Loans and all other obligations owing under or in connection therewith (collectively, the “**Prepetition First Lien Obligations**”).

v. *Prepetition Collateral.* In connection with the Prepetition First Lien Loans, the NOLA Debtors granted the Prepetition First Lien Lenders granted the Prepetition First Lien Mortgages and the Prepetition First Lien Obligations are secured by valid, binding, perfected, and enforceable first-priority security interests in and liens on (the “**Prepetition First Priority Liens**”) substantially all of the NOLA Debtors’ assets (the “**Prepetition First Lien Collateral**”). In addition, in connection with the CKD Penn Guaranty, the NOLA Debtors granted CKD Penn the CKD Penn Prepetition Junior Lien Mortgage and the obligations of CKD Penn with respect to the CKD Guaranty were secured by valid, binding, perfected, and enforceable first-priority security interests in and liens on (the “**CKD Penn Prepetition Junior Liens**”) substantially all of the NOLA Debtors’ assets (the “**Prepetition Junior Lien Collateral**”, and together with the Prepetition First Lien Collateral, collectively, the “**Prepetition Collateral**”).

vi. *Validity, Perfection, and Priority of Prepetition First Priority Liens, CKD Penn Prepetition Junior Liens, and Prepetition First Lien Obligations.* Each of the Debtors acknowledges and agrees that, in each case as of the Petition Date: (i) the Prepetition First Priority Liens and CKD Penn Prepetition Junior Liens

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Debtors: CBRM REALTY INC., *et al.*

Case No. 25-15343 (MBK)

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encumber all of the Prepetition Collateral, as the same existed on the Petition Date;

(ii) the Prepetition First Priority Liens and CKD Penn Prepetition Junior Liens are valid, binding, enforceable, non-avoidable, and properly perfected liens on and security interests in the Prepetition Collateral; (iii) the Prepetition First Priority Liens and CKD Penn Prepetition Junior Liens (which are subject to and subordinate to the Prepetition First Priority Liens) are subject and subordinate only to valid, perfected and enforceable prepetition liens (if any) which are senior to the Prepetition First Lien Secured Parties' liens or security interests as of the Petition Date or to valid and unavoidable liens in existence immediately prior to the Petition Date that are perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code, and that are senior to the liens or security interests of DH1, CKD Funding and CKD Penn as of the Petition Date (such liens, the **"Permitted Prior Liens"**); (iv) the Prepetition First Priority Liens and CKD Penn Prepetition Junior Liens were granted to or for the benefit of the DH1, CKD Funding and CKD Penn for fair consideration and reasonably equivalent value and were granted contemporaneously with, or covenanted to be provided as an inducement for, the making of the loans and/or commitments and other financial accommodations secured thereby; (v) the Prepetition First Lien Obligations and obligations with respect to the CKD Penn Guaranty constitute legal, valid, binding, and non-avoidable obligations of the Debtors; (vi) no offsets, challenges,

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Debtors: CBRM REALTY INC., *et al.*

Case No. 25-15343 (MBK)

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objections, defenses, claims, or counterclaims of any kind or nature to any of the Prepetition First Priority Liens, CKD Penn Prepetition Junior Liens, Prepetition First Lien Obligations or any obligations with respect to the CKD Penn Guaranty exist, and no portion of the Prepetition First Priority Liens, CKD Penn Prepetition Junior Liens, Prepetition First Lien Obligations or any obligations with respect to the CKD Penn Guaranty is subject to any challenge, cause of action, or defense, including impairment, set-off, right of recoupment, avoidance, attachment, disallowance, disgorgement, reduction, recharacterization, recovery, subordination (whether equitable or otherwise), attack, offset, contest, defense, counterclaims, cross-claims, or “claim” (as defined in the Bankruptcy Code), pursuant to the Bankruptcy Code or applicable non-bankruptcy law; and (vii) subject entry of the Final Order, the Debtors and their estates have no claims, objections, challenges, causes of actions, recoupments, counterclaims, cross-claims, setoff rights, and/or choses in action, including “lender liability” causes of action or avoidance claims under chapter 5 of the Bankruptcy Code, whether arising under applicable state law or federal law (including any recharacterization, subordination, avoidance, disgorgement, recovery, or other claims arising under or pursuant to sections 105, 510, or 542 through 553 of the Bankruptcy Code), against the DH1, CKD Funding, CKD Penn or any of their respective affiliates, agents, representatives, attorneys, advisors, professionals, officers, directors, and employees arising out of, based

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Debtors: CBRM REALTY INC., *et al.*

Case No. 25-15343 (MBK)

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upon, or related to the Prepetition First Lien Loans, Prepetition First Lien Mortgages, the Prepetition First Lien Obligations, the Prepetition First Priority Liens, the CKD Guaranty, the CKD Penn Junior Lien Mortgage, the CKD Penn Prepetition Junior Liens, or any other prepetition transactions with the Debtors.

F. *Cash Collateral.* Substantially all of the Debtor Borrowers' cash, including any amounts generated by the collection of accounts receivable, all cash proceeds of the Prepetition Collateral, and the Debtor Borrowers' banking, checking, or other deposit accounts with financial institutions as of the Petition Date or deposited into the Debtor Borrowers' banking, checking, or other deposit accounts with financial institutions after the Petition Date constitutes "cash collateral" of DH1, CKD Funding and CKD Penn within the meaning of Bankruptcy Code section 363(a) (the "**Cash Collateral**").

G. *Adequate Protection.* Each of CKD Penn and CIF are entitled, pursuant to sections 105, 361, 362 and 363(c) of the Bankruptcy Code, to adequate protection of their respective interests in the Prepetition Collateral for any diminution in the value thereof.

H. *Final Hearing.* At the Final Hearing, the Debtors will seek entry of the Final Order, which shall be subject to the terms and conditions of the DIP Term Sheet. Notice of the Final Hearing and Final Order will be provided in accordance with this Interim Order.

I. *Purpose and Necessity of Financing.* The Debtors require the financing described in the Motion and as expressly provided in the DIP Term Sheet, this Interim Order, and certain formal loan documents to be entered into in connection with and upon entry of the Final Order,

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Debtors: CBRM REALTY INC., *et al.*

Case No. 25-15343 (MBK)

Caption of Order: INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION FINANCING, (II) GRANTING LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS, (III) MODIFYING THE AUTOMATIC STAY, AND (IV) GRANTING RELATED RELIEF

the “**DIP Loan Documents**”) (i) to pay costs, fees and expenses of the NOLA DIP Lender, as provided for in the DIP Term Sheet and this Interim Order, as well as all scheduled payments of interest and principal thereunder, (ii) to provide working capital and for other general corporate purposes of the Debtor Borrowers, and (iii) to satisfy the administrative expenses of these Chapter 11 Cases and other claims or amounts allowed by this Court. If the Debtor Borrowers do not obtain authorization to borrow under the DIP Term Sheet and this Interim Order is not entered, the Debtor Borrowers will suffer immediate and irreparable harm. The Debtor Borrowers are unable to obtain financing on more favorable terms from sources other than the NOLA DIP Lender under the DIP Term Sheet and are unable to obtain adequate unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense. The Debtor Borrowers also are unable to obtain secured credit allowable under sections 364(c)(1), 364(c)(2), and 364(c)(3) of the Bankruptcy Code for the purposes set forth in the DIP Term Sheet without granting the NOLA DIP Lender superpriority claims, liens, and security interests, pursuant to sections 364(d) of the Bankruptcy Code, as provided in this Interim Order. After considering all alternatives, the Debtor Borrowers concluded, in the exercise of their prudent business judgment, that the loan facility provided under the DIP Term Sheet and this Interim Order represents the best working capital financing available to them at this time. The DIP Facility is the best loan available to the Debtor Borrowers and the Debtor Borrowers have been unsuccessful in their attempts to find any alternative financing. Additionally, the terms of the DIP Facility are fair and reasonable and reflect the Debtor Borrowers’ exercise of prudent business judgment consistent with their fiduciary duties.

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J. Good Cause. The ability of the Debtor Borrowers to obtain sufficient working capital and liquidity under the DIP Term Sheet and this Interim Order is vital to the Debtor Borrowers, their estates, and creditors and stakeholders. The liquidity to be provided under the DIP Term Sheet and this Interim Order will enable the Debtor Borrowers to continue to operate their businesses in the ordinary course and preserve the value of their businesses. The Debtor Borrowers' estates will be immediately and irreparably harmed if this Interim Order is not entered. Good cause has, therefore, been shown for the relief sought in the Motion.

K. Good Faith. The DIP Facility, the DIP Term Sheet, and this Interim Order have been negotiated in good faith and at arm's length among the Debtor Borrowers and the NOLA DIP Lender, and all of the obligations and indebtedness arising under, in respect of or in connection with the DIP Facility, the DIP Term Sheet, and this Interim Order, including without limitation, all loans made to the Debtor Borrowers pursuant to the DIP Term Sheet and this Interim Order, and any other obligations under the DIP Term Sheet and this Interim Order (all of the foregoing, collectively, the "**DIP Obligations**"), shall be deemed to have been extended by the NOLA DIP Lender and their affiliates in good faith, as that term is used in section 364(e) of the Bankruptcy Code and in express reliance upon the protections offered by section 364(e) of the Bankruptcy Code, and the DIP Obligations, the DIP Liens (as defined below), and the Superpriority Claims (as defined below), shall be entitled to the full protection of section 364(e) of the Bankruptcy Code and the terms, conditions, benefits, and privileges of this Interim Order regardless of whether this Interim Order is subsequently reversed, vacated, modified, or otherwise is no longer in full force

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and effect or the Chapter 11 Cases are subsequently converted or dismissed.

L. Consideration. All of the Debtor Borrowers will receive and have received fair consideration and reasonably equivalent value in exchange for the DIP Facility and all other financial accommodations provided under the DIP Term Sheet and this Interim Order.

M. Immediate Entry of Interim Order. The Debtors have requested immediate entry of this Interim Order pursuant to Bankruptcy Rule 4001. The permission granted herein to enter into the DIP Facility and to obtain funds thereunder is necessary to avoid immediate and irreparable harm to the Debtor Borrowers. This Court concludes that entry of this Interim Order is in the best interests of the Debtors' respective estates, creditors and stakeholders as its implementation will, among other things, allow for the continued operation of the Debtor Borrowers' existing businesses and further enhance the Debtor Borrowers' prospects for a successful restructuring.

N. Notice. Upon the record presented to this Court at the Hearing, and under the exigent circumstances set forth therein, notice of the Motion and the emergency relief requested thereby and granted in this Interim Order has been provided in accordance with Bankruptcy Rules 4001(b) and 4001(c)(1) and Local Rule 9013-5, which notice was appropriate under the circumstances and sufficient for the Motion. No other or further notice of the Motion or entry of this Interim Order is required.

Based upon the foregoing findings and conclusions, the Motion and the record before the Court with respect to the Motion, and good and sufficient cause appearing therefor,

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IT IS HEREBY ORDERED:

1. **DIP Facility Approved.** The Motion is granted on an interim basis as set forth herein, the financing described herein is authorized and approved, and the use of Cash Collateral and provision of adequate protection on an interim basis is authorized, subject to the terms of this Interim Order and the other DIP Term Sheet.

2. **Objections Overruled.** Any objections, reservations of rights, or other statements with respect to entry of the Interim Order, to the extent not withdrawn, waived, settled or otherwise resolved, are overruled on the merits. This Interim Order shall become effective immediately upon its entry.

3. **Authorization of the DIP Facility and the DIP Term Sheet.**

- a. The Debtor Borrowers are hereby authorized to enter into the DIP Facility and the DIP Term Sheet, the terms of which are incorporated herein by reference. Prior to entry of the Final Order, the DIP Term Sheet and this Interim Order shall govern the financial and credit accommodations to be provided to the Debtor Borrowers by the NOLA DIP Lender in respect of the Interim DIP Facility Amount. Following entry of the Final Order, the financial and credit accommodations to be provided to the Debtor Borrowers by the NOLA DIP Lender in respect of the DIP Facility (including the Interim DIP Facility Amount) shall be governed by the DIP Term Sheet, the DIP Loan Documents and the Final Order.
- b. The Debtors are hereby authorized to borrow money pursuant to the DIP Term Sheet and this Interim Order, up to an aggregate principal amount of \$17,422,728 (of which

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only the Interim DIP Facility Amount may be drawn by the Debtor Borrowers prior to entry of the Final Order), plus interest, costs, fees, and other expenses and amounts provided for in the DIP Term Sheet and this Interim Order, in accordance with the terms of the DIP Term Sheet and this Interim Order, which shall be used solely as expressly provided in the DIP Term Sheet, this Interim Order and the Approved Budget to: (i) pay costs, fees, and expenses of the NOLA DIP Lender and the scheduled payments of principal and interest under the DIP Facility, (ii) provide working capital and for other general corporate purposes of the Debtors, and (iii) satisfy the administrative expenses of these Chapter 11 Cases and other claims or amounts allowed by this Court.

c. In furtherance of the foregoing and without further approval of this Court, each Debtor Borrower is authorized and directed to perform all acts, to make, execute and deliver all instruments and documents (including, without limitation, the execution or recordation of security agreements, mortgages and financing statements), and to pay all fees, that may be required or necessary for the Debtor Borrowers' performance of their obligations under the DIP Facility, including, without limitation:

i. the execution, delivery and performance of the DIP Term Sheet, including, without limitation, any guarantees, any security and pledge agreements, and any mortgages contemplated thereby;

ii. the non-refundable payment of the fees referred to in the DIP Term Sheet and this Interim Order and costs and expenses as may be due in accordance with the DIP Term Sheet and this Interim Order, and

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iii. the performance of all other acts required under or in connection with the DIP Term Sheet and this Interim Order.

d. The DIP Term Sheet and this Interim Order constitute valid, binding and non-avoidable obligations of the Debtors enforceable against each person or entity party thereto in accordance with their respective terms for all purposes during the Chapter 11 Cases, any subsequently converted case of any Debtor Borrower under chapter 7 of the Bankruptcy Code, or after the dismissal of any case. No obligation, payment, transfer, or grant of security under the DIP Term Sheet or this Interim Order shall be stayed, restrained, voidable, avoidable, or recoverable under the Bankruptcy Code or under any applicable law (including without limitation, under sections 502(d), 547, 548 or 549 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or similar statute or common law), or subject to any avoidance, reduction, setoff, recoupment, offset, recharacterization, subordination (whether equitable, contractual, or otherwise), counterclaims, cross-claims, defenses, disallowance, impairment, or any other challenges under the Bankruptcy Code or any other applicable foreign or domestic law or regulation by any person or entity.

4. **Carve-Out.**

a. **Amount of Carve-Out.** The relative priority of all amounts owed under the DIP Facility will be subject only to a “**Carve-Out**” in an amount equal to, without duplication: (a) 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

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any conversion of the Chapter 11 Cases pursuant to section 1112 of the Bankruptcy Code in an amount not to exceed \$25,000; (b) the amount equal to: (i) the cash held in the Escrow Account (as defined in the DIP Term Sheet) 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 (ii) 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 the occurrence of an Event of Default; and (c) fees owed pursuant to 28 U.S.C. § 1930.

b. Payment of Allowed Professional Fees Prior to Event of Default. Any payment or reimbursement made prior to the occurrence of an Event of Default in respect of any allowed fees, expenses, and costs incurred by the Debtors' independent fiduciary, counsel, financial adviser, and notice and claims agent shall not reduce the Carve-Out.

c. Payment of Allowed Professional Fees After Event of Default. Any payment or reimbursement made on or after the occurrence of an Event of Default in respect of any allowed fees, expenses, and costs incurred by the Debtors' independent fiduciary, counsel, financial adviser, and notice and claims agent shall permanently reduce the Carve Out on a dollar-for-dollar basis.

5. **Payment of DIP Facility Fees and Expenses.**

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a. The Debtor Borrowers are hereby authorized and directed to pay upon demand, all other fees, costs, expenses and other amounts payable under the terms of the DIP Term Sheet (and/or the DIP Loan Documents) and this Interim Order and all other fees and out-of-pocket costs and expenses of the NOLA DIP Lender in accordance with the terms of the DIP Term Sheet (and/or the DIP Loan Documents) and this Interim Order, including, without limitation, all documented fees and out-of-pocket costs and expenses of ArentFox Schiff LLP as counsel to the NOLA DIP Lender (the “**DIP Professional Fees and Expenses**”), subject to receiving a written invoice therefor. None of such fees, costs, expenses or other amounts shall be subject to further application to or approval of this Court, and shall not be subject to allowance or review by this Court or subject to the U.S. Trustee’s fee guidelines, and no attorney or advisor to the NOLA DIP Lender shall be required to file an application seeking compensation for services or reimbursement of expenses with this Court; *provided, however*, that copies of any such invoices shall be provided contemporaneously to the U.S. Trustee and counsel to any Official Committee (if one exists) (together with the Debtor Borrowers, the “**Review Parties**”); *provided further, however*, that such invoices may be redacted or modified to the extent necessary to delete any information subject to the attorney-client privilege, any information constituting attorney work product, or any other confidential information, and the provision of such invoices shall not constitute a waiver of the attorney-client privilege or any benefits of the attorney work product doctrine. Any objections raised by any Review Party with respect to such invoices must be in writing and state with particularity the grounds therefor and must be submitted to the affected professional within ten

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(10) calendar days after delivery of such invoices to the Review Parties (such ten (10) day calendar period, the “**Review Period**”). If no written objection is received prior to the expiration of the Review Period from the Review Parties, the Debtor Borrowers shall pay such invoices within five (5) calendar days following the expiration of the Review Period. If an objection is received within the Review Period, the Debtor Borrowers shall promptly pay the undisputed amount of the invoice within five (5) calendar days, and the disputed portion of such invoice shall not be paid until such dispute is resolved by agreement between the affected professional and the objecting party or by order of this Court. Any hearing to consider such an objection to the payment of any fees, costs or expenses set forth in a professional fee invoice hereunder shall be limited to the reasonableness of the fees, costs and expenses that are the subject of such objection. All such unpaid fees, costs, expenses and other amounts owed or payable to the NOLA DIP Lender shall be secured by the DIP Collateral and afforded all of the priorities and protections afforded to the DIP Obligations under the DIP Term Sheet (and/or the DIP Loan Documents) and this Interim Order.

b. Notwithstanding anything to the contrary herein, the fees, costs and expenses of the NOLA DIP Lender under the terms of the DIP Term Sheet, whether incurred prior to or after the Petition Date shall be deemed fully earned, non-refundable, irrevocable, and non-avoidable, and the Debtor Borrowers are authorized and directed to pay in full in cash all unpaid DIP Professional Fees and Expenses arising through and including the Initial Draw, without the need for any professional engaged by or on behalf of the DIP Lender to first deliver a copy of its invoice to any of the Review Parties (other than Debtor Borrowers). All unpaid fees, costs, and

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expenses shall be included and constitute part of the principal amount of the DIP Obligations and be secured by the DIP Liens.

c. Notwithstanding anything contained in this Interim Order to the contrary, any and all payments, premiums, fees, costs, expenses, and other amounts paid at any time by any of the Debtor Borrowers to the NOLA DIP Lender pursuant to the requirements of this Interim Order or the DIP Term Sheet (and/or the DIP Loan Documents) shall be non-refundable and irrevocable, are hereby approved, and shall not be subject to any challenge, objection, defense, claim or cause of action of any kind or nature whatsoever, including, without limitation, avoidance (whether under chapter 5 of the Bankruptcy Code or under applicable law (including any applicable state law Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law)), reduction, setoff, offset, recoupment, recharacterization, subordination (whether equitable, contractual, or otherwise), reclassification, disgorgement, disallowance, impairment, marshaling, surcharge, or recovery or any other cause of action, whether arising under the Bankruptcy Code, applicable non- bankruptcy law or otherwise, by any person or entity (subject, solely in the case of the DIP Professional Fees and Expenses, to paragraph 5(a) of this Interim Order).

6. **Superpriority Claims.** Each NOLA DIP Lender is hereby granted an allowed superpriority administrative expense claim (the “**Superpriority Claim**”) pursuant to section 364(d)(1) of the Bankruptcy Code for all DIP Obligations, having priority over any and all other claims against the Debtor Borrowers (including, subject to the Final Order, CBRM) and their

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estates, now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expenses of the kinds specified in or arising or ordered under sections 105(a), 326, 328, 330, 331, 503(b), 506(c), 507, 546(c), 726, 1113, and 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other nonconsensual lien, levy or attachment, which Superpriority Claim shall be payable from and have recourse to all prepetition and postpetition property of the Debtor Borrowers and their estates and all proceeds thereof. The Superpriority Claim granted in this paragraph shall be subject and subordinate in priority of payment only to, the Carve-Out.

7. **DIP Liens.**

(a) To secure the DIP Obligations, the following are granted in favor of the NOLA DIP Lender:

(i) a first priority, perfected security interest in, and lien, under section 364(c) of the Bankruptcy Code upon all property and assets (including Cash Collateral) of each Debtor Borrower (including, subject to the Final Order, CBRM) and of each Debtor Borrower's estate that, on or as of the Petition Date is not subject to valid, perfected, and non-avoidable liens;

(ii) a first priority, perfected security interest in, and lien, under section 364(d) of the Bankruptcy Code upon all property and assets (including Cash Collateral) of each Debtor Borrower (including, subject to the Final Order, CBRM) and of each Debtor Borrower's estate that is, as of the Petition Date, subject to

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valid, perfected, and non-avoidable liens in favor of the DIP Lenders.

(b) The liens created as described in clauses (i) and (ii) above (the “**DIP Liens**”) shall cover all property and assets (including Cash Collateral) of the Debtor Borrowers and their estates (now or hereafter acquired and all proceeds thereof), except (i) until entry of the Final Order, Avoidance Actions⁴ and their proceeds; (ii) until entry of the Final Order, any proceeds of the Estate Litigation Assets⁵; (iii) until entry of the Final Order, any proceeds of the Assigned Litigation Assets⁶; (iv) until entry of the Final Order, all property and assets of CBRM); and (v) as otherwise agreed to by the DIP Secured Parties (collectively, the “**DIP Collateral**”, and together with the Prepetition Collateral, collectively, “**Collateral**”).

(c) The DIP Liens shall be effective immediately upon the entry of this Interim Order and subject only to the Carve-Out.

(d) Except as provided in this Interim Order, the DIP Liens shall not at any time be (i) made subject or subordinated to, or made pari passu with, any other lien or security interest

⁴ “**Avoidance Actions**” shall mean all claims and causes of action under sections 502(d), 544, 545, 547, 548, and 550 of the Bankruptcy Code, or any other avoidance actions under the Bankruptcy Code or other federal law or applicable state law.

⁵ “**Estate Litigation Assets**” shall mean 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 Debtor Borrowers or their estates and the proceeds thereof, other than any such claims or causes of action against any NOLA DIP Lender and the NOLA DIP Lender’s respective affiliates, principals, affiliates, officers, employees, agents and other representatives. 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 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.

⁶ “**Assigned Litigation Assets**” shall mean any claims or causes of action or the proceeds thereof, in whole or in part, that any entity (including any creditors of the Debtors or their estates) contributes, assigns, sells to, or abandons to the Debtors or their estates, or any successor to the Debtors or their estates, including any Litigation Trust.

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existing as of the Petition Date, or created under sections 363 or 364(d) of the Bankruptcy Code or otherwise, or (ii) subject to any lien or security interest that is avoided and preserved for the benefit of the Debtor Borrowers' estates under section 551 of the Bankruptcy Code.

(e) The DIP Liens shall be and hereby are fully perfected liens and security interests, effective and perfected upon the date of this Interim Order without the necessity of execution by the Debtors of mortgages, security agreements, pledge agreements, financing agreements, financing statements or other agreements, such that no additional steps need be taken by the NOLA DIP Lender to perfect such interests. Any provision of any lease, loan document, easement, use agreement, proffer, covenant, license, contract, organizational document, or other instrument or agreement that requires the consent or approval of one or more landlords, licensors, or other parties, or requires the payment of any fees or obligations to any governmental entity, non-governmental entity or any other person, in order for any of the Debtor Borrowers to pledge, grant, mortgage, sell, assign, or otherwise transfer any fee or leasehold interest or the proceeds thereof or other collateral, shall have no force or effect with respect to the transactions granting in favor of the NOLA DIP Lender a priority security interest in such fee, leasehold or other interest or other collateral or the proceeds of any assignment, sale or other transfer thereof, by any of the Debtor Borrowers in favor of the NOLA DIP Lender, in accordance with the terms of the DIP Term Sheet and this Interim Order.

(f) The DIP Liens, Superpriority Claims, and other rights, benefits, and remedies granted under this Interim Order and the DIP Term Sheet in favor of the NOLA DIP

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Lender, shall continue in these Chapter 11 Cases, in any superseding case or cases under the Bankruptcy Code (including without limitation any case for any Debtor under chapter 7 of the Bankruptcy Code), and following any dismissal of the Chapter 11 Cases, and such liens and claims shall maintain their priority as provided in this Interim Order until all the DIP Obligations have been indefeasibly paid in full in cash and completely satisfied, and the NOLA DIP Lender's commitments have been terminated in accordance with the DIP Term Sheet.

8. **Adequate Protection for CKD Penn.** Subject only to the payment of the Carve Out, pursuant to sections 361, 363(e), and 364 of the Bankruptcy Code, and in consideration of the stipulations and consents set forth herein, as adequate protection of CKD Penn's interests in the Prepetition Collateral, for any diminution in value of such interests (each such diminution, a "**Diminution in Value**"), resulting from, among other things, the imposition of the priming DIP Liens on the Prepetition Collateral, the Carve Out, the Debtors' use of the Prepetition Collateral, and the imposition of the automatic stay, CKD Penn is hereby granted the following (collectively, the "**Adequate Protection Obligations**"):

a. **Adequate Protection Liens.** As security for any Diminution in Value, additional and replacement, valid, binding, enforceable, non-avoidable, and effective and automatically perfected postpetition security interests in and liens as of the date of this Interim Order (together, the "**Adequate Protection Liens**"), whether certificated or uncertificated and without the necessity of the execution by the Debtors (or recordation or other filing), of security agreements, pledge agreements, financing statements, mortgages, or other similar documents, on

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90% of the equity interests of Sycamore Meadows Apartments, LTD indirectly held by Crown, and the proceeds of any such interests. Subject to the terms of this Interim Order, the Adequate Protection Liens shall be subordinate only to the (A) Carve Out, (B) the DIP Liens, and (C) Permitted Prior Liens. The Adequate Protection Liens shall otherwise be senior to all other security interests in, liens on, or claims against any of the DIP Collateral (including, for the avoidance of doubt, any lien or security interest that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code).

b. Adequate Protection Superpriority Claims. As further adequate protection, in accordance with sections 503(b), 507(a), and 507(b) of the Bankruptcy Code, allowed administrative expense claims in each of the Debtor Borrowers' Chapter 11 Cases ahead of and senior to any and all other administrative expense claims in each of the Debtor Borrowers' Chapter 11 Cases to the extent of any postpetition Diminution in Value (the "**Adequate Protection Superpriority Claims**"), but junior to the Carve Out and the DIP Superpriority Claims. Subject to the Carve Out and the DIP Superpriority Claims in all respects, the Adequate Protection Superpriority Claims will not be junior to any claims and shall have priority over all administrative expense claims against each of the Debtor Borrowers, now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, administrative expense claims of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 365, 503(a), 503(b), 506(c) (subject to entry of the Final Order), 507(a), 507(b), 546(d), 726, 1113 and 1114 of the Bankruptcy Code.

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c. Adequate Protection Payments. As further adequate protection, the Debtor Borrowers are authorized and directed to timely pay, in accordance with the terms of this Interim Order, all reasonable and documented fees and out-of-pocket expenses, whether incurred before, on or after the Petition Date, to the extent not duplicative of any fees and/or expenses paid pursuant to paragraph [5] hereof, including all reasonable and documented fees and expenses of counsel and other professionals retained as provided for in the DIP Term Sheet, DIP Loan Documents and this Interim Order, including, for the avoidance of doubt, of ArentFox Schiff LLP, as counsel to the NOLA DIP Lender (all payments referenced in this sentence, collectively, the “**Adequate Protection Payments**”). None of the Adequate Protection Payments shall be subject to separate approval by this Court or the U.S. Trustee Guidelines, and no recipient of any such payment shall be required to file any monthly, interim or final fee application with respect thereto or otherwise seek the Court’s approval of any such payments.

d. Right to Seek Additional Adequate Protection. This Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the rights of the Prepetition First Lien Lenders to request further or alternative forms of adequate protection at any time or the rights of the Debtors or any other party to contest such request. Nothing herein shall impair or modify the application of section 507(b) of the Bankruptcy Code in the event that the adequate protection provided to CKD Penn is insufficient to compensate for any Diminution in Value of their interests in the Prepetition Collateral during the Chapter 11 Cases. Nothing contained herein shall be deemed a finding by the Court, or an acknowledgment by any of the

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Prepetition First Lien Lenders that the adequate protection granted herein does in fact adequately protect any of the Prepetition First Lien Lenders against any Diminution in Value of their respective interests in the Prepetition Collateral (including the Cash Collateral).

e. Other Covenants. The Debtor Borrowers shall maintain their cash management arrangements in a manner consistent with the cash management order approving the Debtor Borrowers' cash management motion. The Debtor Borrowers shall comply with the covenants contained in the DIP Term Sheet and DIP Loan Documents regarding conduct of business, including, without limitation, preservation of rights, qualifications, licenses, permits, privileges, franchises, governmental authorizations and intellectual property rights material to the conduct of their business and the maintenance of properties, assets and insurance.

f. Miscellaneous. Except for (i) the Carve Out and (ii) as otherwise provided in paragraphs [6 and 7], the Adequate Protection Liens and Adequate Protection Superpriority Claims granted to CKD Penn pursuant to paragraph [8] of this Interim Order shall not be subject, junior, or *pari passu*, to any lien or security interest that is avoided and preserved for the benefit of the Debtor Borrowers' estates under the Bankruptcy Code, including, without limitation, pursuant to section 551 or otherwise, and shall not be subordinated to or made *pari passu* with any lien, security interest or administrative claim under the Bankruptcy Code, including, without limitation, pursuant to section 364 or otherwise.

9. Adequate Protection for CIF. As adequate protection of the interests of CIF in its Prepetition Collateral to the extent of any postpetition Diminution in Value of such interests

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resulting from, among other things, the imposition of the priming DIP Liens on CIF's Prepetition Collateral, the Carve-Out, the Debtors' use of CIF's Prepetition Collateral, and the imposition of the automatic stay, CIF is hereby granted the following: (a) continuing, valid, binding, enforceable and perfected security interests and liens on CIF's Prepetition Collateral, which shall be junior in all respects to the Carve-Out, the DIP Liens, and the Prepetition First Priority Liens and CKD Penn Prepetition Junior Liens, but otherwise senior to all other security interests in, liens on, or claims against CIF's Prepetition Collateral; and (b) allowed administrative expense claims against the estate of Debtor RH Lakewind East LLC for repayment of CIF's alleged prepetition mortgage to the extent of any postpetition Diminution in Value, which shall be junior in all respects to the Carve-Out, the NOLA DIP Facility, and all superpriority claims granted to the NOLA DIP Lender under the NOLA DIP Facility, but otherwise senior to any and all other administrative expense claims in such Debtor's Chapter 11 Case.

10. **Section 507(b) Reservation.** Subject only to the Carve Out, nothing herein shall impair or modify the application of section 507(b) of the Bankruptcy Code in the event that the adequate protection provided to CKD Penn is insufficient to compensate for any Diminution in Value of CKD Penn's interest in the Prepetition Junior Lien Collateral during the Chapter 11 Cases. Nothing contained herein shall be deemed a finding by the Court, or an acknowledgment by any of the Prepetition First Lien Lenders that the adequate protection granted herein does in fact adequately protect any of the Prepetition First Lien Lenders against any Diminution in Value of their respective interests in the Prepetition Collateral (including the Cash Collateral).

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11. **Insurance.** Until the DIP Obligations have been indefeasibly paid in full, at all times, the Debtor Borrowers shall maintain casualty and loss insurance coverage for the Prepetition Collateral and the DIP Collateral on substantially the same basis as maintained prior to the Petition Date and shall name the NOLA DIP Lender as loss payee or additional insured, as applicable, thereunder.

12. **Perfection of DIP Liens and Adequate Protection Liens.**

a. Each NOLA DIP Lender is hereby authorized, but not required, to file or record financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments in any jurisdiction, or take possession of or control over, or take any other action in order to validate and perfect the liens and security interests granted to them hereunder, in each case without the necessity to pay any mortgage recording fee or similar fee or tax. Whether or not any NOLA DIP Lender shall, in its sole discretion, chooses to file such financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments, or take possession of or control over, or otherwise confirm perfection of the liens and security interests granted to them hereunder, such liens and security interests shall be deemed valid, perfected, allowed, enforceable, non-avoidable, and not subject to challenge dispute or subordination, at the time and as of the date of entry of this Interim Order. The Debtor Borrowers shall, if requested, execute and deliver to the NOLA DIP Lender all such agreements, financing statements, instruments and other documents as the NOLA DIP Lender may reasonably request to more fully evidence, confirm, validate, perfect, preserve, and enforce the DIP Liens and Adequate Protection

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Liens. All such documents will be deemed to have been recorded and filed as of the date of entry of this Interim Order.

- b. A certified copy of this Interim Order may, in the discretion of the NOLA DIP Lender, be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, notices of lien, or similar instruments, and all filing offices are hereby directed to accept such certified copy of this Interim Order for filing and recording.

13. **Authority to Execute and Deliver Necessary Documents.**

- a. All of the DIP Liens and Adequate Protection Liens shall be effective and perfected as of the entry of this Interim Order and without the necessity of the execution of mortgages, security agreements, pledge agreements, financing statements, or other agreements.

- b. Each of the Debtor Borrowers is hereby further authorized and directed to (i) perform all of its obligations under the DIP Term Sheet and this Interim Order, and such other agreements as may be required by the DIP Term Sheet and this Interim Order to give effect to the terms of the financing provided for therein and in this Interim Order, and (ii) perform all acts required under the DIP Term Sheet and this Interim Order.

- c. The Debtor Borrowers shall execute all documents and take all actions required to effectuate the DIP Term Sheet and this Interim Order, including, without limitation, executing all instruments which may be requested by the NOLA DIP Lender and in accordance with the DIP Term Sheet.

- d. All obligations under the DIP Term Sheet and this Interim Order shall constitute valid and

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binding obligations of each of the Debtor Borrowers enforceable against each of them, and each of their successors and assigns, in accordance with their terms and the terms of this Interim Order. No obligation, payment, transfer, or grant of a security interest under the DIP Term Sheet or this Interim Order shall be stayed, restrained, voidable, or recoverable under the Bankruptcy Code or under any applicable law or subject to avoidance, reduction, setoff, recoupment, offset, recharacterization, subordination (whether equitable, contractual, or otherwise), counterclaims, cross-claims, defenses, disallowance, impairment, or any other challenges under the Bankruptcy Code or any other applicable foreign or domestic law or regulation by any person or entity.

14. **Amendments, Consents, Waivers, and Modifications.** The Debtor Borrowers, with the express written consent of the NOLA DIP Lender, may enter into any amendments, consents, waivers, or modifications to the DIP Term Sheet without the need for further notice and hearing or any order of this Court, provided that such amendments, consents, waivers, or modifications do not shorten the Maturity Date, increase commitments or the rate of interest payable under the DIP Term Sheet and this Interim Order, require the payment of a fee, change any Event of Default, add any covenants, or amend the covenants in the DIP Term Sheet and this Interim Order to be materially more restrictive; *provided, however*, that a copy of any such amendment, consent, waiver or other modification shall be served by the Debtors on the U.S. Trustee and any Official Committee.

15. **Budget; Use of Proceeds.** All expenditures of the Debtor Borrowers shall be made

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subject to the Approved Budget, attached as **Exhibit B** to this Interim Order. The Debtor Borrowers 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; *provided, however*, 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. The Approved Budget may be amended only with the consent of the NOLA DIP Lender.

16. **Financial Reporting.** After entry of the Interim Order, the Debtor Borrowers shall:

a. 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 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,

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and (iv) such other information requested from time to time by the NOLA DIP Lender;

b. 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 (as defined in the DIP Term Sheet), 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

c. 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).

17. **Reservation of Rights of the NOLA DIP Lender and Prepetition First Lien Lenders.** Subject only to the Carve Out, notwithstanding any other provision in this Interim Order or the other DIP Documents to the contrary, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, or otherwise impair: (a) any of the

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rights of any of the Prepetition First Lien Lenders to seek any other or supplemental relief in respect of the Debtors including the right to seek additional adequate protection at and following the Final Hearing; *provided* that any such further or different adequate protection shall at all times be subordinate and junior to the Carve Out and the claims and liens of the DIP Secured Parties granted under this Interim Order and the other DIP Documents; (b) any of the rights of the NOLA DIP Lender or the Prepetition First Lien Lenders under the DIP Term Sheet, the DIP Loan Documents, the Prepetition First Lien Loans, any intercreditor agreement, or the Bankruptcy Code or under non-bankruptcy law (as applicable), including, without limitation, the right of any of the NOLA DIP Lender or the Prepetition First Lien Lenders to (i) request modification of the automatic stay of section 362 of the Bankruptcy Code, (ii) request dismissal of any of the Chapter 11 Cases, conversion of any of the Chapter 11 Cases to cases under chapter 7, or appointment of a chapter 11 trustee or examiner with expanded powers in any of the Cases, (iii) seek to propose, subject to the provisions of section 1121 of the Bankruptcy Code, a chapter 11 plan or plans; or (c) any other rights, claims, or privileges (whether legal, equitable, or otherwise) of any of the NOLA DIP Lender or the Prepetition First Lien Secured Parties. The delay in or failure of the NOLA DIP Lender and/or the Prepetition First Lien Lenders to seek relief or otherwise exercise their rights and remedies shall not constitute a waiver of any of the NOLA DIP Lender or the Prepetition First Lien Lenders' rights and remedies. For all adequate protection purposes throughout the Chapter 11 Cases, each of the Prepetition First Lien Lenders shall be deemed to have requested relief from the automatic stay and adequate protection for any Diminution in Value

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from and after the Petition Date. For the avoidance of doubt, such request will survive termination of this Interim Order.

18. **Reservation of Third-Party Rights and Bar of Challenges and Claims.** Subject to the Challenge Period (as defined herein), the stipulations, admissions, waivers, and releases contained in this Interim Order, including the Debtors' Stipulations, shall be binding upon the Debtors, their estates, and any of their respective successors in all circumstances and for all purposes and the Debtors are deemed to have irrevocably waived and relinquished all Challenges (as defined below) as of the Petition Date. The stipulations, admissions, and waivers contained in this Interim Order, including, the Debtors' Stipulations, shall be binding upon all other parties in interest, including any Official Committee and any other person acting on behalf of the Debtors' estates, unless and to the extent that a party in interest with proper standing granted by order of the Court (or other court of competent jurisdiction) has timely and properly filed an adversary proceeding or contested matter under the Bankruptcy Rules (i) before the earlier of (a) the deadline to object to confirmation of the Debtors' plan of reorganization or (b) the earlier of (I) except as to any Official Committee, sixty (60) calendar days after entry of the Interim Order, and (II) in the case of any such adversary proceeding or contested matter filed by any Official Committee, forty-five (45) calendar days after the appointment of such Official Committee (the "**Challenge Period**") and the date of expiration of the Challenge Period, the "**Challenge Period Termination Date**"; *provided, however*, that if, prior to the end of the Challenge Period, (x) the cases convert to chapter 7, or (y) if a chapter 11 trustee is appointed, then, in each such case, the Challenge Period shall be

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extended by the later of (A) the time remaining under the Challenge Period plus ten (10) days or (B) such other time as ordered by the Court solely with respect to any such trustee, commencing on the occurrence of either of the events discussed in the foregoing clauses (x) and (y); (ii) seeking to avoid, object to, or otherwise challenge the findings or Debtors' Stipulations regarding: (a) the validity, enforceability, extent, priority, or perfection of the mortgages, security interests, and liens of the Prepetition First Lien Lenders and CKD Penn; or (b) the validity, enforceability, allowability, priority, secured status, or amount of the Prepetition First Lien Obligations and CKD Penn Prepetition Junior Liens (any such claim, a "**Challenge**"), and (iii) in which the Court enters a final order in favor of the plaintiff sustaining any such Challenge in any such timely filed adversary proceeding or contested matter. Upon the expiration of the Challenge Period Termination Date without the filing of a Challenge (or if any such Challenge is filed and overruled): (a) any and all such Challenges by any party (including the Official Committee, any chapter 11 trustee, and/or any examiner or other estate representative appointed or elected in these Cases, and any chapter 7 trustee and/or examiner or other estate representative appointed or elected in any successor case) shall be forever barred; (b) the Prepetition First Lien Obligations shall constitute allowed claims, not subject to counterclaim, setoff, recoupment, reduction, subordination, recharacterization, defense, or avoidance for all purposes in the Cases and any successor cases; (c) the Prepetition First Priority Liens shall be deemed to have been, as of the Petition Date, legal, valid, binding, and perfected secured claims, not subject to recharacterization, subordination, or avoidance; and (d) all of the Debtors' stipulations and admissions contained in

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this Interim Order, including the Debtors' Stipulations, and all other waivers, releases, affirmations, and other stipulations as to the priority, extent, and validity as to the Prepetition First Lien Lenders' claims, liens, and interests contained in this Interim Order shall be of full force and effect and forever binding upon the Debtor Borrowers, the Debtor Borrowers' estates, and all creditors, interest holders, and other parties in interest in these Chapter 11 Cases and any successor cases. If any such adversary proceeding or contested matter is timely and properly filed under the Bankruptcy Rules and this Interim Order, and remains pending and the Chapter 11 Cases are converted to chapter 7, the chapter 7 trustee may continue to prosecute such adversary proceeding or contested matter on behalf of the Debtor Borrowers' estates. Furthermore, if any such adversary proceeding or contested matter is timely and properly filed under the Bankruptcy Rules and in accordance with this Interim Order, the stipulations and admissions contained in this Interim Order, including the Debtors' Stipulations, shall nonetheless remain binding and preclusive on any Official Committee and any other person or entity except to the extent that such stipulations and admissions were expressly challenged in such adversary proceeding or contested matter prior to the Challenge Period Termination Date. Nothing in this Interim Order vests or confers on any person (as defined in the Bankruptcy Code), including, without limitation, any Official Committee appointed in the Chapter 11 Cases, standing or authority to pursue any cause of action belonging to the Debtor Borrowers or their estates, including, without limitation any challenges (including a Challenge) with respect to the Prepetition First Priority Liens, CKD Penn Prepetition Junior Liens, Prepetition First Lien Obligations or any obligations with respect to the CKD Penn Guaranty, and

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a separate order of the Court conferring such standing on any Official Committee or other party-in-interest shall be a prerequisite for the prosecution of a Challenge by such Official Committee or such other party-in-interest.

19. Maturity Date. Consistent with the DIP Term Sheet, 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 (as defined in the DIP Term Sheet); (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 the DIP Term Sheet or 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.e., 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; *provided, however*, 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.

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20. **Events of Default.** The occurrence of any of the following events shall constitute an “Event of Default” under the DIP Term Sheet:

- a. the Debtor Borrowers’ failure to make debt-service or other payments when due hereunder;
 - b. the Debtor Borrowers’ failure to make deposits into the reserves established under the DIP Term Sheet;
 - c. the Debtor Borrowers’ failure to satisfy any material obligations set forth in the DIP Term Sheet and/or any related DIP Loan Documents;
 - d. any action by the U.S. Department of Justice to initiate forfeiture proceedings against any asset owned either partially or entirely by any Debtor Borrower;
 - e. failure by the Debtor Borrowers to 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);
 - f. failure by the Debtor Borrowers to make payments consistent with the DIP Term Sheet and Approved Budget, subject to permitted variances;
 - g. failure by the Debtor Borrowers to file and confirm a chapter 11 plan in accordance with the applicable milestones;
 - h. the confirmation of a chapter 11 plan inconsistent with the DIP Term Sheet;
- and
- i. the filing of a 363 motion for the NOLA Properties that is inconsistent with

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the DIP Term Sheet.

21. **Remedies Upon Event of Default.** Upon the occurrence of and during the continuance of an Event of Default, (i) the Debtor Borrowers shall be bound by all restrictions, prohibitions and other terms as provided in this Interim Order and the DIP Term Sheet, and (ii) the NOLA DIP Lender, shall be entitled to take any act or exercise any right or remedy as provided in this Interim Order or the DIP Term Sheet, including, without limitation, suspending or immediately terminating the DIP Facility; *provided, however*, that in the case of the enforcement of rights pursuant to this paragraph, the NOLA DIP Lender shall provide counsel to the Debtors, counsel to any Official Committee (if one exists), and the U.S. Trustee with five (5) business days' prior written notice (such period, the "**Remedies Notice Period**"). Immediately upon the expiration of the Remedies Notice Period, the Court shall hold an emergency hearing when the Court is available (the "**Enforcement Hearing**") at which the Debtors, any Official Committee, and/or any other party in interest shall be entitled to seek a determination from the Court solely as to whether an Event of Default has occurred, and at the conclusion of the Enforcement Hearing, the Court may fashion an appropriate remedy that is consistent with the terms of this Interim Order. Notwithstanding anything to the contrary herein, no enforcement rights set forth in this paragraph shall be exercised prior to the Court holding an Enforcement Hearing, subject to Court availability, and the expiration of the Remedies Notice Period, and the Remedies Notice Period shall not expire until the conclusion of the Enforcement Hearing and the issuance of a ruling by the Court if such Enforcement Hearing is conducted by the Court.

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22. **Automatic Stay Modified.** The automatic stay provisions of section 362 of the Bankruptcy Code hereby are, to the extent applicable, vacated, and modified to the extent necessary without the need for any further order of this Court, as follows: upon an Event of Default under the DIP Term Sheet and this Interim Order, the NOLA DIP Lender is authorized to exercise any and all of their rights and remedies in accordance with the terms of the DIP Term Sheet and this Interim Order, and to take all actions required or permitted by the DIP Term Sheet and this Interim Order without necessity of further Court orders, provided that the NOLA DIP Lender shall give five (5) business days notice to counsel to the Debtors, counsel to any Official Committee, and the U.S. Trustee of such action, and this Interim Order shall not prejudice the rights of any party in interest to oppose the exercise of the NOLA DIP Lender's remedies.

23. **Subsequent Reversal or Modification.** This Interim Order is entered pursuant to section 364 of the Bankruptcy Code, and Bankruptcy Rules 4001(b) and (c), granting the NOLA DIP Lender all protections afforded by section 364(e) of the Bankruptcy Code. If any or all of the provisions of this Interim Order are hereafter reversed, modified, vacated or stayed, that action will not affect (i) the validity of any obligation, indebtedness, or liability incurred hereunder by any of the Debtor Borrowers to the NOLA DIP Lender, prior to the date of receipt by the NOLA DIP Lender of written notice of the effective date of such action or (ii) the validity and enforceability of any lien, claim, or priority authorized or created under the DIP Term Sheet and this Interim Order. Notwithstanding any such reversal, stay, modification, or vacatur, any postpetition indebtedness, obligation, or liability incurred by any of the Debtor Borrowers to the

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NOLA DIP Lender, prior to written notice to the NOLA DIP Lender of the effective date of such action, shall be governed in all respects by the original provisions of this Interim Order and the NOLA DIP Lender shall be entitled to all the rights, remedies, privileges, and benefits granted herein and in the DIP Term Sheet with respect to all such indebtedness, obligations, or liability.

24. **Collateral Rights.** In the event that any person or entity that holds a lien or security interest in Collateral of the Debtor Borrowers or their estates that is junior or subordinate to the DIP Liens and Adequate Protection Liens in such Collateral of the Debtor Borrowers or their estates receives or is paid the proceeds of such Collateral of the Debtor Borrowers or their estates, or receives any other payment with respect thereto from any other source, prior to indefeasible payment in full in cash and the complete satisfaction of all DIP Obligations under the DIP Term Sheet and this Interim Order, and termination of the commitments in accordance with the DIP Term Sheet and this Interim Order, such junior or subordinate lienholder shall be deemed to have received, and shall hold, the proceeds of any such Collateral of the Debtor Borrowers or their estates in trust for the NOLA DIP Lender or CKD [or CIF], as applicable, and shall immediately turnover such proceeds to the NOLA DIP Lender, or CKD [or CIF], as applicable, for application in accordance with the DIP Term Sheet and this Interim Order.

25. **Release and Indemnity.**

a. In consideration of and as a condition to the NOLA DIP Lenders making the DIP Loan available under the DIP Term Sheet and DIP Loan Documents, the consent by the Prepetition First Lien Lenders and CKD Penn to the use of Cash Collateral and to have their liens

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primed as specifically set forth herein, and providing other credit and financial accommodations to the Debtor Borrowers pursuant to the provisions of this Interim Order, the DIP Term Sheet, and the DIP Loan Documents (including the Carve Out provisions), each Debtor, on behalf of itself, and successors and assigns and its Estate (collectively, the “**Releasors**”), hereby absolutely releases and forever discharges and acquits the NOLA DIP Lender, Prepetition First Lien Lenders, CKD Penn and each of their respective successors, participants, and assigns, and their present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, and other representatives (and all such other parties being hereinafter referred to collectively as the “**Releasees**”) of and from any and all claims, demands, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages, and any and all other claims, counterclaims, cross claims, defenses, rights of set-off, demands, and liabilities whatsoever (individually, a “**Released Claim**” and collectively, the “**Released Claims**”) of every kind, name, nature and description, known or unknown, foreseen or unforeseen, matured or contingent, liquidated or unliquidated, primary or secondary, suspected or unsuspected, both at law and in equity, including, without limitation, any so-called "lender liability" claims or defenses, that any Releasor may now or hereafter own, hold, have, or claim to have against the Releasees, or any of them for, upon, or by reason of any nature, cause, or thing whatsoever that arose or may have arisen at any time on or prior to the date of this Interim Order, arising out of, relating to, or in connection with, any of the Prepetition First Priority Liens, CKD Penn Prepetition Junior Liens, Prepetition First Lien Obligations, any obligations with respect to

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the CKD Penn Guaranty, the DIP Facility, the DIP Term Sheet, the DIP Loan Documents or the DIP Obligations; *provided, however*, that such release shall not be effective with respect to (i) the Debtors until entry of a Final Order and (ii) the Debtors' estates until the expiration of the Challenge Period as provided in paragraph [17]. In addition, upon the indefeasible payment and satisfaction in full of all DIP Obligations owed to the NOLA DIP Lenders by the Debtors, and termination of the rights and obligations arising under this Interim Order, the Final Order, the DIP Term Sheet and the DIP Loan Documents (which payment and termination shall be on terms and conditions acceptable to the NOLA DIP Lender), the NOLA DIP Lenders shall be automatically deemed to be absolutely and forever released and discharged from any and all obligations, liabilities, actions, duties, responsibilities, commitments, claims, and causes of action arising, occurring in connection with, or related to the DIP Term Sheet and DIP Loan Documents, this Interim Order, or the Final Order (whether known or unknown, direct or indirect, matured or contingent, foreseen or unforeseen, due or not due, primary or secondary, liquidated or unliquidated).

b. Each Releasor hereby absolutely, unconditionally and irrevocably covenants and agrees with each Releasee that it will not sue (at law, in equity, in any regulatory proceeding, or otherwise) any Releasee on the basis of any Released Claim that has been released and discharged by each Releasor pursuant to clause 23(a) above. If any Releasor violates the forgoing covenant, Debtors agree to pay, in addition to such other damages as any Releasee may sustain as a result of such violation, all attorneys' fees and costs incurred by any Releasee

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as a result of such violation.

c. Upon entry of this Interim Order, the Debtors hereby agree to protect, defend, indemnify, release and hold harmless the Releasees 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 Releasee arising out of or relating to the Debtors (and any subsidiaries or affiliates), prior loans, mortgages, all avoidance actions under the Bankruptcy Code, the Term Sheet, the DIP Loan Documents or the transactions contemplated thereby, except for those arising out of the willful misconduct or gross negligence of the Releasees as determined by a non-appealable court order.

26. **No Third-Party Beneficiary.** Except as explicitly set forth herein, no rights are created hereunder for the benefit of any third party, creditor, equity holder, or any direct, indirect, or incidental beneficiary.

27. **Rights Under Section 363(k).** The full amount of the DIP Obligations may be used to "credit bid" for the assets and property of the Debtor Borrowers as provided for in section 363(k) of the Bankruptcy Code, in accordance with the terms of the DIP Term Sheet and this Interim Order without the need for further Court order authorizing the same.

28. **Limitation on Charging Expenses Against DIP Collateral.** Effective as of the Petition Date but subject to entry of the Final Order and the terms thereof, no expenses of administration of the Chapter 11 Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be

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charged against or recovered from the DIP Collateral (except to the extent of the Carve Out) or the NOLA DIP Lender, pursuant to sections 105(a) or 506(c) of the Bankruptcy Code or any similar principle of law or equity, without the prior written consent of the NOLA DIP Lender, and no such consent shall be implied from any other action, inaction, or acquiescence by the NOLA DIP Lender.

29. **No Marshalling.** Effective as of the Petition Date but subject to entry of the Final Order and the terms thereof, the NOLA DIP Lender shall not be subject to the equitable doctrine of “marshaling” or any other similar doctrine with respect to any of the DIP Collateral, and proceeds of the DIP Collateral shall be received and applied pursuant to this Interim Order and the DIP Term Sheet, notwithstanding any other agreement or provision to the contrary.

30. **Equities of the Case.** The NOLA DIP Lender shall be entitled to all the rights and benefits of section 552(b) of the Bankruptcy Code with respect to proceeds, product, offspring, or profits of any of the DIP Collateral, and, effective as of the Petition Date but subject to entry of the Final Order and the terms thereof, the “equities of the case” exception under section 552(b) of the Bankruptcy Code shall not apply to the NOLA DIP Lender with respect to proceeds, product, offspring, or profits of any of the DIP Collateral.

31. **Final Hearing.** The Final Hearing on the Motion shall be held on June 17, 2025, at 1:00 p.m., prevailing Eastern time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Eastern time, on _____, 2025, and shall be served on: (a) the Debtors; (b) proposed counsel to the Debtors, White & Case LLP, 111

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S. Wacker Dr., Chicago, IL 60606, Attn: Gregory F. Pesce (gregory.pesce@whitecase.com), Adam T. Swingle (adam.swingle@whitecase.com), and Barrett Lingle (barrett.lingle@whitecase.com); (c) counsel to the Kelly Hamilton DIP Lender, [•]; (d) counsel to the NOLA DIP Lender, ArentFox Schiff LLP, 1301 Avenue of the Americas, 42nd Floor, New York, NY 10019, Attn: Scott B. Lepene (scott.lepene@afslaw.com) and Brett D. Goodman (brett.goodman@afslaw.com); (e) counsel to the Ad Hoc Group of Holders of Crown Capital Notes, Faegre Drinker Biddle & Reath LLP, 1177 Avenue of the Americas, 41st Floor New York, New York 10036, Attn: James H. Millar (james.millar@faegredrinker.com) and Michael P. Pompeo (michael.pompeo@faegredrinker.com); (f) the United States Trustee, One Newark Center, Suite 2100 Newark, New Jersey 07102, Attn: Jeffrey M. Sponder (jeffrey.m.sponder@usdoj.gov); (g) and counsel to any Official Committee. In the event no objections to entry of the Final Order on the Motion are timely received, this Court may enter such Final Order without need for the Final Hearing.

32. **Headings.** Section headings used herein are for convenience only and are not to affect the construction of or to be taken into consideration in interpreting this Interim Order.

33. **Conflicts.** To the extent there exists any conflict among the terms and conditions of the Motion, the DIP Term Sheet, or this Interim Order, the terms and conditions of this Interim Order shall govern and control.

34. **Effect of this Interim Order.** This Interim Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and shall take effect and be enforceable

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immediately upon execution hereof, notwithstanding Bankruptcy Rules 6003 or 6004 or any other
statute, rule, or provision to the contrary.

35. **Retention of Jurisdiction.** This Court retains exclusive jurisdiction with respect to
all matters arising from or related to the implementation, interpretation, and enforcement of this
Interim Order.