

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

WHITE & CASE LLP

Gregory F. Pesce (admitted *pro hac vice*)
111 South Wacker Drive
Chicago, Illinois 60606
Telephone: (312) 881-5400
Email: gregory.pesce@whitecase.com

-and-

Andrew Zatz
Samuel P. Hershey (admitted *pro hac vice*)
Barrett Lingle (admitted *pro hac vice*)
1221 Avenue of the Americas
New York, New York 10020
Telephone: (212) 819-8200
Email: azatz@whitecase.com
sam.hershey@whitecase.com
barrett.lingle@whitecase.com

Counsel to Debtors and Debtors-in-Possession

KEN ROSEN ADVISORS PC

Kenneth A. Rosen
80 Central Park West
New York, New York 10023
Telephone: (973) 493-4955
Email: ken@kenrosenadvisors.com

*Co-Counsel to Debtors and
Debtors-in-Possession*

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 (9071), 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.



**DEBTORS' MOTION FOR ENTRY OF AN
ORDER (I) APPROVING (A) BIDDING PROCEDURES,
THE SALE TIMELINE, AND THE FORM AND MANNER
OF NOTICE THEREOF FOR THE KELLY HAMILTON PROPERTY,
(B) THE DEBTORS' ENTRY INTO AND PERFORMANCE UNDER THE
STALKING HORSE AGREEMENT, (C) BID PROTECTIONS IN CONNECTION
WITH THE STALKING HORSE AGREEMENT, AND (D) ASSUMPTION
AND ASSIGNMENT PROCEDURES, AND (II) GRANTING RELATED RELIEF**

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

Preliminary Statement

1. Following extensive good-faith, arm’s-length discussions between the Debtors and their lender under the postpetition financing facility secured by the Debtors’ Kelly Hamilton asset in Pittsburgh, Pennsylvania (the “**Kelly Hamilton DIP Facility**”),² the parties have entered into an agreement for a newly formed affiliated entity, 3650 SS1 Pittsburgh LLC (the “**Kelly Hamilton DIP Lender**”) or a nominee designated in accordance with the Stalking Horse Agreement³ (such nominee, together with the Kelly Hamilton DIP Lender, as applicable, the “**Stalking Horse Bidder**”), pursuant to a credit bid of the Kelly Hamilton DIP Facility Obligations and the Manager Administrative Expense Claim (each as defined in the Stalking Horse Agreement), to acquire substantially all of the multi-family housing assets (the “**Kelly Hamilton Property**”) owned by Kelly Hamilton Apts LLC (the “**Kelly Hamilton Debtor**”).

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Bidding Procedures and Bidding Procedures Order, the *Joint Chapter 11 Plan of Reorganization of CBRM Realty Inc. and Certain of its Debtor Affiliates* [Docket No. 246] (the “**Plan**”), the *Disclosure Statement for the Joint Chapter 11 Plan of Reorganization of CBRM Realty Inc. and Certain of its Debtor Affiliates* [Docket No. 247] (the “**Disclosure Statement**”), or the Stalking Horse Agreement (as defined below), as applicable, filed contemporaneously herewith.

³ The nominee shall be a special purpose entity under common control by the Stalking Horse Bidder which the Stalking Horse Bidder shall designate to acquire the Kelly Hamilton Property in accordance with the Stalking Horse Agreement.

2. The Debtors' proposed sale of the Kelly Hamilton Property will be effectuated under a chapter 11 plan (the "**Sale Transaction**"). The proposed Sale Transaction will provide extensive benefits to the Debtors and their estates, including the (i) elimination of the obligations under the Kelly Hamilton DIP Facility, (ii) preservation of the Kelly Hamilton Property as a multi-family housing going concern in a historic area of Pittsburgh, and (iii) funding to consummate the Plan.

3. The Debtors seek the Court's approval to authorize the Debtors to, subject to the outcome of the auction process, enter into the asset purchase agreement with the Stalking Horse Bidder pursuant to the Plan (the "**Stalking Horse Agreement**"), establish a timeline to solicit bids, approve the Debtors' selection of the Stalking Horse Bidder, and approve certain limited bid protections in favor of the Stalking Horse Bidder in light of the benefits that the proposed sale provides to the Debtors' estates. The Debtors will use the committed bid from the Kelly Hamilton DIP Lender as a floor in the Debtors' ongoing sale process in accordance with the timeline set forth herein to secure the highest and best bid for the Kelly Hamilton Property. The Debtors believe that approval of the Bidding Procedures (as defined below) and entry into the Stalking Horse Agreement is in the best interests of the Debtors, their estates, and all stakeholders.

4. Accordingly, the Debtors respectfully request that the Court authorize the requested relief to permit the Debtors to complete their value-maximizing sale process.

Relief Requested

5. By this motion, the Debtors seek entry of an order (the "**Bidding Procedures Order**") approving, among other things, certain dates and procedures that are critical to the Debtors' proposed bidding and sale process as well as assumption and assignment procedures, in substantially the form attached hereto as **Exhibit A**. The Debtors will seek approval of an order

(the “**Confirmation and Sale Order**”) approving the sale of the Kelly Hamilton Property through the Plan.

6. The relief sought in the proposed Bidding Procedures Order includes the following:
 - (a) setting August 14, 2025 at 4:00 p.m. (prevailing Eastern Time) as the deadline by which parties must submit an offer with respect to the Debtors’ proposed sale of the Kelly Hamilton Property (the “**Bid Deadline**”);
 - (b) setting August 18, 2025 as the date on which the Debtors will conduct an auction (the “**Auction**”) (if any) with respect to the proposed sale of the Kelly Hamilton Property;
 - (c) scheduling a hearing to consider approval of the Confirmation and Sale Order (the “**Confirmation and Sale Hearing**”), for September 4, 2025, or as soon thereafter as the Court may be available, and approving the form and manner of notice thereof;
 - (d) approving bidding and auction procedures for the sale of the Kelly Hamilton Property (the “**Bidding Procedures**”), substantially in the form attached to the Bidding Procedures Order as Exhibit 1, and the form and manner of notice thereof;
 - (e) approving the form and manner of the confirmation and sale notice (“**Confirmation and Sale Notice**”), substantially in the form attached to the Bidding Procedures Order as Exhibit 2;
 - (f) approving procedures for the assumption and assignment of certain Executory Contracts⁴ and Unexpired Leases⁵ in connection with the sale of the Kelly Hamilton Property (each, an “**Assumed Contract**” and collectively, the “**Assumed Contracts**”), and notice of the Debtors’ potential assumption and assignment of the Assumed Contracts, substantially in the form attached as Exhibit 3 to the Bidding Procedures Order (the “**Assumption Notice**”);
 - (g) authorizing the Debtors’ entry into the Stalking Horse Agreement, attached to the Bidding Procedures Order as Exhibit 4, with the Kelly Hamilton DIP Lender as the Stalking Horse Bidder;
 - (h) approving the payment of the Bid Protection to the Stalking Horse Bidder in accordance with the Stalking Horse Agreement; and
 - (i) granting related relief.

⁴ “**Executory Contract**” means a contract to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

⁵ “**Unexpired Lease**” means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

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 of the United States District Court for the District of New Jersey*, entered July 23, 1984, and amended on September 18, 2012 (Simandle, C.J.). This matter is a core proceeding under 28 U.S.C. § 157(b). 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 predicates for the relief requested herein are sections 105(a), 363, 365 and 1123 of the Bankruptcy Code, rules 2002(a)(2), 6004, and 6006 of the Bankruptcy Rules, and rules 6004-1, 6004-2 and 9013-1(a)(3) of the Local Rules of the United States Bankruptcy Court for the District of New Jersey (the “**Local Rules**”).

Background

I. The Chapter 11 Cases

10. On May 19, 2025 (the “**Petition Date**”), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code commencing the above-captioned chapter 11 cases. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. These chapter 11 cases are being jointly administered pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in these chapter 11 cases and no official committees have been appointed or designated.

11. Additional factual information regarding the Debtors’ business, their capital structure, and the circumstances leading to these chapter 11 filings is contained in 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**”).

II. Events Leading to the Stalking Horse Agreement and Marketing Process

12. Prior to the commencement of these chapter 11 cases, the Debtors determined that a successful restructuring process would require consideration and evaluation of all potential restructuring options, including: (a) a recapitalization or restructuring of the Debtors' equity and/or debt securities; (b) a sale or sales of equity and/or assets of the Debtors; and/or (c) a refinancing of existing funded debt obligations or raising new capital through the issuance of debt or equity securities for the Debtors' properties, whether individually or collectively.

13. Specifically, the Debtors sought (i) a source of capital to maintain and operate the Kelly Hamilton Property, and/or (ii) a purchaser for the Kelly Hamilton Property. In the fall of 2024, Kelly Hamilton Lender LLC, an affiliate of the Debtors' prepetition property manager, Lynd Management Group LLC (“**Lynd Management**”), provided a loan for the Debtors to fund the Kelly Hamilton Property's operations and restructuring.

14. In preparation for these chapter 11 cases, the Debtors, in conjunction with Lynd Management, determined that obtaining further financing outside of a court-supervised restructuring process was not feasible. The Debtors engaged with Lynd Management and its financing partner, 3650 REIT, regarding the Kelly Hamilton DIP Facility. Lynd Management and 3650 REIT formed 3650 SS1 Pittsburgh LLC to provide the \$9.7 million Kelly Hamilton DIP Facility which was finalized in connection with these chapter 11 cases. The Kelly Hamilton DIP Facility and Stalking Horse Agreement provide for, among other things, a credit bid of all obligations outstanding under the Kelly Hamilton DIP Facility and the Manager Administrative Expense Claim, the potential assumption of certain liabilities, and the payment of cure amounts

for assigned executory contracts (the “**Stalking Horse Bid**”). The Debtors’ discussions with the Kelly Hamilton DIP Lender have resulted in a definitive agreement for 3650 SS1 Pittsburgh LLC or a nominee under common control with the Stalking Horse Bidder designated in accordance with the Stalking Horse Agreement to serve as the Stalking Horse Bidder for the Kelly Hamilton Property, the sale of which would be consummated under the Plan.

15. Accordingly, on July 11, 2025, the Kelly Hamilton Debtor and the Kelly Hamilton DIP Lender entered into the Stalking Horse Agreement, a copy of which is attached to the Bidding Procedures Order as Exhibit 4. The Stalking Horse Agreement contemplates that the Kelly Hamilton Property will be sold free and clear, except as set forth in the Stalking Horse Agreement, pursuant to a chapter 11 plan following a robust marketing, auction, and sale process to determine whether or not the Stalking Horse Bid is the highest or otherwise best bid for the Kelly Hamilton Property.

16. Moreover, in May 2025, the Debtors retained IslandDundon LLC (“**IslandDundon**”) as their financial advisor and investment banker to (a) seek postpetition financing for the Kelly Hamilton Property, and (b) conduct a comprehensive marketing process to canvass all value-maximizing restructuring options that may be available to the Debtors. The Debtors and their advisors have identified 37 potential transaction parties. The Debtors intend to distribute marketing materials to these parties as soon as practicable, together with confidentiality agreements.

III. The Proposed Sale Process and Related Timeline

17. The Debtors request that the Court approve the following dates in connection with the Bidding Procedures and the proposed sale timeline (the “**Sale Timeline**”):

Event	Deadline
Entry of the Bidding Procedures Order and Conditional Approval of the Disclosure Statement	July 24, 2025
Assumption and Assignment Service Deadline	Seven (7) Days After Entry of the Bidding Procedures Order
Cure Objection Deadline	Fourteen (14) Days After Service of the Assumption Notice ⁶
Bid Deadline	August 14, 2025 at 4:00 p.m. (prevailing Eastern Time)
Deadline for Debtors to Designate Qualifying Bids	August 15, 2025
Auction Date (if any)	August 18, 2025 at 10:00 a.m. (prevailing Eastern Time)
Deadline to File Notice of Successful Bidder and Back-Up Bidder	August 19, 2025
Deadline to Object to Confirmation and the Sale, and the Voting Deadline	August 22, 2025 at 4:00 p.m. (prevailing Eastern Time)
Reply in Support of Confirmation	August 27, 2025
Confirmation and Sale Hearing	September 4, 2025 at 11:30 a.m. (prevailing Eastern Time)
Consummation of Sale Transaction	Ten (10) Business Days Following Entry of the Confirmation and Sale Order

18. The Debtors believe that the sale process and related timeline are reasonable in time and scope and afford parties and creditors with sufficient time to gather information necessary to formulate a competitive bid that should maximize the value of the Kelly Hamilton Property for the benefit of the Debtors' estates and their stakeholders. The Debtors and their advisors believe that a fulsome and transparent marketing process will generate significant interest from potential bidders. Accordingly, the Debtors respectfully submit that the proposed sale process and related timeline are in the best interests of the Debtors' estates, will establish whether and to what extent a market exists for the Kelly Hamilton Property, will provide interested parties with sufficient

⁶ For the avoidance of doubt, there are two separate deadlines to object to the proposed assumption and assignment of a potential Assumed Contract: (a) the applicable Cure Objection Deadline, which is the deadline to object to the proposed assumption and assignment of a potential Assumed Contract to the Stalking Horse Bidder, including the Cure Payments related to any assumption and assignment of such potential Assumed Contract and the adequate assurance of future performance of the Stalking Horse Bidder, and (b) the Confirmation and Sale Objection Deadline, which only applies in the event the Stalking Horse Bidder is not the Successful Bidder and is the deadline to object to the proposed assumption and assignment of a Potential Assumed Contract to the Successful Bidder (that is not the Stalking Horse Bidder), solely on account of the identity of the Successful Bidder and adequate assurance of future performance.

opportunity to participate in any sale transaction, and ultimately, will drive a higher and better value for the Kelly Hamilton Property under the circumstances.

IV. The Stalking Horse Bid

19. Entry into the Stalking Horse Agreement will establish a floor for other interested bidders to submit, and for the Debtors to pursue, a superior offer in accordance with the terms of the Stalking Horse Agreement. The Debtors will conduct a Court-supervised marketing process pursuant to the Bidding Procedures, including conducting an auction on August 18, 2025 if a qualified bid other than the Stalking Horse Bid is received by the proposed Bid Deadline of August 14, 2025. This process will allow the Debtors to maximize estate value while maintaining their ability to emerge from chapter 11 by the end of August.

20. Among other things, the Stalking Horse Agreement contemplates the Stalking Horse Bidder credit bidding the Kelly Hamilton DIP Facility Obligations and Manager Administrative Expense Claim under a chapter 11 plan, assuming certain liabilities and Executory Contracts and Unexpired Leases of the Debtors, and satisfying related cure costs related to the assumption and assignment of Executory Contracts and Unexpired Leases of the Debtors, which will allow the Debtors to consummate the Plan and responsibly wind down their related remaining estates. The Stalking Horse Agreement also includes various customary representations, warranties, and covenants by and from the Debtors and the Stalking Horse Bidder, and certain conditions to closing and rights of termination related to the sale and these chapter 11 cases. The transactions contemplated by the Stalking Horse Agreement are subject to approval by the Court and entry of the Confirmation and Sale Order.

21. Certain material terms of the Stalking Horse Agreement and certain provisions of the Stalking Horse Agreement that are required to be highlighted pursuant to Local Rule 6004-1(a)(3) are described below.⁷

Summary of Stalking Horse Agreement⁸	
Parties to the Stalking Horse Agreement	The Stalking Horse Agreement was executed by and between Debtor Kelly Hamilton Apts LLC and 3650 SS1 Pittsburgh LLC or a nominee designated in accordance with the Stalking Horse Agreement. ⁹
Bid Protection <i>Stalking Horse Agreement, § 2.1(b)</i>	\$250,000 break-up fee to be paid in accordance with the terms and conditions set forth in the Stalking Horse Agreement (the “ Bid Protection ”).
Purchase Price <i>Stalking Horse Agreement, §§ 2.2; L.B.R. 6004-1(a)(3)(C)</i>	The Kelly Hamilton DIP Lender shall purchase from the Debtors the Kelly Hamilton Property, free and clear of all liens, in exchange for (i) a credit bid in the amount equal to the sum of the Kelly Hamilton DIP Facility Obligations and the Manager Administrative Expense Claim (as defined below), (ii) assumption of the Assumed Liabilities as of the Closing Date, (iii) payment of the Cure Payment, and (iv) to the extent that any sums shall be required to pay the obligations of the Stalking Horse Bidder as described in clause (ii) above, or pay closing costs for which the Stalking Horse Bidder is responsible hereunder, the Stalking Horse Bidder shall also deliver such a cash payment to the Escrow Agent as may be required for purposes of paying such sums (the “ Purchase Price ”).
Competing Transaction <i>Stalking Horse Agreement, § 2.1(b)</i>	In the event that the Debtors shall determine that it is in the best interest of the Debtors to sell the Kelly Hamilton Property to a New Bidder pursuant to an Alternative Agreement, (i) the Debtors shall deliver an Alternative Agreement Notice to the Stalking Horse Bidder and (ii) Debtors shall make payment of the Bid Protection to the Stalking Horse Bidder by wire transfer solely upon (x) the Bankruptcy Court entering a Bidding Procedures Order authorizing the payment of the Bid Protection, (y) the Bankruptcy Court entering a Final Order authorizing the Debtor to enter into and consummate such Alternative Kelly Hamilton Restructuring Transaction, and (z) the consummation of such Alternative Kelly Hamilton Restructuring Transaction in accordance with its terms. Upon the closing of the Alternative Kelly Hamilton Restructuring Transaction, the Stalking Horse Agreement shall automatically terminate, whereupon the parties shall be released from any further liability or obligation hereunder. For the avoidance of doubt, no Alternative

⁷ Although the Debtors are seeking approval of the sale under the Plan pursuant to section 1123 of the Bankruptcy Code, out of an abundance of caution, the Debtors have included a summary of those provisions required with respect to a sale under section 363 of the Bankruptcy Code.

⁸ Capitalized terms not otherwise defined shall have the meanings ascribed to them in the Stalking Horse Agreement.

⁹ The nominee shall be a special purpose entity under common control by the Stalking Horse Bidder which the Stalking Horse Bidder shall designate to acquire the Kelly Hamilton Property in accordance with the Stalking Horse Agreement.

	Agreement shall be permitted to adversely affect the rights of the Kelly Hamilton DIP Lender under the DIP Facility Documents.
Credit Bid <i>Stalking Horse Agreement, § 2.2; L.B.R. 6004-1(a)(3)(J)</i>	The Stalking Horse Agreement provides that the Kelly Hamilton DIP Lender will credit bid the sum of the Kelly Hamilton DIP Facility Obligations and the Manager Administrative Expense Claim.
Condition of the Sale <i>Stalking Horse Agreement, § 4.1; L.B.R. 6004-1(a)(3)(D)</i>	The sale of the Kelly Hamilton Property is an as-is sale.
Assignment of Contracts and Leases <i>Stalking Horse Agreement, § 5.2(a)(iv)-(vi); L.B.R. 6004-1(a)(3)(I)</i>	The Debtors will assume and assign to the Stalking Horse Bidder certain contracts and unexpired leases in accordance with the procedures set forth in the Bidding Procedures Order.
Sale to Insider L.B.R. 6004-1(b)(1)	Not applicable.
Agreement with Management L.B.R. 6004-1(b)(2)	Not applicable.
Waiver, Release, or Satisfaction of Claims <i>Stalking Horse Agreement, § 4.2; L.B.R. 6004-1(b)(3)</i>	Except to the extent expressly provided otherwise in the Stalking Horse Agreement, effective as of the Closing Date, the Stalking Horse Bidder forever releases and discharges Debtors from all responsibility and liability, whether arising before or after the Closing Date, relating to the condition, valuation, salability or utility of the property, or its suitability for any purpose whatsoever (including, but not limited to, with respect to conditions relating to the presence in the soil, air, structures and surface and subsurface waters, of hazardous materials or other materials or substances that have been or may in the future be determined to be toxic, hazardous, undesirable or subject to regulation and that may need to be specially treated, handled and/or removed from the property under current or future laws, and any structural and geologic conditions, subsurface soil and water conditions and solid and hazardous waste and hazardous materials on, under, adjacent to or otherwise affecting the Kelly Hamilton Property) and waives any claim the Stalking Horse Bidder may have against Debtors with respect thereto under the DIP Facility Documents as of such Closing Date. The Stalking Horse Bidder further waives (and by closing the Sale Transaction will be deemed to have waived) any and all objections and complaints (including, but not limited to, federal, state and local statutory and common law based actions, and any private right of action under any federal, state or local laws, regulations or guidelines to which the real property is or may be subject) concerning the physical characteristics and any existing conditions of the Kelly Hamilton Property. The Stalking Horse Bidder further assumes the risk of changes in applicable laws and regulations relating to past, present and future

	environmental conditions on the Kelly Hamilton Property and the risk that adverse physical characteristics and conditions.
Non-Solicitation of Competing Offers L.B.R. 6004-1(b)(4)	Not applicable.
Interim Agreement with Purchaser L.B.R. 6004-1(b)(5)	Not applicable.
Release of Sale Proceeds Without Further Court Order <i>Stalking Horse Agreement, § 5.3; L.B.R. 6004-1(b)(6)</i>	At closing, any sums required to pay (i) the obligations of the Stalking Horse Bidder described in Section 2.2(b)-(c) or (ii) closing costs for which the Stalking Horse Bidder is responsible under the Stalking Horse Agreement (if any) shall be paid by wire transfer to the Escrow Agent.
Sale of or Limitation on Pursuing Avoidance Claims L.B.R. 6004-1(b)(7)	The Property includes 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 (as defined in the Kelly Hamilton DIP Order ¹⁰).
Limitation on Successor Liability <i>Stalking Horse Agreement, § 4.3; L.B.R. 6004-1(b)(8)</i>	The Debtors expect that the proposed Confirmation and Sale Order will include customary findings protecting the Stalking Horse Bidder from successor liability. Further, the proposed Plan, which incorporates the Sale Transaction, provides that, following the Sale Transaction, neither the Stalking Horse Bidder nor any of its affiliates shall be deemed to be a successor to the Debtors.
Sale of Assets Free and Clear <i>Stalking Horse Agreement, §§ 6.2(c), 7.2.2; L.B.R. 6004-1(b)(9)</i>	As a condition precedent, the Debtors must obtain the Confirmation and Sale Order in a form reasonably acceptable to the Debtors and the Stalking Horse Bidder and such order shall not have been stayed, reversed, revoked, modified or vacated that authorizes the sale of the Kelly Hamilton Property by the Debtors to the Stalking Horse Bidder or, to the extent the Stalking Horse Bidder is not the Successful Bidder, then to the Successful Bidder, pursuant to this motion, free and clear of any claims against the Debtors or any parties claiming by, through or under the Debtors. Except for the liens and security interests created in favor of the Kelly Hamilton DIP Lender under the DIP Facility Documents and as provided in the Confirmation and Sale Order, the Personal Property to be transferred to Stalking Horse Bidder is free and clear of liens, security interests and other encumbrances.
Waiver of Stay L.B.R. 6004-1(b)(10)	The Debtors expect that the Confirmation and Sale Order will include relief from the fourteen-day stay imposed by Bankruptcy Rules 3020(e), 6004(h) and 6006(d).

¹⁰ As used herein, the Kelly Hamilton DIP Order refers to the Final Order (I) Authorizing the Kelly Hamilton DIP Loan Parties to Obtain Senior Secured Priming Superpriority Postpetition Financing, (II) Granting Liens and Superpriority Administrative Expense Claims, (III) Modifying the Automatic Stay, and (IV) Granting Related Relief [Docket No. 178].

V. The Proposed Bidding Procedures

22. The Debtors seek to implement a competitive bidding process to solicit Bids (as defined herein) for one or more proposed transactions. The proposed Bidding Procedures are designed to maximize value for the Debtors' estates while providing the Debtors with flexibility to conduct the bidding process in a manner they believe will facilitate competitive bidding on an efficient timeline in advance of the Confirmation and Sale Hearing. As such, the Debtors believe the proposed Bidding Procedures are fair and in the best interests of their estates and stakeholders and should be approved.

23. The Bidding Procedures describe, among other things, (a) the Kelly Hamilton Property, which is available for sale, (b) the manner in which bids become "qualified," (c) the coordination of diligence efforts among the bidders and the Debtors, (d) the receipt and negotiation of bids received, (e) the conduct of any Auction, and (f) the selection and approval of the Successful Bidder and the selection of the Back-Up Bidder (as defined below). The Bidding Procedures are attached as Exhibit 1 to the Bidding Procedures Order.

24. The Bidding Procedures contain the following provisions that are to be highlighted pursuant to Local Rule 6004, which are more fully described in the Bidding Procedures:¹¹

Summary of Bidding Procedures	
Participation Requirements D.N.J. LBR 6004-2(b)(1)(A-C)	To participate in the bidding process and to receive access to due diligence materials, a party must submit to the Debtors (i) documentation identifying the Interested Bidder, its principals, and the representatives thereof who are authorized to appear and act on their behalf for all purposes regarding the contemplated transaction, including the Auction (if any); (ii) an executed confidentiality agreement (" Confidentiality Agreement ") in form and substance satisfactory to the Debtors; (iii) a statement and other factual support demonstrating to the Debtors' reasonable satisfaction, after consultation with the Consultation Party, that the Interested Bidder has a

¹¹ The following summary is qualified in its entirety by reference to the provisions of the Bidding Procedures. In the event of any inconsistencies between the provisions of the Bidding Procedures and the terms herein, the terms of the Bidding Procedures shall govern. Unless otherwise defined in the summary set forth in the accompanying text, capitalized terms shall have the meanings ascribed to them in the Bidding Procedures.

Summary of Bidding Procedures	
	bona fide interest in consummating the Sale Transaction; and (iv) sufficient information, as determined by the Debtors, after consultation with the Consultation Party, to allow the Debtors to determine that the Interested Bidder (x) has, or can obtain, the financial wherewithal and any required internal corporate, legal or other authorizations to close the Sale, including, but not limited to, current audited financial statements of the Interested Bidder (or such other form of financial disclosure acceptable to the Debtors in their discretion), and (y) can provide adequate assurance of future performance under any executory contracts and unexpired leases to be assumed by the Debtors and assigned to the Stalking Horse Bidder or other Successful Bidder, as applicable, in connection with the Sale Transaction, pursuant to section 365 of the Bankruptcy Code, in connection with the Sale Transaction.
Bidding Deadline D.N.J. LBR 6004-2(b)(2)(B)	A Bidder that desires to make an irrevocable and binding offer (each, a “ Bid ”) shall transmit such irrevocable and binding offer via email (in both .pdf and MS-WORD format) so as to be actually received on or before August 14, 2025, at 4:00 p.m. (prevailing Eastern Time) (the “ Bid Deadline ”) to each of the Debtors’ advisors at the email addresses set forth in the Bidding Procedures.

Summary of Bidding Procedures	
<p>Bid Requirements</p> <p>D.N.J. LBR 6004-2(b)(2)(A-C); 6004-2(b)(3)(A-D)</p>	<p>Potential Bidders must provide a good faith cash deposit (the “Deposit”) in an amount equal to ten percent (10%) of the aggregate purchase price provided for in the Alternative APA (or such additional amount as may be determined by the Debtors in their reasonable discretion);</p> <p>Potential Bidders must provide their Bid accompanied by an Alternative APA and an alternative Confirmation and Sale Order that reflects any variations from the Stalking Horse APA or the Confirmation and Sale Order, as applicable;</p> <p>Further, Bids submitted by Potential Bidders must adhere to the following requirements:</p> <ol style="list-style-type: none"> a. be in writing b. include a clean and duly executed asset purchase agreement (an “Alternative APA”) and a marked copy of the Alternative APA and an alternative Confirmation and Sale order showing any variations from the Stalking Horse Agreement or the Confirmation and Sale Order, as applicable. The Alternative APA must (i) provide cash payment that is not less than the sum of (a) the DIP Facility Obligations, (b) the Bid Protection, (c) the Manager Administrative Expense Claim, (d) an amount that is equal to 5% of the aforementioned amounts and (e), any cash necessary to satisfy Senior Claims in full, to the extent such Senior Claims are not assumed in full by the Potential Bidder, (ii) consummate the transactions contemplated in the Alternative APA through the Plan, and (iii) include a commitment to close by no later than ten (10) business days following entry of the Confirmation and Sale Order; c. fully disclose the identity of the Potential Bidder (and to the extent that the Potential Bidder is a newly formed acquisition entity or the like, the identity of the Potential Bidder’s parent company or sponsor), and provide the contact information of the specific person(s) whom the Debtors or their advisors should contact in the event that the Debtors have any questions or wish to discuss the bid submitted by the Potential Bidder; d. set forth the purchase price to be paid by such Potential Bidder, which purchase price shall include an aggregate amount of cash sufficient to pay in full at closing, an amount that is not less than the sum of (a) the DIP Facility Obligations, (b) the Bid Protection, (c) the Manager Administrative Expense Claim, and (d) an amount that is equal to 5% of the aforementioned amounts; e. identify separately any cash and non-cash components, which non-cash components shall be limited only to credit bids in

Summary of Bidding Procedures	
	<p>accordance with section 363(k) of the Bankruptcy Code and assumed liabilities;</p> <p>f. state the liabilities proposed to be paid or assumed by such Potential Bidder;</p> <p>g. state that such Potential Bidder offers to (i) purchase the Kelly Hamilton Property and (ii) assume liabilities, including the Cure Payments, upon substantially the same terms as, or terms more favorable to the Debtors and their estate than, the terms set forth in the Stalking Horse Agreement;</p> <p>h. state that such Potential Bidder's offer is formal, binding and unconditional, and is irrevocable until two (2) business days after the closing of the Sale Transaction;</p> <p>i. to the extent that a bid is not accompanied by evidence of a Potential Bidder's capacity to consummate the applicable Sale Transaction with cash on hand, the bid must include unconditional committed financing from a reputable financing institution, documented to the satisfaction of the Debtors in consultation with the Consultation Party, including appropriate contact information for such financing sources, that demonstrates that the Potential Bidder has: (i) received sufficient debt and/or equity funding commitments to satisfy the Potential Bidder's purchase price and other obligations under its bid; and (ii) adequate working capital financing or resources to finance going concern operations for the Kelly Hamilton Property. Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals, and shall have covenants and conditions reasonably acceptable to the Debtors, in consultation with the Consultation Party;</p> <p>j. contain such financial and other information to allow the Debtors to make a reasonable determination, after consultation with the Consultation Party, as to the Potential Bidder's financial and other capabilities to close the transactions contemplated by the applicable Alternative APA, including, without limitation, such financial and other information supporting the Potential Bidder's ability to comply with the requirements of adequate assurance of future performance under section 365(f)(2)(B) and, if applicable, section 365(b)(3) of the Bankruptcy Code, including the Potential Bidder's financial wherewithal and willingness to perform under any contracts and leases that are assumed and assigned to the Potential Bidder, in a form that allows the Debtors to serve such information on any counterparties to such contracts or leases in connection with the Sale Transaction within one (1) business day after the Debtors' receipt of such information. To the extent that the Potential Bidder (other than the Stalking Horse Bidder) is a</p>

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	<p>newly formed acquisition entity or the like, the financial and other information supporting the Potential Bidder's financial wherewithal shall include financial and other information supporting the financial wherewithal of the Potential Bidder's parent company or sponsor;</p> <p>k. identify with particularity each and every executory contract and unexpired lease, the assumption and assignment of which is a condition to close the transactions contemplated by the Alternative APA;</p> <p>l. include closing conditions that are no less favorable to the Debtors than the closing conditions contained in the Stalking Horse Agreement (and specify such closing conditions in the applicable Alternative APA);</p> <p>m. include a statement that the bid does not request or entitle such Potential Bidder to any break-up fee, termination fee, expense reimbursement, or similar type of payment or reimbursement;</p> <p>n. not contain any contingencies of any kind, including, without limitation, contingencies related to financing, internal approval, or due diligence;</p> <p>o. contain a written acknowledgement and representation that the Potential Bidder (i) has had an opportunity to conduct any and all due diligence regarding the Kelly Hamilton Property, (ii) has relied solely upon its own independent review, investigation or inspection of any documents and other information in making its bid, and (iii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Kelly Hamilton Property, or the completeness of any documents or other information provided in connection with the Bidding Procedures and the Sale Transaction;</p> <p>p. set forth (i) a statement or evidence that the Potential Bidder has made or will make in a timely manner all necessary filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, if applicable, and pay the fees associated with such filings, and (ii) any regulatory and third-party approvals required for the Potential Bidder to close the transactions contemplated by the Alternative APA, and the time period within which the Potential Bidder expects to receive such regulatory and third-party approvals (and in the case that receipt of any such regulatory or third-party approval is expected to take more than five (5) days following execution and delivery of such Potential Bidder's Alternative APA, those actions the bidder will take to ensure receipt of such approval(s) as promptly as possible); <u>provided that</u></p>

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	<p>a Potential Bidder agrees that its legal counsel will coordinate in good faith with the Debtors' legal counsel to discuss and explain the Potential Bidder's regulatory analysis, strategy, and timeline for securing all such approvals as soon as reasonably practicable, and in no event later than the time period contemplated in the Alternative APA; <u>provided</u>, further that the bid contains a covenant to cooperate with the Debtors to provide pertinent factual information regarding the bidder's operations reasonably required to analyze issues arising with respect to any applicable antitrust laws and other applicable regulatory requirements;</p> <p>q. provide for a binding commitment of the Potential Bidder to serve as a backup bidder (the "Back-Up Bidder") if the Potential Bidder's bid is the next highest or otherwise best bid (the "Back-Up Bid") after the Successful Bid;</p> <p>r. include written evidence of authorization and approval from the Potential Bidder's board of directors (or comparable governing body) with respect to the submission, execution, and delivery of the Alternative APA;</p> <p>s. provide a good faith cash deposit (the "Deposit") in an amount equal to ten percent (10%) of the aggregate purchase price provided for in the Alternative APA (or such additional amount as may be determined by the Debtors in their reasonable discretion);</p> <p>t. state or otherwise estimate the types of, and costs or charges for, transition services (if any) the Potential Bidder would require of or provide to the Debtors, including an estimate of the time any such transition services would be required of or provided to the Debtors; and</p> <p>u. provide that in the event of the Potential Bidder's breach of, or failure to perform under, the Alternative APA, the Debtors and their estates shall be entitled to pursue all available legal and equitable remedies, including, without limitation, retention of the Deposit as part of the damages resulting to the Debtors and their estates for such breach or failure to perform.</p>
<p>Designation of Qualifying Bidders</p> <p>D.N.J. LBR 6004-2(b)(1)(A-D)</p>	<p>The Stalking Horse Bidder shall at all times be deemed to be a Qualifying Bidder and Stalking Horse Bid shall at all times be deemed a Qualifying Bid.</p> <p>Unless otherwise determined by the Debtors, a Bid will be considered a qualifying bid (a "Qualifying Bid"), and each Bidder that submits a Qualifying Bid will be considered a qualifying bidder (a "Qualifying Bidder") if the Debtors, in consultation with the Consultation Party, determine that such Bid:</p>

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	<ul style="list-style-type: none"> • satisfies the Bid Requirements set forth above; and • is reasonably likely (based on availability of financing, antitrust, or other regulatory issues, experience, and other considerations) to be consummated by the Closing Date, if selected as the Successful Bid (as defined below). <p>No later than August 15, 2025, the Debtors shall: (i) notify all Potential Bidders whether their respective bids have been determined to be Qualifying Bids and those Potential Bidders that have submitted Qualifying Bids will be considered to be Qualifying Bidders and (ii) determine, in consultation with the Consultation Party, which of the Qualifying Bids, at such time, is the highest or best Qualifying Bid for purposes of constituting the opening bid of the Auction. To the extent reasonably practicable, counsel for the Debtors shall provide summaries of the material terms of each Qualifying Bid to the Consultation Party on a professionals' eyes-only basis subject to the terms of the applicable Confidentiality Agreement at least twenty-four (24) hours prior to the Auction (if any).</p>
Stalking Horse Bidder D.N.J. LBR 6004-2(b)(3)(A-D)	<p>Designation. The Debtors, pursuant to the Stalking Horse Agreement, have designated the Kelly Hamilton DIP Lender as the Stalking Horse Bidder, whose Qualifying Bid shall serve as the Stalking Horse Bid. Pursuant to the Bidding Procedures and with further order of the Court, the Debtors and Stalking Horse Bidder shall execute, subject to higher or otherwise better offers, one or more purchase agreements memorializing the Stalking Horse Agreement, which includes, among other things, offering the Stalking Horse Bidder a break-up fee in the amount of \$250,000; <u>provided</u> that Bid Protection will only be earned by the Stalking Horse Bidder if the Successful Bidder overbids the Stalking Horse Bidder on the same terms contemplated by the applicable Stalking Horse Bid, and will only be payable upon (x) the Bankruptcy Court entering a Bidding Procedures Order authorizing the payment of the Bid Protection, (y) the Bankruptcy Court entering a Final Order authorizing the Debtors to enter into and consummate an Alternative Kelly Hamilton Restructuring Transaction, and (z) the consummation of such Alternative Kelly Hamilton Restructuring Transaction in accordance with its terms.</p> <p>Payment of the Bid Protection. A Bid must allow for the payment of the Bid Protection to the Stalking Horse Bidder from the first proceeds of the cash portion of the transaction contemplated thereby. The applicable Bid Protection will only be earned by the Stalking Horse Bidder if the Successful Bidder overbids the Stalking Horse Bidder on the same terms contemplated by the applicable Stalking Horse Bid and will only be payable on the Effective Date or the closing of the Sale from the cash proceeds of the Plan Transaction, as applicable.</p> <p>No Qualifying Bids. If no Qualifying Bid other than a Stalking Horse Bid is received, then the Debtors may cancel the Auction and decide, in the exercise of its fiduciary duties, to designate the Stalking Horse Bid as the Successful Bid, and pursue the transaction contemplated by the Stalking Horse Agreement. The Debtors shall promptly file notice of any</p>

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	cancellation of the Auction and designation of the Stalking Horse Bid as the Successful Bid with the Court.
Auction D.N.J. LBR 6004-1(a)(3)	Summary. If one or more Qualifying Bids are received by the Bid Deadline, the Debtors will conduct the Auction to facilitate the determination of the highest or otherwise best Qualifying Bid. Prior to or at the start of the Auction (if any), the Debtors will notify the Qualifying Bidders participating in the Auction (if any), including the Stalking Horse Bidder, of the highest or otherwise best Qualifying Bid received before the Bid Deadline (the “ Baseline Bid ”) and provide copies of the documents supporting the Baseline Bid to all Qualifying Bidders.
	Date, Time, and Place. The Auction (if any) shall take place on August 18, 2025 at 10:00 a.m. ET (prevailing Eastern Time) at the offices of White & Case LLP, 1221 Avenue of the Americas, New York, NY 10020 and/or in a virtual room hosted by the Debtors’ counsel, or such other place and time as the Debtors shall notify the Qualifying Bidders. In accordance with the Bidding Procedures, the Debtors will provide instructions for accessing the Auction (if any) by videoconference to the Qualifying Bidders prior to the Auction (if any).
	Auction Participants. Except as otherwise determined by the Debtors, only (i) the Debtors, (ii) any Qualifying Bidder, (iii) the U.S. Trustee, (iv) the Kelly Hamilton DIP Lender, (v) the Ad Hoc Group of Holders of Crown Capital Notes, and (vi) any other creditor of the Debtors that delivers to Debtors’ counsel a written request to attend the Auction (by email to barrett.lingle@whitecase.com) no later than twenty-four (24) hours prior to the commencement of the Auction, in each case, along with their respective representatives and counsel, may attend the Auction; <u>provided</u> that the Debtors may, in their sole discretion, establish a reasonable limit on the number of advisors that may appear on behalf of each party.
	Conducting the Auction. The Debtors and their professionals shall direct and preside over the Auction (if any) and the Auction (if any) shall be transcribed. Other than as expressly set forth herein, the Debtors may conduct the Auction (if any) in the manner they determine will result in the best offer. The Debtors may modify the format of the Auction (if any).
	Overbids. Auction Bidders may submit successive bids (each, an “ Overbid ”) in increments of at least \$250,000.00, <u>provided</u> that: (i) each such Overbid must be a Qualifying Bid; and (ii) the Debtors shall retain the right to modify the bid increment requirements at the Auction.
	Successful Bidder. The Auction (if any) shall continue until the Debtors select such Qualifying Bid that is the highest or best Qualifying Bid at the Auction (if any), taking into account any factors the Debtors reasonably deem relevant to the value and certainty of the Qualifying Bid to the Debtors’ estates (such Qualifying Bid, the “ Successful Bid ,” and the Bidder submitting such Successful Bid, the “ Successful Bidder ”) as the winner of the Auction (if any). In making this decision, the Debtors shall consider, in consultation with the Consultation Party, the amount of the purchase price, the assumption of liabilities, the likelihood of the bidder’s ability to close the proposed transaction and the timing thereof, the number, type and nature of any changes to the Stalking Horse Agreement or the applicable Alternative APA, as applicable, requested by each bidder, and

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	the net benefit to the Debtors' estates. As set forth in the Bidding Procedures Order, in the event the Debtors receive a Qualifying Bid other than the Stalking Horse Bid, the Stalking Horse Bid shall be the Successful Bid so long as the Stalking Horse Bid is equal to an amount not less than the highest other Qualifying Bid, if any.
	The Auction (if any) shall close when the Successful Bidder submits fully executed transaction documents memorializing the terms of the Successful Bid.
	Back-Up Bidder. The Qualifying Bidder with the next highest or otherwise next best Bid at the Auction (if any), as determined by the Debtors, will be designated as the Back-Up Bidder. The identity of the Back-Up Bidder and the amount and material terms of the Back-Up Bid shall be announced by the Debtors at the conclusion of the Auction (if any) at the same time the Debtors announce the Successful Bid.
	Notice. On August 19, 2025, the Debtors shall file with the Court a notice identifying the Successful Bidder and the Back-Up Bidder.
Reservation of Rights of the Debtors; Modification of Bidding and Auction Procedures	The Debtors reserve the right as they may reasonably determine in their sole discretion, to be in the best interest of the Debtors' estates, to: (i) determine which Qualifying Bid at the Auction (if any) is the highest or best proposal; (ii) reject any Bid that is (a) inadequate or insufficient, (b) not in conformity with the requirements of the Bidding Procedures or the requirements of the Bankruptcy Code, or (c) contrary to the best interests of the Debtors and their estates; (iii) waive terms and conditions set forth herein with respect to all potential bidders and Qualifying Bidders; (iv) impose additional terms and conditions at the Auction (if any) with respect to all Qualifying Bidders; (v) extend the deadlines set forth herein; (vi) continue or cancel the Auction (if any) in open court without further notice; and (vii) modify the Bidding Procedures, if necessary, and implement additional procedural rules that the Debtors determine, in their business judgment, will better promote the goals of the bidding process and discharge their fiduciary duties and are not inconsistent with any Court order.

25. The Debtors submit that the timeline set forth in the Bidding Procedures, and the Bidding Procedures themselves, are reasonable and necessary under the circumstances of these chapter 11 cases. Such timeline provides approximately five weeks between the filing of this motion and the Bid Deadline, which will allow parties in interest sufficient time to diligence the opportunity presented here, and to formulate bids for the Kelly Hamilton Property. The Bidding Procedures were designed with the objective of generating interest in, and driving higher and better

value for, the Kelly Hamilton Property while allowing the Debtors to close the Sale Transaction in a timely and efficient manner.

26. The robust auction and sale process, contemplated by the Bidding Procedures, will also serve as a market test to ensure that the Stalking Horse Agreement is a value-maximizing transaction for the Debtors and their stakeholders. The Stalking Horse Bidder will be deemed to be a Qualifying Bidder, and the Stalking Horse Agreement is deemed to be a Qualifying Bid. The Stalking Horse Bidder is credit bidding pursuant to section 363(k) of the Bankruptcy Code, and thus, is not required to make a deposit with the Debtors.

27. Nothing in the Bidding Procedures will impose any obligation on a Debtor (including the board of directors, board of managers, or similar governing body of a Debtor), after consulting with counsel, to take any action or to refrain from taking any action, with respect to the Bidding Procedures or otherwise related to any potential transaction, to the extent taking or failing to take such action is required to comply or would be inconsistent with applicable law or the Debtors' fiduciary obligations, if any, under applicable law. Therefore, the Bidding Procedures do not hinder the Debtors' ability to consider all Qualifying Bid proposals and preserve the Debtors' right to modify the Bidding Procedures as necessary or appropriate to maximize value for their estates.

VI. Notice Procedures for the Sale, Bidding Procedures, Auction, and Confirmation and Sale Hearing

28. As soon as practicable after entry of the Bidding Procedures Order, the Debtors will cause the Confirmation and Sale Notice, substantially in the form attached to the Bidding Procedures Order as Exhibit 2, to be served on (a) all parties listed on the notice block of this motion and (b) any parties that have expressed written interest in pursuing a potential transaction in connection with the marketing and bidding process. The Confirmation and Sale Notice is

reasonably calculated to provide all interested parties with timely and proper notice of the Bidding Procedures, Auction (if any), and Confirmation and Sale Hearing. As soon as practicable following the entry of the Bidding Procedures Order, the Debtors shall cause the Confirmation and Sale Notice to be published once in the *Newark Star Ledger* and the *Pittsburgh Post-Gazette*, or similar publication in the prudent exercise of the Debtors' business judgment. In addition, the Debtors will post the Confirmation and Sale Notice on the Debtors' restructuring website: <https://www.veritaglobal.net/cbrm>.

29. Following the Auction (if any), on August 19, 2025, the Debtors will promptly file with the Court a notice (the “**Notice of Successful Bidder**”) that will identify, among other things, the Successful Bidder and Back-Up Bidder.

VII. The Assumption and Assignment Procedures and Related Notice

30. The Debtors are also seeking approval of certain procedures to facilitate the fair and orderly assumption and assignment of Executory Contracts and Unexpired Leases in connection with the Sale Transaction (the “**Assumption and Assignment Procedures**”) and the Assumption Notice, substantially in the form attached to the Bidding Procedures Order as Exhibit 3. Because the Bidding Procedures Order sets forth the Assumption and Assignment Procedures in detail, they are not restated herein. Generally, however, the Assumption and Assignment Procedures (a) outline the process by which the Debtors may serve notice to certain Executory Contract and Unexpired Lease counterparties regarding the proposed assumption and assignment and related cure amounts, informing such parties of their right and the procedures to object thereto, and (b) establish objection and other relevant deadlines and the manner for resolving disputes relating to the assumption and assignment of the Executory Contracts and Unexpired Leases to the extent necessary.

Basis for Relief

I. The Court Should Approve the Sale Timeline Because It Is in the Best Interests of the Debtors' Estates and Is Reasonable in Time and Scope.

31. The Debtors seek entry of the Bidding Procedures Order for purposes of setting the Sale Timeline and providing parties with as much notice and clarity as possible. The proposed Sale Timeline contemplates an efficient sale process, and the Debtors want to ensure that all interested parties, and any potential bidders, understand the timeline to participate in the sale process and submit Qualifying Bids.

32. The Debtors further submit that the Sale Timeline is appropriate. The Debtors and their advisors have evaluated a number of qualitative and quantitative factors in designing a process that they believe will maximize the value of the Kelly Hamilton Property and result in a successful restructuring of their estates. The Debtors and their advisors have negotiated a timeline that balances the need to provide adequate notice to parties in interest, including to sufficiently market the Kelly Hamilton Property in the context of a postpetition sale process, with the need to quickly and efficiently consummate the Sale Transaction. The Sale Timeline is a product of good-faith, arm's-length negotiations and reflects the best option for maximizing the value of the Kelly Hamilton Property under the circumstances of these chapter 11 cases.

33. The Debtors believe that the Sale Timeline is reasonable in time and scope and affords parties with sufficient time to gather information necessary to formulate a competitive, value-maximizing bid. Accordingly, the Debtors believe that the Sale Timeline is in the best interests of the Debtors' estates, will assist in establishing whether and to what extent a market exists for the Kelly Hamilton Property, and provides interested parties with sufficient opportunity to participate in any sale transaction(s), and ultimately, will result in the highest or otherwise best bid for the Kelly Hamilton Property under the circumstances.

34. Access to the Kelly Hamilton DIP Facility is critical to the Debtors' ability to operate their businesses through the completion of the Sale Transaction and during the pendency of these chapter 11 cases. Failure to adhere to the milestones included in the Kelly Hamilton DIP Facility, which are reflected in the Sale Timeline, could jeopardize the Debtors' available borrowing under the Kelly Hamilton DIP Facility and, in turn, compromise the Debtors' ability to effectuate the proposed Sale Transaction. Given the anticipated cost of administering these chapter 11 cases, the Debtors cannot afford any delay in monetizing the Kelly Hamilton Property. With this in mind, the proposed Sale Timeline provides the Debtors with the ability to maximize value while minimizing administrative expenses.

35. In view of the foregoing, the Debtors request that the Court enter the Bidding Procedures Order, substantially in the form attached hereto as **Exhibit A**, approving the Sale Timeline.

II. The Court Should Approve the Debtors' Entry into the Stalking Horse Agreement.

36. Section 363(b) of the Bankruptcy Code provides that a debtor, "after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Courts apply the business judgment standard in evaluating a debtor's proposed use of property outside of the ordinary course of business. *Dai-Ichi Kangyo Bank, Ltd. v. Montgomery Ward Holding Corp. (In re Montgomery Ward Holding Corp.)*, 242 B.R. 147, 153-54 (D. Del. 1999) (use of assets outside the ordinary course of business permitted if "sound business purpose justifies such actions"); *Meyers v. Martin (In re Martin)*, 91 F.3d 389, 395 (3d Cir. 1996) (citing *Fulton State Bank v. Schipper (In re Schipper)*, 933 F.2d 513, 515 (7th Cir. 1991)); *In re Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir. 1983). The business judgment standard recognizes that informed, good faith decisions by debtors' directors should be ratified so long as

they can be attributed to “any rational purpose.” See *Marvel Entm’t Group, Inc. v. Mafco Holdings, Inc. (In re Marvel Entm’t Grp., Inc.)*, 273 B.R. 58, 78 (D. Del. 2002) (“[U]nder the business judgment rule, a board’s ‘decisions will not be disturbed if they can be attributed to any rational purpose’ . . .”). By applying this standard, courts recognize that a debtor is in the best position to make informed and educated decisions about its business. *Id.*; see also *In re Friedman’s, Inc.*, 336 B.R. 891, 895 (Bankr. S.D. Ga. 2005) (holding that the “business judgment rule is a ‘policy of judicial restraint born of the recognition that directors are, in most cases, more qualified to make business decisions than are judges’”) (quoting *Int’l Ins. Co. v. Johns*, 874 F.2d 1447, 1458 n.20 (11th Cir. 1989)).

37. Once the debtor articulates a valid business justification, the business judgment rule creates “a presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company.” *In re Integrated Res., Inc.*, 147 B.R. 650 at 656 (S.D.N.Y. 1992) (quoting *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)). Thus, “[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor’s conduct.” *Comm. of Asbestos-Related Litigants and/or Creditors v. Johns-Manville Corp. (In re Johns Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986).

38. Additionally, section 105(a) further provides that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a); *In re Combustion Eng’g, Inc.*, 391 F.3d 190, 236 (3d Cir. 2004) (“[Section 105(a)] has been construed to give a bankruptcy court ‘broad authority’ to provide equitable relief appropriate to assure the orderly conduct of reorganization proceedings.”) (citation omitted); *In re*

VII Holdings Co., 362 B.R. 663, 668-69 (Bankr. D. Del. 2007) (“Section 105(a) bestows broad equitable powers on the Court”).

39. Here, the Debtors have demonstrated a sound business judgment for entering into the Stalking Horse Agreement. The Stalking Horse Agreement was the result of arms-length, good-faith negotiations between the Debtors and the Stalking Horse Bidder, and the Stalking Horse Bid is the best and the highest offer the Debtors have received to date for the Kelly Hamilton Property. Entry into the Stalking Horse Agreement will establish a floor for other interested bidders to submit, and for the Debtors to pursue, a superior offer. Based on the foregoing, the Debtors submit that entry into the Stalking Horse Agreement is a valid exercise of their business judgment and should be approved by the Court.

III. The Bid Protection Is Fair, Market-Based, and an Essential Component of the Stalking Horse Bid and Should Be Approved.

40. In order to compensate the Stalking Horse Bidder for the time, effort, expense, and risk that it incurred in negotiating, documenting, and seeking to consummate the Sale Transaction, the Bidding Procedures also provide that if the Stalking Horse Bidder is not the Successful Bidder, and if an alternative transaction closes, the Stalking Horse Bidder will be entitled to a break-up fee in the amount of \$250,000, which such amount shall be earned and shall be paid to the Stalking Horse in the event that the Successful Bidder overbids the Stalking Horse Bidder on the same terms contemplated by the applicable Stalking Horse Bid, and will only be payable on the Effective Date or the closing of the Sale Transaction from the cash proceeds of the transaction, as applicable (the “**Bid Protection**”).

41. Bid protections are a normal and, in many cases, necessary components of sales conducted under the Bankruptcy Code:

Break-up fees are important tools to encourage bidding and to maximize the value of the debtor's assets In fact, because the ... corporation ha(s) a duty to encourage bidding, break-up fees can be *necessary* to discharge [such] duties to maximize values.

Integrated Res., Inc., 147 B.R. at 659-60 (emphasis in original). Specifically, “breakup fees and other strategies may be legitimately necessary to convince a ‘white knight’ bidder to enter the bidding by providing some form of compensation for the risks it is undertaking.” *In re 995 Fifth Ave., Assocs., L.P.*, 96 B.R. 24, 28 (Bankr. S.D.N.Y. 1989) (quotations omitted); *See also Integrated Res., Inc.*, 147 B.R. at 660-61 (break-up fees can prompt bidders to commence negotiations and “ensure that a bidder does not retract its bid”); *In re Hupp Indus., Inc.*, 140 B.R. 191, 194 (Bankr. N.D. Ohio 1992) (“without such fees, bidders would be reluctant to make an initial bid for fear that their first bid will be shopped around for a higher bid from another bidder who would capitalize on the initial bidder’s . . . due diligence”)

42. As a consequence, courts in this jurisdiction routinely approve such bidding protections in connection with similar transactions. *See Calpine Corp. v. O’Brien Env’tl. Energy, Inc. (In re O’Brien Env’tl. Energy, Inc.)*, 181 F.3d 527 (3d Cir. 1999) (“In other words, the allowability of break-up fees, like that of other administrative expenses, depends upon the requesting party’s ability to show that the fees were actually necessary to preserve the value of the estate.”); *In re Reliant Energy Channelview LP*, 594 F.3d 200, 206-07 (3d Cir. 2010) (holding that a fee could preserve the value of an estate by assuring that a bidder adhered to its bid rather than abandoning its attempt to purchase in the event that the bankruptcy court required an auction for the sale of the relevant asset); *In re Women First Healthcare, Inc.*, 332 B.R. 115, 121 (Bankr. D. Del. 2005) (“The Third Circuit has expressly recognized as an administrative claim a stalking-

horse bidder's claim for a break-up fee and expense reimbursement if granting such a claim provides a benefit to the estate . . . nor does the benefit to the estate have to be substantial . . .").

43. In *Calpine Corp. v. O'Brien Envtl. Energy, Inc. (In re O'Brien Envtl. Energy, Inc.)*, 181 F.3d 527 (3d Cir. 1999), the Third Circuit held that although bid protections are measured against a business judgment standard in non-bankruptcy transactions, the administrative expense provisions of Bankruptcy Code section 503(b) apply to bid protections in bankruptcy cases. Accordingly, to be approved, bid protections must provide postpetition benefit to the Debtor's estate. *See id.* at 533; *see also In re Reliant Energy Channelview LP*, 594 F.3d 200, 206-07 (3d Cir. 2010) (breakup fee must be necessary to preserve the value of the estate).

44. The *O'Brien* court identified at least two instances in which bid protections may provide benefit to the estate. First, benefit may be found if "assurance of a break-up fee promoted more competitive bidding, such as by inducing a bid that otherwise would not have been made and without which bidding would have been limited." *Id.* at 537. Second, when the availability of bid protections induce a bidder to research the value of the debtor and submit a bid that serves as a minimum or floor bid on which other bidders can rely, "the bidder may have provided a benefit to the estate by increasing the likelihood that the price at which the debtor is sold will reflect its true worth." *Id.*

45. The Bid Protection is fair and reasonable in amount, particularly in view of the efforts that have been and will be expended by the Stalking Horse Bidder. The Debtors have engaged with the Kelly Hamilton DIP Lender regarding its interest in submitting a potential stalking horse bid. The Kelly Hamilton DIP Lender indicated to the Debtors that a market break-up fee is an integral part of a deal and inducement for the Kelly Hamilton DIP Lender to submit a stalking horse bid with respect to the Kelly Hamilton Property. The Debtors determined that it

was prudent to select a stalking horse prior to the auction to ensure that there was a committed “floor” at the auction. Accordingly, the Bid Protection is “actually necessary to preserve the value of the estate.” *In re O’Brien Env’t Energy, Inc.*, 181 F.3d at 535.

46. The proposed Bid Protection is also appropriate under the “administrative expense” standard of *O’Brien*. Here, the Stalking Horse Bid provides a floor for other Qualifying Bids. Moreover, the Bid Protection, which is insisted on as consideration by the Stalking Horse Bidder, will enable the Debtors to secure an adequate floor for the Auction and, thus, ensure that competing bids are materially higher or otherwise better than the Stalking Horse Bidder’s initial bid, which provides a clear benefit to the estate.

47. Indeed, if the Court does not approve the proposed Bid Protection, the Debtors risk losing the Stalking Horse Bidder’s offer to the detriment of the estate. Moreover, the Debtors believes that the willingness of the Stalking Horse Bidder to commit to a sale of the Kelly Hamilton Property, subject to higher and better offers, and thereby provide the funding necessary to confirm the proposed Plan, may encourage third parties to submit higher bids for the Kelly Hamilton Property. Indeed, courts in this district have routinely approved break-up fees and/or expense reimbursements offered to stalking horse bidders. *See, e.g., In re Invitae Corporation*, No. 24-11362 (MBK) (Bankr. D. N.J. Feb. 13, 2024) (approving bidding procedures and bidding protections including a break-up fee and expense reimbursement payable to the stalking horse bidder); *In re Directbuy Home Improvement, Inc.*, No. 23-19159 (SLM) (Bankr. D.N.J. Nov. 9, 2023) (same); *In re Rite Aid Corp.*, No. 23-18993 (MBK) (Bankr. D.N.J. Oct. 18, 2023) (same); *In re Cyxtera Technologies, Inc.*, No. 23-14853 (JKS) (Bankr. D.N.J. June 29, 2023) (same); *In re Bed Bath & Beyond Inc.*, No. 23-13359 (VFP) (Bankr. D.N.J. Apr. 25, 2023) (same); *In re David’s Bridal, LLC*, No. 23-13131 (CMG) (Bankr. D.N.J. Apr. 19, 2023) (same).

48. The proposed Bid Protection is reasonable under the circumstances. By inducing the Stalking Horse Bidder to hold its proposal open as a baseline from which other potential bidders can submit higher or better offers, the Bid Protection will serve to encourage more competitive bidding, which will hopefully increase the consideration provided under the Plan. Moreover, the aggregate amount of the proposed Bid Protection (\$250,000) will not chill bidding given the size of this transaction, which will restructure more than \$9 million in funded indebtedness. In short, the proposed Bid Protection is a sound exercise of the Debtors' business judgment and is in the best interest of the Debtors, their estates, and all stakeholders. Accordingly, the Court should approve the Bid Protection.

IV. Implementing the Bidding Procedures Is an Appropriate Exercise of the Debtors' Business Judgment and in the Best Interests of the Estates.

49. Courts uniformly recognize that procedures intended to enhance competitive bidding are consistent with the goal of maximizing the value received by the estate and, therefore, are appropriate in the context of bankruptcy transactions. *See Integrated Res., Inc.*, 147 B.R. at 659 (bidding procedures "are important tools to encourage bidding and to maximize the value of the debtor's assets"); *see also In re Fin. News Network, Inc.*, 126 B.R. 152, 156 (Bankr. S.D.N.Y. 1991) ("court-imposed rules for the disposition of assets . . . [should] provide an adequate basis for comparison of offers, and [should] provide for a fair and efficient resolution of bankrupt estates"). Where there is a court-approved auction process, the assets are presumed to sell for a full and fair price because the best way to determine value is exposure to the market. *See Bank of Am. Nat'l Trust & Sav. Ass'n. v. 203 N. LaSalle St. P'ship*, 526 U.S. 434, 457 (1999); *see also In re Trans World Airlines, Inc.*, No. 01-00056, 2001 WL 1820326, at *4 (Bankr. D. Del. 2001) (while a "sale transaction does not require an auction procedure," "the auction procedure has

developed over the years as an effective means for producing an arm's length fair value transaction.”).

50. Here, the Bidding Procedures will promote active bidding from interested parties and will elicit the highest or otherwise best proposals available on the market. In particular, the Bidding Procedures contemplate an open auction process and provide potential bidding parties with sufficient time to perform due diligence and acquire the information necessary to submit a timely and well-informed bid. The Debtors fully expect that, by testing the marketplace, they will be able to select a potential transaction that is value-maximizing and in the best interests of the Debtors' stakeholders. The proposed Bidding Procedures are therefore appropriate under the relevant standards governing auction proceedings and bidding incentives in bankruptcy proceedings, and are consistent with other procedures previously approved by this District. *See, e.g., In re New Rite Aid, LLC*, Case No. 25-14861 (MBK) (Bankr. D.N.J. June 11, 2025) [Docket No. 804]; *In re Careismatic Brands, LLC*, Case No. 24-10561 (VFP) (Bankr. D.N.J. Feb. 29, 2024) [Docket No. 339]; *In re DirectBuy Home Improvement, Inc.*, Case No. 23-19159 (SLM) (Bankr. D.N.J. Nov. 9, 2023) [Docket No. 187]; *In re Bed Bath & Beyond Inc.*, Case No. 23-13359 (VFP) (Bankr. D.N.J. Apr. 25, 2023) [Docket No. 92]; *In re David's Bridal, LLC*, Case No. 23-13131 (CMG) (Bankr. D.N.J. Apr. 19, 2023) [Docket No. 72]; *In re BlockFi Inc.*, Case No. 22-19361 (MBK) (Bankr. D.N.J. Jan. 30, 2023) [Docket No. 441].

V. The Form and Manner of the Confirmation and Sale Notice Should be Approved.

51. Pursuant to Bankruptcy Rule 2002(a), the Debtors are required to provide creditors with twenty-one (21) days' notice of a hearing where the Debtors will seek to use, lease, or sell property of the estate outside the ordinary course of business. Bankruptcy Rule 2002(c) requires any such notice to include the time and place of the auction and the hearing and the deadline for

filing any objections to the relief requested therein. Notice of this Motion and the related hearing to consider entry of the Bidding Procedures Order, coupled with service of the Confirmation and Sale Notice, as provided for herein, is reasonably calculated to provide all interested parties with timely and proper notice of a potential transaction, including the date, time, and place of the Auction (if one is held) and the Bidding Procedures and the dates and deadlines related thereto. Accordingly, the Debtors request that this Court approve the form and manner of the Confirmation and Sale Notice.

VI. The Proposed Notices are Appropriate Under Bankruptcy Rule 2002.

52. The notices contemplated by the Bidding Procedures give notice of the proposed marketing and bidding process, including a disclosure of the time, place, and methodology of the Auction (if any), the terms and conditions for being a Qualifying Bidder, the necessary terms to be included in any potential transaction, and the deadline for filing any objections to the bidding process or any part thereof. The Debtors submit that the notice procedures comply with Bankruptcy Rule 2002 and include information regarding the Bidding Procedures necessary to enable interested bidders to participate in the Auction (if any), and constitute good and adequate notice of the Bidding Procedures and the other components of the marketing and bidding process. Therefore, the Debtors respectfully request that this Court approve the proposed notice procedures.

VII. The Assumption and Assignment Procedures Are Appropriate and Should Be Approved.

53. As set forth above, the Sale Transaction contemplates the assumption and assignment of Executory Contracts and Unexpired Leases to the Successful Bidder. In connection with this process, the Debtors believe it is necessary to establish the Assumption and Assignment procedures by which: (a) the Debtors and counterparties to the Executory Contracts or Unexpired Leases (the “**Contract Counterparties**”) can reconcile cure obligations, if any, in accordance with

section 365 of the Bankruptcy Code; and (b) such Contract Counterparties can object to the assumption and assignment of the Executory Contracts and Unexpired Leases and/or related cure payments. As set forth in the Bidding Procedures Order, the Debtors also request that any Contract Counterparty that fails to object to the proposed assumption and assignment of any Executory Contract or Unexpired Lease be deemed to consent to the assumption and assignment of the applicable Executory Contract or Unexpired Lease pursuant to section 365 of the Bankruptcy Code, along with the cure payments identified in the Assumption Notice. *See, e.g., In re Boy Scouts of Am.*, 642 B.R. 504, 569 (Bankr. D. Del. 2022) (“The lack of objection of a [creditor] is also consensual for purposes of § 363 and, again, permissible under § 363(f)(2).”); *In re Christ Hosp.*, No. CIV.A. 14-472 ES, 2014 WL 4613316, at *14 (D.N.J. Sept. 12, 2014) (same); *In re Congoleum Corp.*, No. 03-51524, 2007 WL 1428477, at * 1 (Bankr. D.N.J. May 11, 2007) (same); *Hargrave v. Township of Pemberton (In re Tabone, Inc.)*, 175 B.R. 855, 858 (Bankr. D.N.J. 1994) (same); *In re Elliot*, 94 B.R. 343, 345 (E.D. Pa. 1988) (same).

54. The Debtors believe that the Assumption and Assignment Procedures are fair and reasonable, provide sufficient notice to parties to the Executory Contracts and Unexpired Leases, and provide certainty to all parties in interest regarding their obligations and rights in respect thereof. Accordingly, the Debtors request the Court approve the Assumption and Assignment Procedures set forth in the Bidding Procedures Order.

VIII. The Assumption and Assignment of the Executory Contracts and Unexpired Leases Should be Approved.

a. The Assumption and Assignment of the Executory Contracts and Unexpired Leases Reflects the Debtors’ Business Judgment.

55. Section 365 of the Bankruptcy Code authorizes a debtor to assume and/or assign its executory contracts and unexpired leases, subject to the approval of the court, provided that the defaults under such contracts and leases are cured and adequate assurance of future performance

is provided. The Debtors' decision to assume or reject an executory contract or unexpired lease must only satisfy the "business judgment rule" and will not be subject to review unless such decision is clearly an unreasonable exercise of such judgment. *See, e.g., Grp. of Inst'l Invrs. v. Chicago, Milwaukee, St. Paul & Pacific Ry. Co.*, 318 U.S. 523 (1943) (applying Bankruptcy Act section 77(b), predecessor to section 365 of the Bankruptcy Code, and rejecting test of whether executory contract was burdensome in favor of whether rejection is within debtor's business judgment); *Sharon Steel Corp. v. Nat'l Fuel Gas Distrib. Corp.*, 872 F.2d 36, 40 (3d Cir. 1989) (describing deference to a debtor's business judgment as "breathing space afforded [to] the debtor to consider whether to reject or assume executory contracts under the Code"); *In re S.A. Holding Co., LLC*, 357 B.R. 51, 56 (Bankr. D.N.J. 2006) (applying the business judgment test in determining whether to approve a contract rejection); *In re Cent. Jersey Airport Servs., LLC*, 282 B.R. 176, 183 (Bankr. D.N.J. 2002) ("Although the [Bankruptcy Code] does not provide the standard to be applied in determining the propriety of the [debtor's] decision [to assume or reject a contract], most Circuits, including the Third Circuit have adopted the business judgment test.").

56. Here, the Court should approve the decision to assume and assign the Assumed Contracts in connection with the Sale Transaction as a sound exercise of the Debtors' business judgment. The Assumed Contracts are necessary to operate the Kelly Hamilton Property and, as such, they are essential to inducing the best offer for the Kelly Hamilton Property. Finally, the Assumed Contracts will be assumed and assigned through the process approved by the Court pursuant to the Bidding Procedures Order and, thus, will be reviewed by key constituents in these chapter 11 cases. Accordingly, the Debtors submit that the assumption and assignment of the Assumed Contracts by way of the Assumption and Assignment Procedures should be approved as an exercise of their business judgment.

b. The Defaults Under the Assumed Contracts Will Be Cured Through the Sale.

57. Upon finding that a debtor has exercised its business judgment in determining that assuming an executory contract or unexpired lease is in the best interest of its estate, courts must then evaluate whether the assumption meets the requirements of section 365(b) of the Bankruptcy Code, specifically that a debtor (a) cure, or provide adequate assurance of promptly curing, prepetition defaults in the executory contract, (b) compensate parties for pecuniary losses arising therefrom, and (c) provide adequate assurance of future performance thereunder. *Carlisle Homes, Inc. v. Azzari (In re Carlisle Homes, Inc.)*, 103 B.R. 524, 538 (Bankr. D.N.J. 1988). This section “attempts to strike a balance between two sometimes competing interests, the right of the contracting non-debtor to get the performance it bargained for and the right of the debtor’s creditors to get the benefit of the debtor’s bargain.” *Id.* (quoting *In re Bon Ton Restaurant & Pastry Shop, Inc.*, 53 B.R. 789, 803 (Bankr. N.D. Ill. 1985)). Here, the statutory requirements of section 365(b)(1)(A) of the Bankruptcy Code will be satisfied because the Stalking Horse Agreement or any alternative agreement with the Successful Bidder will require that the Stalking Horse Bidder or, to the extent the Stalking Horse Bidder is not the Successful Bidder, the Successful Bidder, to cure all defaults associated with, or that are required to properly assume, any Assumed Contracts.

58. Because the Assumption and Assignment Procedures (once approved) provide a clear process by which to resolve disputes over cure payments or other defaults, if defaults exist that must be cured, such cure will be achieved fairly, efficiently, and properly, consistent with the Bankruptcy Code and with due respect to the rights of Contract Counterparties.

c. Contract Counterparties Will Be Adequately Assured of Future Performance.

59. Similarly, the third requirement of section 365(b) of the Bankruptcy Code—adequate assurance of future performance—is also satisfied given the facts and circumstances

present here. “The phrase ‘adequate assurance of future performance,’ adopted from section 2-609(1) of the Uniform Commercial Code, is to be given a practical, pragmatic construction based upon the facts and circumstances of each case. Although no single solution will satisfy every case, the required assurance will fall considerably short of an absolute guarantee of performance.” *Carlisle Homes*, 103 B.R. at 538 (internal citations omitted). Among other things, adequate assurance may be given by demonstrating the assignee’s financial health and experience in managing the type of enterprise or property assigned. *See In re Filene’s Basement*, 2014 WL 1713416, at *12 (Bankr. D. Del. 2014) (holding that a contract could be assigned because the assignee had the financial ability to perform the contract obligations going forward and would not fail to perform the contract’s obligations at risk of losing a significant investment); *In re Bygaph, Inc.*, 56 B.R. 596, 605–06 (Bankr. S.D.N.Y. 1986) (holding that adequate assurance of future performance is present where a prospective assignee has the financial resources and has expressed a willingness to devote sufficient funding to a business to give it a strong likelihood of succeeding).

60. At the Confirmation and Sale Hearing, the Debtors will demonstrate that the requirements for assumption and assignment of the Assumed Contracts to the Successful Bidder are satisfied. As required by the Bidding Procedures, the Debtors will evaluate the financial wherewithal of potential bidders before designating such party a Qualifying Bidder and will demonstrate such financial wherewithal, willingness, and ability to perform under any contracts to be assumed and assigned to a Successful Bidder. Further, the Assumption and Assignment Procedures provide the Court and other interested parties ample opportunity to evaluate and, if necessary, challenge the ability of the Successful Bidder to provide adequate assurance of future performance and object to the assumption of the contracts or proposed cure payments. Thus, the

Court should authorize the Debtors to assume and assign the Assumed Contracts to the Successful Bidder pursuant to the Assumption and Assignment Procedures.

Waiver of Memorandum of Law

61. 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 this motion does not raise any novel issues of law.

No Prior Request

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

Reservation of Rights

63. 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) except as set forth herein, 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

64. 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 Kelly Hamilton DIP Lender; (c) the NOLA DIP Lender; (d) Lynd Living; (e) the Ad Hoc Group of Holders of Crown Capital Notes; (f) the United States Attorney's Office for the District of New Jersey; (g) the Internal Revenue Service; (h) the attorneys general in the states where the Debtors conduct their business operations; (i) the U.S. Department of Housing and Urban Development; (j) the U.S. Department of Justice; and (k) 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.

WHEREFORE, the Debtors respectfully request that the Court enter the Bidding Procedures Order granting the relief requested in this motion and such other and further relief as the Court deems appropriate under the circumstances.

Dated: July 11, 2025

Respectfully submitted,

/s/ Andrew Zatz

WHITE & CASE LLP

Gregory F. Pesce (admitted *pro hac vice*)

111 South Wacker Drive

Chicago, Illinois 60606

Telephone: (312) 881-5400

Email: gregory.pesce@whitecase.com

- and -

Andrew Zatz

Samuel P. Hershey (admitted *pro hac vice*)

Barrett Lingle (admitted *pro hac vice*)

1221 Avenue of the Americas

New York, New York 10020

Telephone: (212) 819-8200

Email: azatz@whitecase.com

sam.hershey@whitecase.com

barrett.lingle@whitecase.com

*Counsel to Debtors and
Debtors-in-Possession*

KEN ROSEN ADVISORS PC

Kenneth A. Rosen

80 Central Park West

New York, New York 10023

Telephone: (973) 493-4955

Email: ken@kenrosenadvisors.com

*Co-Counsel to Debtors and
Debtors-in-Possession*

Exhibit A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY**

In re:

CBRM Realty Inc., *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 25-15343 (MBK)
)
) (Jointly Administered)
)
) Re. Docket No. ____

**ORDER (I) APPROVING (A) BIDDING PROCEDURES,
THE SALE TIMELINE, AND THE FORM AND MANNER OF
NOTICE THEREOF FOR THE KELLY HAMILTON PROPERTY,
(B) THE DEBTORS' ENTRY INTO AND PERFORMANCE UNDER THE
STALKING HORSE AGREEMENT, (C) BID PROTECTIONS IN CONNECTION
WITH THE STALKING HORSE AGREEMENT, AND (D) ASSUMPTION AND
ASSIGNMENT PROCEDURES, AND (II) GRANTING RELATED RELIEF**

The relief set forth on the following pages, numbered two (2) through twenty-five (25), 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 (9071), 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: ORDER (I) APPROVING (A) BIDDING PROCEDURES, THE SALE TIMELINE, AND THE FORM AND MANNER OF NOTICE THEREOF FOR THE KELLY HAMILTON PROPERTY, (B) THE DEBTORS' ENTRY INTO AND PERFORMANCE UNDER THE STALKING HORSE AGREEMENT, (C) BID PROTECTIONS IN CONNECTION WITH THE STALKING HORSE AGREEMENT, AND (D) ASSUMPTION AND ASSIGNMENT PROCEDURES, AND (II) GRANTING RELATED RELIEF

Upon consideration of the motion (the “**Motion**”)² of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) for entry of an order (this “**Bidding Procedures Order**”) (i) approving (a) bidding and auction procedures for the sale of the Kelly Hamilton Property (the “**Bidding Procedures**”), substantially in the form attached hereto as **Exhibit 1**, and the form and manner of notice thereof; (b) the form and manner of the Confirmation and Sale Notice, substantially in the form attached hereto as **Exhibit 2**; (c) procedures for the assumption and assignment of certain Executory Contracts³ and Unexpired Leases⁴ in connection with the sale of the Kelly Hamilton Property (each, an “**Assumed Contract**” and collectively, the “**Assumed Contracts**”), attached hereto as **Exhibit 3** (the “**Assumption Notice**”), and approving the form and manner of notice thereof; (d) the Debtors’ entry into the Stalking Horse Agreement with the Kelly Hamilton DIP Lender as the Stalking Horse Bidder, attached hereto as **Exhibit 4**; and (e) the payment of the Bid Protection to the Stalking Horse Bidder in accordance with the Stalking Horse Agreement; and (ii) granting related relief; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334 and the *Standing Order of Reference to the Bankruptcy Court Under Title 11 of the United States District Court for*

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Motion, as applicable.

³ “**Executory Contract**” means a contract to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

⁴ “**Unexpired Lease**” means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

Debtors: CBRM REALTY INC. *et al.*
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GRANTING RELATED RELIEF

the District of New Jersey, entered July 23, 1984, and amended on September 18, 2012 (Simandle, C.J.) and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors' notice of the Motion was appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "**Hearing**"); and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor:

THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:⁵

A. Confirmation and Sale Notice. The confirmation and sale notice, substantially in the form attached hereto as **Exhibit 2** (the "**Confirmation and Sale Notice**"), is appropriate and reasonably calculated to provide all interested parties with timely and proper notice (i) of this Bidding Procedures Order, (ii) of the Bidding Procedures, (iii) of the Auction, (iv) of the Sale Transaction, (v) of the Confirmation and Sale Hearing, (vi) of any and all objection deadlines

⁵ The findings, determinations, and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

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Debtors: CBRM REALTY INC. *et al.*

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related thereto, and (vii) that the Sale Transaction shall be free and clear of liens, claims, interests, and other encumbrances, with all such liens, claims interests, and other encumbrances attaching with the same validity and priority to the proceeds of the Sale Transaction, and, in each case, no other or further notice is required of the foregoing. Such notice is sufficient to cause all interested parties, including all holders of liens, claims, interests, and other encumbrances, whether holders of such liens, claims, interests, or other encumbrances are known or unknown, to be on notice that the proposed Sale Transaction shall be free and clear of such liens, claims, interests, or other encumbrances with respect to the Debtors, their assets, and their estates.

B. Bidding Procedures. The Debtors have articulated good and sufficient business reasons for the Court to approve the Bidding Procedures. The Bidding Procedures are: (i) fair, reasonable, and appropriate; and (ii) reasonably designed to maximize recovery with respect to the Sale Transaction. The Bidding Procedures were negotiated in good faith and at arm's length and are reasonably designed to promote a competitive and robust bidding process to generate substantial interest in, and better value for, the Kelly Hamilton Property.

C. Stalking Horse Agreement. The process for selecting the Stalking Horse Bidder was fair and appropriate under the circumstances. The Stalking Horse Agreement represents the highest or otherwise best offer the Debtors have received to date to purchase the Kelly Hamilton Property. The Stalking Horse Agreement provides the Debtors with the opportunity to sell the Kelly Hamilton Property in a manner designed to preserve and maximize the property's value and

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provides a floor for a further marketing and auction process. Without the Stalking Horse Agreement, the Debtors are at significant risk of realizing a lower price for the Kelly Hamilton Property. The Stalking Horse Bidder shall act as a “stalking horse purchaser” pursuant to the Stalking Horse Agreement and shall be subject to higher or otherwise better offers in accordance with the Stalking Horse Agreement and the Bidding Procedures. Pursuit of the Stalking Horse Bidder as a “stalking horse bidder” and the Stalking Horse Agreement as a “stalking horse purchase agreement” is in the best interests of the Debtors and the Debtors’ estates and their creditors, and it reflects a sound exercise of the Debtors’ business judgment.

D. Bid Protection. The Bid Protection is reasonable and appropriate under the circumstances and on the terms set forth in the Bidding Procedures, including in light of the time, cost, and resources expended by the Stalking Horse Bidder and the commitments that will be made by the Stalking Horse Bidder. The Bid Protection is an actual and necessary cost and expense of preserving the Debtors’ assets within the meaning of section 503(b) of the Bankruptcy Code and shall be treated as an allowed superpriority administrative expense claim against the Debtors’ estates pursuant to sections 105(a), 503(b) and 507(a)(2) of the Bankruptcy Code with priority over all other administrative expenses of the kind specified in section 503(b) of the Bankruptcy Code, provided that such superpriority administrative expense claim shall be junior to any obligations incurred under the Kelly Hamilton DIP Facility, any superpriority claim granted under

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Debtors: CBRM REALTY INC. *et al.*

Case No. 25-15343 (MBK)

Caption of Order: ORDER (I) APPROVING (A) BIDDING PROCEDURES, THE SALE TIMELINE, AND THE FORM AND MANNER OF NOTICE THEREOF FOR THE KELLY HAMILTON PROPERTY, (B) THE DEBTORS' ENTRY INTO AND PERFORMANCE UNDER THE STALKING HORSE AGREEMENT, (C) BID PROTECTIONS IN CONNECTION WITH THE STALKING HORSE AGREEMENT, AND (D) ASSUMPTION AND ASSIGNMENT PROCEDURES, AND (II) GRANTING RELATED RELIEF

the Kelly Hamilton DIP Order⁶ (whether as adequate protection or otherwise), and any claims senior to the obligations incurred pursuant to the Kelly Hamilton DIP Order (including, for the avoidance of doubt, any “Carve Out” or similar provision granted pursuant to the Kelly Hamilton DIP Order). The Bid Protection was a material inducement for, and a condition of, the Stalking Horse Bidder’s entry into the Stalking Horse Agreement. The Stalking Horse Bidder is unwilling to enter into the Stalking Horse Agreement unless the Stalking Horse Bidder is assured the Bid Protection pursuant to the terms of the Stalking Horse Agreement.

E. Auction. The Auction, if held, is necessary to determine whether any entity other than the Stalking Horse Bidder is willing to enter into a definitive agreement on terms and conditions more favorable to the Debtors and their estates than the Stalking Horse Agreement.

F. Assumption and Assignment Procedures. The notice of the Debtors’ potential assumption and assignment of the Assumed Contracts, substantially in the form attached hereto as **Exhibit 3** (the “**Assumption Notice**”), is reasonably calculated to provide counterparties to the Assumed Contracts with proper notice of the intended assumption and assignment of their Executory Contracts or Unexpired Leases, any Cure Payment and the Assumption and Assignment Procedures.

⁶ As used herein, the Kelly Hamilton DIP Order refers to the Final Order (I) Authorizing the Kelly Hamilton DIP Loan Parties to Obtain Senior Secured Priming Superpriority Postpetition Financing, (II) Granting Liens and Superpriority Administrative Expense Claims, (III) Modifying the Automatic Stay, and (IV) Granting Related Relief [Docket No. 178].

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G. Entry of this Bidding Procedures Order is in the best interests of the Debtors' estates, their creditors, and all other interested parties.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion and the relief requested therein is **GRANTED** and **APPROVED**, as set forth herein.
2. All objections that have not been withdrawn, waived, or settled, or not otherwise resolved pursuant to the terms hereof, if any, are hereby **DENIED** and **OVERRULED** on the merits with prejudice. All withdrawn objections are deemed withdrawn with prejudice.
3. The following Sale Timeline is hereby approved:

Event	Deadline
Entry of the Bidding Procedures Order and Conditional Approval of the Disclosure Statement	July 24, 2025
Assumption and Assignment Service Deadline	Seven (7) Days After Entry of the Bidding Procedures Order
Cure Objection Deadline	Fourteen (14) Days After Service of the Assumption Notice ⁷
Bid Deadline	August 14, 2025 at 4:00 p.m. (prevailing Eastern Time)
Deadline for Debtors to Designate Qualifying Bids	August 15, 2025

⁷ For the avoidance of doubt, there are two separate deadlines to object to the proposed assumption and assignment of a potential Assumed Contract: (a) the applicable Cure Objection Deadline, which is the deadline to object to the proposed assumption and assignment of a potential Assumed Contract to the Stalking Horse Bidder, including the Cure Payments related to any assumption and assignment of such potential Assumed Contract and the adequate assurance of future performance of the Stalking Horse Bidder, and (b) the Confirmation and Sale Objection Deadline, which only applies in the event the Stalking Horse Bidder is not the Successful Bidder and is the deadline to object to the proposed assumption and assignment of a Potential Assumed Contract to the Successful Bidder (that is not the Stalking Horse Bidder), solely on account of the identity of the Successful Bidder and adequate assurance of future performance.

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Auction Date (if any)	August 18, 2025 at 10:00 a.m. (prevailing Eastern Time)
Deadline to File Notice of Successful Bidder and Back-Up Bidder	August 19, 2025
Deadline to Object to Confirmation and the Sale, and the Voting Deadline	August 22, 2025 at 4:00 p.m. (prevailing Eastern Time)
Reply in Support of Confirmation	August 27, 2025
Confirmation and Sale Hearing	September 4, 2025 at 11:30 a.m. (prevailing Eastern Time)
Consummation of Sale Transaction	Ten (10) Business Days Following Entry of the Confirmation and Sale Order

4. Notwithstanding any of the foregoing, the Debtors, in consultation with the Consultation Party, may extend the deadlines set forth in Bidding Procedures Order or the Bidding Procedures, with notice of such extension being filed with the Court.

5. No party may object to the right of the Stalking Horse Bidder to credit bid the sum of the Kelly Hamilton DIP Facility Obligations and the Manager Administrative Expense Claim.

6. The Bidding Procedures attached hereto as **Exhibit 1** are hereby approved. The failure to specifically include or reference any particular provision of the Bidding Procedures in the Motion or this Bidding Procedures Order shall not diminish or otherwise impair the effectiveness of such procedures, it being this Court's intent that the Bidding Procedures are approved in their entirety, as if fully set forth in this Bidding Procedures Order. The Debtors are hereby authorized to conduct the Auction, if applicable, pursuant to the terms of the Bidding Procedures and this Bidding Procedures Order.

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7. The Debtors shall have the right, in their reasonable discretion, to withhold or limit access to any due diligence information that the Debtors determine is business-sensitive or otherwise not appropriate for disclosure to any potential Bidder. Notwithstanding any prepetition limitations, including, without limitation, any non-disclosure, confidentiality, or similar provisions relating to any due diligence information, the Debtors and their estates shall be authorized to provide due diligence information to Potential Bidders, provided that such potential Bidders have delivered an executed confidentiality agreement in form and substance acceptable to the Debtors. The Debtors and their estates are not responsible for, and shall have no liability with respect to, any information obtained by, or provided to, any potential Bidders in connection with the Bidding Procedures or the Sale Transaction, provided that the information was provided in accordance with this Bidding Procedures Order.

8. For all purposes under the Bidding Procedures: (a) the Stalking Horse Bidder shall be considered a Qualifying Bidder, and the Stalking Horse Agreement shall be considered a Qualifying Bid; (b) the Stalking Horse Bidder is, and will be deemed to be, a Qualifying Bidder for all purposes under the Bidding Procedures, without regard to any of the requirements or conditions set forth herein or the Bidding Procedures and without any other or further action by the Stalking Horse Bidder; and (c) in determining whether any potential Bidders constitute Qualifying Bidders, the Debtors may consider a combination of bids for the Kelly Hamilton Property. In the event the Debtors receive a Qualifying Bid other than the Stalking Horse Bid,

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the Stalking Horse Bid shall be the Successful Bid so long as the Stalking Horse Bid is equal to an amount not less than the highest other Qualifying Bid, if any.

9. The Debtors are authorized to enter into and perform all of their respective pre-closing obligations under the Stalking Horse Agreement; provided that for the avoidance of doubt, approval and consummation of the transactions contemplated by the Stalking Horse Agreement shall be subject to the terms and conditions detailed herein and the entry of the Confirmation and Sale Order and the satisfaction or waiver of the other conditions to closing on the terms set forth in the Stalking Horse Agreement. The Stalking Horse Agreement and any related agreements, documents, or other instruments may be modified, amended or supplemented by the parties thereto, solely in accordance with the terms thereof, without further order of the Court.

10. The Bid Protection is approved in the amount \$250,000 and shall be paid to the Stalking Horse Bidder pursuant to the terms and conditions set forth in Section 2.1(b) of the Stalking Horse Agreement and other relevant provisions thereof. The Debtors are authorized to incur and pay the Bid Protection without further action or order by the Court. The Bid Protection, to the extent payable under the Stalking Horse Agreement, shall constitute an allowed superpriority administrative expense claim against the Debtors' estates pursuant to sections 105(a), 503(b) and 507(a)(2) of the Bankruptcy Code with priority over all other administrative expenses of the kind specified in section 503(b) of the Bankruptcy Code,

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provided that such superpriority administrative expense claim shall be junior to any obligations incurred under the Kelly Hamilton DIP Facility, any superpriority claim granted under the Kelly Hamilton DIP Order (whether as adequate protection or otherwise), and any claims senior to the obligations incurred pursuant to the Kelly Hamilton DIP Order (including, for the avoidance of doubt, any “Carve Out” or similar provision granted pursuant to the Kelly Hamilton DIP Order). If the Bid Protection becomes payable pursuant to the Stalking Horse Agreement, such payment shall be the sole and exclusive remedy of the Stalking Horse Bidder against the Debtors with respect to the Stalking Horse Bid. The Bid Protection shall not be subject to any avoidance, reduction, setoff, recoupment, offset, recharacterization, subordination (whether contractual, equitable, or otherwise), counterclaims, cross-claims, defenses, disallowance, impairment, or any other challenges under any applicable law or regulation by any person or entity.

11. Pursuant to the Stalking Horse Agreement, the Stalking Horse Bidder shall be permitted to credit bid the sum of the Kelly Hamilton DIP Facility Obligations and the Manager Administrative Expense Claim.

12. The Bidding Procedures shall apply to any Bidder, the Qualifying Bidders, the submission, receipt, and analysis of all Bids relating to the Sale Transaction, and the conduct of the Sale Transaction and the Auction (if any). The Debtors and their professionals shall direct and preside over the Auction (if any), and the Auction shall be transcribed and shall be conducted openly in person, virtually via telephone, and/or video conference.

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13. The Debtors' decision to assume and assign the Assumed Contracts to the Stalking Horse Bidder or, in the event the Stalking Horse Bidder is not the Successful Bidder, then to the Successful Bidder, is subject to this Court's approval and the closing of the Sale Transaction. Accordingly, absent this Court's approval and the closing of the Sale Transaction, the Assumed Contracts shall not be deemed assumed or assumed and assigned, and shall in all respects be subject to further administration by the Debtors and their estates under the Bankruptcy Code in connection with these chapter 11 cases.

14. The procedures set forth below regarding the assumption and assignment of the Executory Contracts or Unexpired Leases proposed to be assumed by the Debtors pursuant to section 365(b) of the Bankruptcy Code and assigned to the Stalking Horse Bidder or other Successful Bidder pursuant to section 365(f) of the Bankruptcy Code in connection with the Sale Transaction (the "**Assumption and Assignment Procedures**") are hereby approved to the extent set forth herein.

15. These Assumption and Assignment Procedures shall govern the assumption and assignment of an Assumed Contract, subject to the payment of any amounts necessary to cure any defaults arising under any Assumed Contract (the "**Cure Payments**");

- a) Assumption Notice. No later than seven (7) days following the entry of this Bidding Procedures Order (the "**Assumption and Assignment Service Deadline**"), the Debtors shall serve the Assumption Notice via first-class mail on all counterparties to all potential Assumed Contracts and provide a copy of the same to the

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Stalking Horse Bidder, which copy may be provided via email. The Assumption Notice shall inform each recipient of the timing and procedures relating to the potential assumption and assignment of the Assumed Contracts to the Stalking Horse Bidder or other Successful Bidder upon Court approval of the Sale Transaction, and, to the extent applicable, (i) the Debtors' good-faith estimates of the Cure Payment (if any) required in connection with the Executory Contract or Unexpired Lease, as applicable, (ii) whether the potential Assumed Contract is then anticipated to be assumed and assigned to the Stalking Horse Bidder in connection with the Stalking Horse Agreement; (iii) the deadline to object to the proposed Cure Payments; and (iv) the Confirmation and Sale Objection Deadline; provided, however, that service of an Assumption Notice does not constitute an admission that any contract is an executory contract or that the stated Cure Payment related to any Executory Contract or Unexpired Lease constitutes a claim against the Debtors or a right against the Stalking Horse Bidder (all rights with respect thereto being expressly reserved). Further, the inclusion of an Executory Contract or Unexpired Lease, as applicable, on the Assumption Notice is not a guarantee that such Executory Contract or Unexpired Lease, as applicable, will or will not ultimately be assumed and assigned. For the avoidance of doubt, the inclusion of any Executory Contract or Unexpired Lease in the Assumption Notice, any Supplemental Assumption Notice (as defined below), or any amendment thereto does not constitute a designation by the Stalking Horse Bidder of such Executory Contract or Unexpired Lease for assumption and assignment under the Stalking Horse Agreement, and the Stalking Horse Bidder will not be deemed to assume or be responsible for any Cure Payment or other liability with respect to such Executory Contract or Unexpired Lease unless and until the Court enters an order approving the Sale Transaction to the Stalking Horse Agreement, in which case any such assumption of liabilities shall be (i) only with respect to any Assumed Contracts and (ii) as of the closing date.

- b) Cure Payments and Adequate Assurance of Future Performance.
The payment of the applicable Cure Payments by the Stalking Horse

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Bidder or other Successful Bidder, as applicable, shall (i) effect a cure of all defaults existing thereunder and (ii) compensate for any actual pecuniary loss to such counterparty resulting from such default.

- c) Additions. The Debtors may also designate additional Executory Contracts or Unexpired Leases as agreements to be assumed by the Debtors and assigned to the Stalking Horse Bidder or other Successful Bidder (the “**Additional Assumed Contracts**”) until consummation of the Sale Transaction. Following the addition of an Additional Assumed Contract, the Debtors shall as soon as reasonably practicable thereafter serve an Assumption Notice on each of the counterparties to such Additional Assumed Contracts and their counsel of record, if any, indicating (i) that the Debtors intend to assume and assign the counterparty’s Executory Contract or Unexpired Lease, as applicable, to the Stalking Horse Bidder or other Successful Bidder, and (ii) the corresponding Cure Payment.
- d) Eliminations. The Debtors may remove any Executory Contract or Unexpired Lease, as applicable, to be assumed by the Debtors and assigned to the Stalking Horse Bidder or other Successful Bidder (the “**Eliminated Agreements**”) until consummation of the Sale Transaction. Following the removal of an Eliminated Agreement, the Debtors shall as soon as reasonably practicable thereafter serve a notice (a “**Removal Notice**”) on each of the impacted counterparties and their counsel of record, if any, indicating that the Debtors no longer intend to assign the counterparty’s contract or unexpired lease, as applicable, to the Stalking Horse Bidder or other Successful Bidder in connection with the Sale Transaction. For the avoidance of doubt, the Stalking Horse Bidder or other Successful Bidder will not assume any Cure Payment or other liability with respect to any Eliminated Agreement, notwithstanding such agreement’s inclusion in the Assumption Notice or any Supplemental Assumption Notice.
- e) Supplemental Contract Assumption Notice. Although the Debtors intend to make a good-faith effort to identify all Assumed Contracts

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that may be assumed and assigned in connection with the Sale Transaction, the Debtors may discover certain Executory Contracts or Unexpired Leases inadvertently omitted from the Assumed Contracts list or the Stalking Horse Bidder or other Successful Bidder may identify other Executory Contract or Unexpired Lease that it desires to assume and assign in connection with the Sale Transaction. Accordingly, the Debtors reserve the right, but only in accordance with the Stalking Horse Agreement or as otherwise agreed by the Debtors and the Stalking Horse Bidder or other Successful Bidder, at any time before the closing of the Sale Transaction to (i) supplement the list of Assumed Contracts with previously omitted Executory Contracts or Unexpired Leases, (ii) remove Assumed Contracts from the list of Executory Contracts or Unexpired Leases ultimately selected as Assumed Contracts that the Stalking Horse Bidder or other Successful Bidder proposes be assumed and assigned to it in connection with the Sale Transaction, or (iii) modify the previously stated Cure Payment associated with any Assumed Contract. In the event the Debtors exercise any of these reserved rights, the Debtors will promptly serve a supplemental notice of contract assumption (a “**Supplemental Assumption Notice**”) on each of the counterparties to such contracts and their counsel of record, if any; provided that the Debtors may not add an Executory Contract or Unexpired Lease to the list of Assumed Contracts that has been previously rejected by the Debtors by order of the Court. Each Supplemental Assumption Notice will include the same information with respect to listed Assumed Contracts as was included in the Assumption Notice, or in the event of a removal, the information required in a Removal Notice.

- f) Objections.⁸ Objections, if any, to the Cure Payment or proposed assumption and assignment of the Assumed Contracts to the

⁸ Any objection that includes confidential, non-public Adequate Assurance Information (as defined herein) must be filed under seal unless disclosure of such confidential, non-public information is authorized by the Debtors and the applicable assignee(s). The unredacted versions of such objections shall be served upon the Debtors, the Consultation Party, and the U.S. Trustee; provided further that all rights of all parties in interest in these chapter

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Stalking Horse Bidder, must (i) be in writing, (ii) comply with the applicable provisions of the Bankruptcy Rules and the Local Rules, (iii) state with specificity the nature of the objection and, if the objection pertains to the proposed amount of the Cure Payment, the correct cure amount alleged by the objecting counterparty, together with any applicable and appropriate documentation in support thereof, and (iv) be filed with the Court and served upon, so as to be actually received by (a) counsel to the Debtors, (b) counsel to the Stalking Horse Bidder, and (c) any other party that has filed a notice of appearance in these chapter 11 cases, so as to be **actually received on or before fourteen (14) days after service (or as reflected by the postmarked date) of the Assumption Notice or three (3) business days after service of the Supplemental Assumption Notice (such date, as applicable, the "Cure Objection Deadline")**. In the event the Stalking Horse Bidder is not the Successful Bidder, the deadline to object to the proposed assumption and assignment of an Assumed Contract to the Successful Bidder (that is not the Stalking Horse Bidder), solely on account of (x) the identity of the Successful Bidder and (y) adequate assurance of future performance of the Successful Bidder (that is not the Stalking Horse Bidder), is the Confirmation and Sale Objection Deadline (as defined below).⁹

16. The Assumption Notice is: (a) reasonably calculated to (i) provide sufficient, effective notice to all counterparties and any other affected parties of the Debtors' intent to assume and assign to the Stalking Horse Bidder—or, in the event the Stalking Horse Bidder is

11 cases are reserved to oppose the filing under seal of any such information and to seek any other relief from this Court with respect to such matter.

⁹ For the avoidance of doubt, all objections to the Cure Payment and assumption and assignment of the Assumed Contracts to the Stalking Horse Bidder, including objections to the adequate assurance of the Stalking Horse Bidder, must be filed by the applicable Cure Objection Deadline regardless of whether the Stalking Horse Bidder is the Successful Bidder.

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not the Successful Bidder, then to the Successful Bidder—some or all of the Assumed Contracts, and (ii) afford the counterparties the opportunity to exercise any rights affected by the Motion and the relief granted by this Bidding Procedures Order pursuant to Bankruptcy Rules 2002(a)(2), 6004 and 6006; and (b) hereby approved.

17. Any party failing to timely file an objection to the proposed Cure Payment, the proposed assumption and assignment of an Assumed Contract or Additional Assumed Contract listed on an Assumption Notice or Supplemental Assumption Notice, or the Sale Transaction is deemed to have consented to (a) such Cure Payment, (b) the assumption and assignment of such Assumed Contract or Additional Assumed Contract (including the adequate assurance of future payment), (c) the related relief requested in the Motion, and (d) the Sale Transaction. Such party shall be forever barred and estopped from objecting to the Cure Payment, the assumption and assignment of the Assumed Contract, or Additional Assumed Contract, adequate assurance of future performance, the relief requested in the Motion, whether applicable law excuses such counterparty from accepting performance by, or rendering performance to, the Stalking Horse Bidder or, in the event the Stalking Horse Bidder is not the Successful Bidder, then to the Successful Bidder, for purposes of section 365(c)(1) of the Bankruptcy Code and from asserting any additional cure or other amounts against the Debtors and the Stalking Horse Bidder or, in the event the Stalking Horse Bidder is not the Successful Bidder, then the Successful Bidder, as applicable, with respect to such party's Assumed Contract or Additional Assumed Contract.

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18. The Debtors shall have no liability or obligation with respect to defaults relating to the Assumed Contracts arising, accruing, or relating to the period from and after the effective date of assignment.

19. The Confirmation and Sale Notice, the Assumption Notice, any Supplemental Assumption Notice, the Bidding Procedures, the Auction, and the Confirmation and Sale Hearing, and the objection periods associated with each of the foregoing are reasonably calculated to provide notice to any affected party and afford the affected party the opportunity to exercise any rights affected by the Motion as it relates to the Bidding Procedures, the Auction, the Sale Transaction, the Confirmation and Sale Hearing, and the assumption and assignment to the Stalking Horse Bidder or, in the event the Stalking Horse Bidder is not the Successful Bidder, then to the Successful Bidder, of the Assumed Contracts pursuant to Bankruptcy Rules 2002(a)(2), 6004 and 6006, and such notice and objection periods are hereby approved.

20. The Confirmation and Sale Notice is approved. As soon as reasonably practicable after entry of this Bidding Procedures Order, the Debtors shall serve the Confirmation and Sale Notice by regular mail on served on (a) all parties listed on the notice block of the Motion and (b) any parties that have expressed written interest in pursuing a potential transaction in connection with the marketing and bidding process.

21. The Debtors shall post the Confirmation and Sale Notice, the Assumption Notice, any Supplemental Assumption Notice, and this Bidding Procedures Order on the website of the

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Debtors' claims and noticing agent. As soon as reasonably practicable following the entry of the Bidding Procedures Order, the Debtors shall cause the Confirmation and Sale Notice to be published once in the *Newark Star Ledger* and the *Pittsburgh Post-Gazette*, or similar publication in the prudent exercise of the Debtors' business judgment. Publication of the Confirmation and Sale Notice as described in this Bidding Procedures Order conforms to the requirements of Bankruptcy Rules 2002(l) and 9008 and is reasonably calculated to provide notice to any affected party, including any potential Bidders, and afford the affected party the opportunity to exercise any rights affected by the Motion and the relief granted by this Bidding Procedures Order.

22. Any objections to the Sale Transaction under the Plan (a “**Confirmation and Sale Objection**”) must: (1) be in writing; (2) comply with the Bankruptcy Rules and the Local Rules; (3) set forth the specific basis for the Confirmation and Sale Objection; (4) be filed with the Court, on or before 4:00 p.m. (ET) on August 22, 2025 (the “**Confirmation and Sale Objection Deadline**”); (5) be served upon (a) counsel to the Debtors, (b) the Successful Bidder, (c) counsel for the Ad Hoc Group of Holders of Crown Capital Notes, and (d) the United States Trustee for the District of New Jersey (collectively, the “**Objection Notice Parties**”); and (6) proof of service of such Confirmation and Sale Objection upon the Objection Notice Parties shall be filed with the Court as and when required by the Local Rules. If a Confirmation and Sale Objection is not filed and served on or before the Confirmation and Sale Objection Deadline in

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Caption of Order: ORDER (I) APPROVING (A) BIDDING PROCEDURES, THE SALE TIMELINE, AND THE FORM AND MANNER OF NOTICE THEREOF FOR THE KELLY HAMILTON PROPERTY, (B) THE DEBTORS' ENTRY INTO AND PERFORMANCE UNDER THE STALKING HORSE AGREEMENT, (C) BID PROTECTIONS IN CONNECTION WITH THE STALKING HORSE AGREEMENT, AND (D) ASSUMPTION AND ASSIGNMENT PROCEDURES, AND (II) GRANTING RELATED RELIEF

accordance with the foregoing requirements, the objecting party may be barred from objecting to the Sale Transaction and being heard at the Confirmation and Sale Hearing, and this Court may enter the Confirmation and Sale Order without further notice to such party.

23. Failure to file a Confirmation and Sale Objection on or before the Confirmation and Sale Objection Deadline may forever bar the assertion, whether at the Confirmation and Sale Hearing or thereafter, of any objection to the Sale Transaction and consummation and performance of the Sale Transaction contemplated by the Stalking Horse Agreement with a Successful Bidder other than the Stalking Horse Bidder.

24. As part of its bid, each potential Bidder must provide the Debtors information supporting the potential Bidder's ability to comply with the requirements of adequate assurance of future performance under section 365(f)(2)(B) and, if applicable, section 365(b)(3) of the Bankruptcy Code (the "**Adequate Assurance Information**"), including (a) the potential Bidder's financial wherewithal and willingness to perform under any contracts and leases that are assumed and assigned to such potential Bidder; and (b) a contact person for the proposed assignee that the applicable counterparty may directly contact in connection with the adequate assurance of future performance. In the event that a potential Bidder (other than the Stalking Horse Bidder) is a newly formed acquisition entity, the financial and other information supporting the potential Bidder's financial wherewithal shall include financial and other

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information supporting the financial wherewithal of the potential Bidder's parent company or sponsor.

25. Any party in receipt of Adequate Assurance Information under this Bidding Procedures Order shall review the Adequate Assurance Information received on a confidential basis and shall not disclose the Adequate Assurance Information except as expressly provided in this Bidding Procedures Order and the Bidding Procedures. No party may use or disclose, except to representatives, attorneys, advisors and financing sources (collectively, **"Representatives"**), any confidential Adequate Assurance Information for any purpose other than: (a) evaluating whether adequate assurance of future performance as required under section 365(f)(2)(B) and, if applicable, section 365(b)(3) of the Bankruptcy Code has been provided; and (b) in support of any objection (subject to the limitations on disclosure set forth herein) by such party relating to adequate assurance of future performance. Any Representative receiving Adequate Assurance Information shall be notified and shall agree to be bound by the restrictions set forth in this Bidding Procedures Order.

26. If no timely Qualifying Bids other than the Stalking Horse Agreement are submitted on or before the Bid Deadline, the Debtors shall not hold an Auction and shall request at the Confirmation and Sale Hearing that this Court approve the Stalking Horse Agreement and the transactions contemplated thereunder. If the Debtors timely receive one or more Qualifying Bids other than the Stalking Horse Agreement, then the Debtors shall conduct the Auction on

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Tuesday, August 18, 2025 at 10:00 a.m. (prevailing Eastern Time), at the offices of White & Case LLP, 1221 Avenue of the Americas, New York, NY 10020 or virtually via telephone and/or video conference pursuant to information to be timely provided by the Debtors to the Auction Participants (as defined below). Except as otherwise determined by the Debtors, only (i) the Debtors, (ii) any Qualifying Bidder, (iii) the U.S. Trustee, (iv) the Kelly Hamilton DIP Lender, (v) the Ad Hoc Group of Holders of Crown Capital Notes, and (vi) any other creditor of the Debtors that delivers to Debtors' counsel a written request to attend the Auction (by email to barrett.lingle@whitecase.com) no later than 24 hours prior to the commencement of the Auction, in each case, along with their respective representatives and counsel, may attend the Auction (collectively, the "**Auction Participants**"); provided that the Debtors may, in their sole discretion, establish a reasonable limit on the number of advisors that may appear on behalf of each party. Only Qualifying Bidders will be entitled to make any bids at the Auction.

27. Following the Auction (if any), on August 19, 2025, the Debtors will file with the Court a notice (the "**Notice of Successful Bidder**") that will identify, among other things, the Successful Bidder and Back-Up Bidder.

28. The Confirmation and Sale Hearing shall be held in this Court on September 4, 2025 at 11:30 a.m. (ET), unless otherwise determined by this Court. The Confirmation and Sale Hearing may be adjourned by the Debtors from time to time without further notice to creditors or other parties in interest other than by announcement of the adjournment in open

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court on the date scheduled for the Confirmation and Sale Hearing, or by filing a hearing agenda or notice on the docket of these chapter 11 cases.

29. All persons and entities that participate in the Auction or bid for the Kelly Hamilton Property during the sale process shall be deemed to have knowingly and voluntarily (i) consented to the core jurisdiction of the Court to enter any order related to the Bidding Procedures, the Auction, or any other relief requested in the Motion or granted in this Bidding Procedures Order; (ii) waived any right to a jury trial in connection with any disputes relating to the Bidding Procedures, the Auction, or any other relief requested in the Motion or granted in this Bidding Procedures Order; and (iii) consented to the entry of a final order or judgment in connection with any disputes relating to the Bidding Procedures, the Auction, or any other relief requested in the Motion or granted in this Bidding Procedures Order, if it is determined that the Court would lack Article III jurisdiction to enter such a final order or judgment absent the consent of the relevant parties.

30. Nothing in this Bidding Procedures Order, the Stalking Horse Agreement, or the Motion shall be deemed to or constitute the assumption or assignment of an Executory Contract or Unexpired Lease.

31. In the event that there is a conflict between this Bidding Procedures Order or the Bidding Procedures, on the one hand, and the Motion, the Stalking Horse Agreement, on the other hand, this Bidding Procedures Order and the Bidding Procedures shall control and govern.

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Debtors: CBRM REALTY INC. *et al.*

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If there is a conflict between this Bidding Procedures Order and the Bidding Procedures, this Bidding Procedures Order shall control and govern. If there is a conflict between this Bidding Procedures Order or the Bidding Procedures, on the one hand, and any notice served in connection with the Motion or this Bidding Procedures Order, on the other hand, this Bidding Procedures Order and the Bidding Procedures shall control and govern.

32. Prior to mailing the Assumption Notice, any Supplemental Assumption Notice, and the Confirmation and Sale Notice, the Debtors may fill in, or cause to be filled in, any missing dates and other information, correct any typographical errors, conform the provisions thereof to the provisions of this Bidding Procedures Order, and make such other, non-material changes as the Debtors deem necessary or appropriate.

33. This Bidding Procedures Order shall be effective immediately upon entry, and any stay of orders provided for in Bankruptcy Rules 6004(h) or 6006(d) or any other provision of the Bankruptcy Code, the Bankruptcy Rules or the Local Rules is expressly waived. The Debtors are not subject to any stay in the implementation, enforcement or realization of the relief granted in this Bidding Procedures Order, and may, in its sole discretion and without further delay, take any action and perform any act authorized or approved under this Bidding Procedures Order.

34. The requirements set forth in Local Rules 6004-1, 6004-2, and 90013-2 are hereby satisfied or waived.

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35. The Debtors are authorized to take all steps necessary or appropriate to implement the relief granted in this Bidding Procedures Order.

36. Any relief granted to the Debtors pursuant to this Bidding Procedures Order shall mean the Debtors, acting at the direction of the Independent Fiduciary.

37. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Bidding Procedures Order, including any matter, claim or dispute arising from or relating to the Bidding Procedures, the Stalking Horse Agreement, the Bid Protection, the Assumption and Assignment Procedures, and the implementation of this Bidding Procedures Order.

Exhibit 1

Bid Procedures

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

WHITE & CASE LLP

Gregory F. Pesce (admitted *pro hac vice*)
111 South Wacker Drive
Chicago, Illinois 60606
Telephone: (312) 881-5400
Email: gregory.pesce@whitecase.com

-and-

Andrew Zatz
Samuel P. Hershey (admitted *pro hac vice*)
Barrett Lingle (admitted *pro hac vice*)
1221 Avenue of the Americas
New York, New York 10020
Telephone: (212) 819-8200
Email: azatz@whitecase.com
sam.hershey@whitecase.com
barrett.lingle@whitecase.com

Counsel to Debtors and Debtors-in-Possession

KEN ROSEN ADVISORS PC

Kenneth A. Rosen
80 Central Park West
New York, New York 10023
Telephone: (973) 493-4955
Email: ken@kenrosenadvisors.com

*Co-Counsel to Debtors and
Debtors-in-Possession*

In re:

CBRM REALTY INC., *et al.*

Debtors.¹

Chapter 11

Case No. 25-15343 (MBK)
(Jointly Administered)

BIDDING PROCEDURES

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 (9071), 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.

On May 19, 2025, the above-captioned debtors and debtors-in-possession (collectively, the “**Debtors**”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the District of New Jersey (the “**Court**”).

On June 30, 2025 the Debtors filed the *Joint Chapter 11 Plan of Reorganization of CBRM Realty Inc. and Certain of Its Debtor Affiliates* [Docket No. 246] (as amended, supplemented, or otherwise modified, the “**Plan**”) and the *Debtors’ Motion for Entry of an Order (I) Approving (a) Bidding Procedures, the Sale Timeline, and the Form and Manner of Notice Thereof for the Kelly Hamilton Property, (B) the Debtors’ Entry into and Performance Under the Stalking Horse Agreement, (C) Bid Protections in Connection with the Stalking Horse Agreement, and (D) Assumption and Assignment Procedures, and (II) Granting Related Relief* [Docket No. [●]] (the “**Bidding Procedures and Stalking Horse Motion**”).

On July [●], 2025, the Court entered the *Order (I) Approving (a) Bidding Procedures, the Sale Timeline, and the Form and Manner of Notice Thereof for the Kelly Hamilton Property, (B) the Debtors’ Entry into and Performance Under the Stalking Horse Agreement, (C) Bid Protections in Connection with the Stalking Horse Agreement, and (D) Assumption and Assignment Procedures, and (II) Granting Related Relief* [Docket No [●]] (the “**Order**”)².

ANY PARTY INTERESTED IN BIDDING ON THE KELLY HAMILTON PROPERTY SHOULD CONTACT: (A) TABISH RIZVI (TR@DUNDON.COM) OF ISLAND DUNDON LLC, THE INVESTMENT BANKER FOR THE DEBTORS; AND (B) GREGORY PESCE (GREGORY.PESCE@WHITECASE.COM) AND BARRETT LINGLE (BARRETT.LINGLE@WHITECASE.COM) OF WHITE & CASE LLP, COUNSEL FOR THE DEBTORS.

Summary of Key Dates Established by the Bidding Procedures

Event	Deadline
Entry of the Bidding Procedures Order and Conditional Approval of the Disclosure Statement	July 24, 2025
Assumption and Assignment Service Deadline	Seven (7) Days After Entry of the Bidding Procedures Order
Cure Objection Deadline	Fourteen (14) Days After Service of the Assumption Notice³

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Order or the Plan, as applicable.

³ For the avoidance of doubt, there are two separate deadlines to object to the proposed assumption and assignment of a potential Assumed Contract: (a) the applicable Cure Objection Deadline, which is the deadline to object to the proposed assumption and assignment of a potential Assumed Contract to the Stalking Horse Bidder, including the Cure Payments related to any assumption and assignment of such potential Assumed Contract and the adequate assurance of future performance of the Stalking Horse Bidder, and (b) the Confirmation and Sale Objection Deadline, which only applies in the event the Stalking Horse Bidder is not the Successful Bidder and is the deadline to object to the proposed assumption and assignment of a Potential Assumed Contract to the Successful Bidder (that is not the Stalking Horse Bidder), solely on account of the identity of the Successful Bidder and adequate assurance of future performance.

Bid Deadline	August 14, 2025 at 4:00 p.m. (prevailing Eastern Time)
Deadline for Debtors to Designate Qualifying Bids	August 15, 2025
Auction Date (if any)	August 18, 2025 at 10:00 a.m. (prevailing Eastern Time)
Deadline to File Notice of Successful Bidder and Back-Up Bidder	August 19, 2025
Deadline to Object to Confirmation and the Sale, and the Voting Deadline	August 22, 2025 at 4:00 p.m. (prevailing Eastern Time)
Reply in Support of Confirmation	August 27, 2025
Confirmation and Sale Hearing	September 4, 2025 at 11:30 a.m. (prevailing Eastern Time)
Consummation of Sale Transaction	Ten (10) Business Days Following Entry of the Confirmation and Sale Order

The Debtors may adjourn any of the key dates or deadlines herein without further order of the Court; provided that the Debtors shall promptly file a notice with the Court of any changes to the key dates or deadlines herein.

1. **Consultation Party**

As appropriate throughout the sale process, the Debtors and their advisors will consult with counsel for the Ad Hoc Group of Holders of Crown Capital Notes (the “**Ad Hoc Group**” or the “**Consultation Party**”). Neither the Debtors nor their representatives shall be obligated to furnish any information of any kind relating to the Kelly Hamilton Property to any party that is not a Potential Bidder (defined below) or a Consultation Party.

Nothing herein or contemplated hereby constitutes or will be deemed to constitute or otherwise result in the consent or approval of any Consultation Party to the sale, sale order, or to any agreement or motion or other pleading related thereto, or the waiver or modification of any of the terms of, or any rights under, any existing agreement, instrument or document. Any and all rights or such parties to object or otherwise oppose any sale, sale order, bid, or any agreement or pleading related thereto are hereby expressly preserved and reserved.

2. **Stalking Horse Bidder**

On July 11, 2025, the Debtors entered into the Stalking Horse Agreement with the Stalking Horse Bidder. As set forth more fully in the Stalking Horse Agreement, the Stalking Horse Bidder is (i) credit bidding the sum of the Kelly Hamilton DIP Facility Obligations (as defined in the Stalking Horse Agreement) and the Manager Administrative Expense Claim, (ii) assuming certain liabilities and certain executory contracts and unexpired leases of the Debtors, (iii) satisfying cure costs, and (iv) providing a cash payment if required under the terms of the Stalking Horse Agreement (collectively, the “**Stalking Horse Bid**”). The Stalking Horse Agreement also includes various customary representations, warranties, and covenants by and from the Debtors and the Stalking Horse Bidder, and certain conditions to closing and rights of termination.

Notwithstanding anything herein to the contrary, the Stalking Horse Bidder is deemed to be a Qualifying Bidder (as defined below), and the Stalking Horse Bid (including as it may be modified at the Auction (if any) in accordance with the terms therein and herein) is deemed to be a Qualifying Bid (as defined below). The Stalking Horse Bidder is credit bidding pursuant to 11 U.S.C. § 363(k) and thus is not required to make a Deposit (as defined below) with the Debtors. The Stalking Horse Bidder shall have the unqualified right at any time to credit bid on a dollar-for-dollar basis up to the sum of the Kelly Hamilton DIP Facility Obligations and the Manager Administrative Expense Claim.

3. **Assets to be Sold**

The Debtors shall offer for sale the Kelly Hamilton Property, provided that the Debtors, in consultation with the Consultation Party, determine that the aggregate consideration offered by any bid, or combination of bids, for the Kelly Hamilton Property, satisfies the requirements set forth in these Bidding Procedures. Potential Bidders (as defined herein) may bid on the Kelly Hamilton Property. The Debtors propose to consummate the proposed Sale Transaction pursuant to a chapter 11 plan, subject to Court approval.

4. **Participation Requirements**

Any interested party that wishes to participate in the bidding process for the Kelly Hamilton Property other than in the case of the Stalking Horse Bidder (each, an **“Interested Bidder”**) must first become a potential bidder (a **“Potential Bidder”**). To become a Potential Bidder, an Interested Bidder must submit to (a) counsel to the Debtors, (i) White & Case LLP, 111 South Wacker Drive, Chicago, Illinois 60606 (Attn: Gregory F. Pesce (gregory.pesce@whitecase.com)) and (ii) White & Case LLP, 1221 Avenue of the Americas, New York, New York 10020 (Attn: Barrett Lingle (barrett.lingle@whitecase.com)), and (ii) co-counsel to the Debtors, Ken Rosen Advisors PC, 80 Central Park West, New York, New York 10023 (Attn: Kenneth A. Rosen (ken@kenrosenadvisors.com)), and (b) the Debtors’ proposed financial advisors, IslandDundon LLC, 10 Bank Street, Suite 1100, White Plains, NY 10606 (Attn: Tabish Rizvi (tr@dundon.com)) and Steven Landgraber (slandgraber@islecap.com)) (collectively, the **“Debtors’ Advisors”**) the following documents (collectively, the **“Preliminary Bid Documents”**) via email:

- (a) documentation identifying the Interested Bidder, its principals, and the representatives thereof who are authorized to appear and act on their behalf for all purposes regarding the contemplated transaction, including the Auction, if any;
- (b) an executed confidentiality agreement (**“Confidentiality Agreement”**) in form and substance satisfactory to the Debtors;
- (c) a statement and other factual support demonstrating to the Debtors’ reasonable satisfaction, after consultation with the Consultation Party, that the Interested Bidder has a bona fide interest in consummating the Sale Transaction; and
- (d) sufficient information, as determined by the Debtors, after consultation with the Consultation Party, to allow the Debtors to determine that the Interested Bidder

(x) has, or can obtain, the financial wherewithal and any required internal corporate, legal, or other authorizations to close the Sale Transaction, including, but not limited to, current audited financial statements of the Interested Bidder (or such other form of financial disclosure acceptable to the Debtors in their discretion), and (y) can provide adequate assurance of future performance under any Executory Contracts and Unexpired Leases to be assumed by the Debtors and assigned to the Stalking Horse Bidder or other Successful Bidder, as applicable, in connection with the Sale Transaction, pursuant to section 365 of the Bankruptcy Code, in connection with the Sale Transaction.⁴

Each Interested Bidder shall comply with all reasonable requests for information and due diligence access by the Debtors or their advisors regarding the ability of such Interested Bidder to consummate its contemplated transaction. The Debtors reserve the right to work with any Interested Bidder to cure any deficiencies in the Preliminary Bid Documents or waive any of the foregoing requirements in the Debtors' reasonable business judgment, in consultation with the Consultation Party. The Debtors reserve all rights to determine in their business judgment whether a party that has submitted Preliminary Bid Documents shall be deemed a Potential Bidder.

5. Bankruptcy Court Jurisdiction

Any Interested Bidders, Potential Bidders, and Qualifying Bidders (as defined herein) shall: (a) be deemed to have waived any right to a jury trial in connection with, and consented and submitted to the exclusive jurisdiction of the Court over, any actions or proceedings arising from or relating to the Bidding Procedures, the Sale Transaction, the Auction, and the construction and enforcement of the contemplated transaction documents of such parties; (b) be deemed to have waived any right to bring any such action or proceeding in the Court; and (c) be deemed to have consented to (i) the Court entering a final order or judgment determining any such action or proceeding and (ii) such final order or judgment in any such action or proceeding, including all appeals, being conclusive and enforceable in other jurisdictions (including any foreign jurisdictions) by suit on the judgment or in any other manner provided by applicable law.

6. Due Diligence

The Debtors will provide Potential Bidders with reasonable access to a data room and any other additional information that the Debtors believe to be reasonable and appropriate under the circumstances. All due diligence requests shall be directed to the Debtors' Advisors via email at the email address(es) noted above.

The due diligence period shall extend through and include the Bid Deadline. The Debtors, in their business judgment, may, but shall not be obligated to, furnish any due diligence information after the Bid Deadline.

⁴ By submitting a Bid, each Bidder agrees that the Debtors are authorized to disseminate the adequate assurance information to the Consultation Party.

The Debtors reserve the right, in their reasonable discretion, to withhold or limit access to any due diligence information that the Debtors determine is not appropriate for disclosure to a Potential Bidder (including its affiliates and any related persons) at any time and for any reason, including, without limitation, if (a) any due diligence information is determined to be business sensitive, proprietary, or otherwise not appropriate for disclosure to a Potential Bidder by the Debtors, including, but not limited to, Potential Bidders who are customers or competitors of the Debtors or affiliates thereof, and other industry participants, (b) the Potential Bidder does not become, or the Debtors determine that the Potential Bidder is not likely to become, a Qualifying Bidder (as defined below), (c) the Potential Bidder violates the terms of its Confidentiality Agreement, (d) the Debtors become aware that the information set forth on the Potential Bidder's Preliminary Bid Documents is inaccurate or misleading or of any other reason to doubt such Potential Bidder's ability to close its contemplated transaction, (e) the Potential Bidder (including its affiliates and any related persons) uses information obtained from the data room or the diligence process in connection with, or related to, any litigation or other legal action related to any Debtor, any current or former directors and officers of the Debtors, the Debtors' non-Debtor affiliates, or the Debtors' primary creditors as identified by the Debtors, (f) such disclosure would jeopardize protections afforded any Debtor or primary creditor as identified by the Debtors under the attorney-client privilege or the attorney work product doctrine, or (g) the bidding process is terminated in accordance with its terms. Notwithstanding any prepetition limitations, including, without limitation, any non-disclosure, confidentiality, or similar provisions relating to any due diligence information, the Debtors and their estates shall be authorized to provide due diligence information to Potential Bidders; provided that such Potential Bidders have delivered an executed Confidentiality Agreement in form and substance acceptable to the Debtors. Subject to the terms and conditions of each Confidentiality Agreement, the Debtors and their estates are not responsible for, and shall have no liability with respect to, any information obtained by, or provided to, any Potential Bidders in connection with the Bidding Procedures and the Sale Transaction.

7. **Bid Requirements**

Other than in the case of the Stalking Horse Bidder and the Stalking Horse Agreement, which shall be considered a Qualifying Bidder and a Qualifying Bid (each as defined below), respectively, for all purposes under the Bidding Procedures, without any regard to any of the requirements or conditions set forth therein and without any other or further action by the Stalking Horse Bidder, to be deemed a "Qualifying Bid," a bid must be received by the Debtors' Advisors from a Potential Bidder before the Bid Deadline and satisfy each of the following requirements (each, a "**Bid Requirement**"):

- (a) be in writing;
- (b) include a clean and duly executed asset purchase agreement, including the exhibits, schedules, and ancillary agreements related thereto (an "**Alternative APA**") and a marked copy of the Alternative APA showing any variations from the Stalking Horse Agreement. The Alternative APA must (i) provide cash payment that is not less than the sum of (a) the DIP Facility Obligations, (b) the Bid Protection, (c) the Manager Administrative Expense Claim, (d) an amount that is equal to 5% of the aforementioned amounts and (e), any cash necessary to satisfy Senior Claims in full, to the extent such Senior Claims are not

assumed in full by the Potential Bidder, (ii) consummate the transactions contemplated in the Alternative APA through the Plan, and (iii) include a commitment to close by no later than ten (10) business days following entry of the Confirmation and Sale Order. The executed copy of the Alternative APA must be effective upon the Debtors' countersignature. The terms and conditions of the Alternative APA must be, in the aggregate, not materially more burdensome or adverse to the Debtors than the provisions contained in the Stalking Horse Agreement;

- (c) fully disclose the identity of the Potential Bidder (and to the extent that the Potential Bidder is a newly formed acquisition entity or the like, the identity of the Potential Bidder's parent company or sponsor), and provide the contact information of the specific person(s) whom the Debtors or their advisors should contact in the event that the Debtors have any questions or wish to discuss the bid submitted by the Potential Bidder;
- (d) set forth the purchase price to be paid by such Potential Bidder, which purchase price shall include an aggregate amount of cash sufficient to pay in full at closing, an amount that is not less than the sum of (a) the DIP Facility Obligations, (b) the Bid Protection, (c) the Manager Administrative Expense Claim, and (d) an amount that is equal to 5% of the aforementioned amounts in full at closing;
- (e) identify separately any cash and non-cash components, which non-cash components shall be limited only to credit bids in accordance with section 363(k) of the Bankruptcy Code and assumed liabilities;
- (f) state the liabilities proposed to be paid or assumed by such Potential Bidder;
- (g) state that such Potential Bidder offers to (i) purchase the Kelly Hamilton Property and (ii) assume liabilities (including the Cure Payments), upon substantially the same terms as, or terms more favorable to the Debtors and their estate than, the terms set forth in the Stalking Horse Agreement;
- (h) state that such Potential Bidder's offer is formal, binding and unconditional, and is irrevocable until two (2) business days after the closing of the Sale Transaction;
- (i) to the extent that a bid is not accompanied by evidence of a Potential Bidder's capacity to consummate the applicable Sale Transaction with cash on hand, the bid must include unconditional committed financing from a reputable financing institution, documented to the satisfaction of the Debtors, in consultation with the Consultation Party, including appropriate contact information for such financing sources, that demonstrates that the Potential Bidder has: (i) received sufficient debt and/or equity funding commitments to satisfy the Potential Bidder's purchase price and other obligations under its bid; and (ii) adequate working capital financing or resources to finance going concern operations for

the Kelly Hamilton Property. Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals, and shall have covenants and conditions reasonably acceptable to the Debtors, in consultation with the Consultation Party;

- (j) contain such financial and other information to allow the Debtors to make a reasonable determination, after consultation with the Consultation Party, as to the Potential Bidder's financial and other capabilities to close the transactions contemplated by the applicable Alternative APA, including, without limitation, such financial and other information supporting the Potential Bidder's ability to comply with the requirements of adequate assurance of future performance under section 365(f)(2)(B) and, if applicable, section 365(b)(3) of the Bankruptcy Code, including the Potential Bidder's financial wherewithal and willingness to perform under any contracts and leases that are assumed and assigned to the Potential Bidder, in a form that allows the Debtors to serve such information on any counterparties to such contracts or leases in connection with the Sale Transaction within one (1) business day after the Debtors' receipt of such information. To the extent that the Potential Bidder (other than the Stalking Horse Bidder) is a newly formed acquisition entity or the like, the financial and other information supporting the Potential Bidder's financial wherewithal shall include financial and other information supporting the financial wherewithal of the Potential Bidder's parent company or sponsor;
- (k) identify with particularity each and every Executory Contract and Unexpired Lease, the assumption and assignment of which is a condition to close the transactions contemplated by the Alternative APA;
- (l) include closing conditions that are no less favorable to the Debtors than the closing conditions contained in the Stalking Horse Agreement (and specify such closing conditions in the applicable Alternative APA);
- (m) include a statement that the bid does not request or entitle such Potential Bidder to any break-up fee, termination fee, expense reimbursement, or similar type of payment or reimbursement;
- (n) not contain any contingencies of any kind, including, without limitation, contingencies related to financing, internal approval, or due diligence;
- (o) contain a written acknowledgement and representation that the Potential Bidder (i) has had an opportunity to conduct any and all due diligence regarding the Kelly Hamilton Property, (ii) has relied solely upon its own independent review, investigation or inspection of any documents and other information in making its bid, and (iii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Kelly

Hamilton Property, or the completeness of any documents or other information provided in connection with the Bidding Procedures and the Sale Transaction;

- (p) set forth any regulatory and third-party approvals required for the Potential Bidder to close the transactions contemplated by the Alternative APA, and the time period within which the Potential Bidder expects to receive such regulatory and third-party approvals (and in the case that receipt of any such regulatory or third-party approval is expected to take more than five (5) days following execution and delivery of such Potential Bidder's Alternative APA, those actions the bidder will take to ensure receipt of such approval(s) as promptly as possible); provided, however, that a Potential Bidder agrees that its legal counsel will coordinate in good faith with the Debtors' legal counsel to discuss and explain the Potential Bidder's regulatory analysis, strategy, and timeline for securing all such approvals as soon as reasonably practicable, and in no event later than the time period contemplated in the Alternative APA;
- (q) provide for a binding commitment of the Potential Bidder to serve as a backup bidder (the "**Back-Up Bidder**") if the Potential Bidder's bid is the next highest or otherwise next best bid (the "**Back-Up Bid**") after the Successful Bid;
- (r) include written evidence of authorization and approval from the Potential Bidder's board of directors (or comparable governing body) with respect to the submission, execution, and delivery of the Alternative APA;
- (s) provide a good faith cash deposit (the "**Deposit**") in an amount equal to ten percent (10%) of the aggregate purchase price provided for in the Alternative APA (or such additional amount as may be determined by the Debtors in their reasonable discretion);
- (t) state or otherwise estimate the types of, and costs or charges for, transition services, if any, the Potential Bidder would require of or provide to the Debtors, including an estimate of the time any such transition services would be required of or provided to the Debtors; and
- (u) provide that in the event of the Potential Bidder's breach of, or failure to perform under, the Alternative APA, the Debtors and their estates shall be entitled to pursue all available legal and equitable remedies, including, without limitation, retention of the Deposit as part of the damages resulting to the Debtors and their estates for such breach or failure to perform.

A bid from a Potential Bidder satisfying all of the above requirements, as determined by the Debtors, in consultation with the Consultation Party, shall constitute a Qualifying Bid. The Debtors reserve the right, in their business judgment and in consultation with the Consultation Party, to waive any of the Bid Requirements or work with any Potential Bidder in advance of the Auction to cure any deficiencies in a bid that is not initially deemed a Qualifying Bid.

Each Potential Bidder submitting a bid shall be deemed to: (a) acknowledge and represent that it is bound by all of the terms and conditions of the Bidding Procedures; and (b) have waived the right to pursue a substantial contribution claim under section 503 of the Bankruptcy Code related in any way to the submission of its bid, the Bidding Procedures, the Auction, or the Sale Transaction.

In the event a Bid is submitted, the Debtors shall provide copies of all Bid materials to counsel to the Consultation Party, provided, however, that the Debtors shall have no obligation to provide Bid materials to counsel to the Consultation Party (i) once such party, or an affiliate thereof, has submitted a Bid and (ii) for so long as such Bid remains open.

8. **Bid Deadline**

A Potential Bidder, other than the Stalking Horse Bidder, that desires to make a bid shall deliver a written and electronic copy of its bid in both PDF and MS-WORD format to the Debtors' Advisors so as to be received on or before August 14, 2025 at 4:00 p.m. (prevailing Eastern Time) (the "**Bid Deadline**"); provided that the Debtors may extend the Bid Deadline without further order of the Court, after consultation with the Consultation Party. To the extent that the Bid Deadline is extended for all parties, the Debtors shall file a notice on the docket of their chapter 11 cases indicating the same. Any party that does not submit a bid by the Bid Deadline will not be allowed to (a) submit any bids after the Bid Deadline or (b) participate in the Auction.

9. **Evaluation of Qualifying Bids**

The Debtors, in consultation with the Consultation Party, shall make a determination regarding whether a timely submitted bid from a Potential Bidder is a Qualifying Bid.

No later than August 15, 2025, the Debtors shall: (i) notify all Potential Bidders whether their respective bids have been determined to be Qualifying Bids and those Potential Bidders that have submitted Qualifying Bids will be considered to be qualifying bidders (the "**Qualifying Bidders**") and (ii) determine, in consultation with the Consultation Party, which of the Qualifying Bids, at such time, is the highest or best Qualifying Bid for purposes of constituting the opening bid of the Auction (the "**Baseline Bid**").

Notwithstanding anything to the contrary herein, and for the avoidance of doubt, for all purposes under the Bidding Procedures: (i) the Stalking Horse Bidder shall be considered a Qualifying Bidder, and the Stalking Horse Agreement shall be considered a Qualifying Bid, for all purposes under the Bidding Procedures, without regard to any of the requirements or conditions set forth therein and without any other or further action by the Stalking Horse Bidder; and (ii) in determining whether the Potential Bidders constitute Qualifying Bidders, the Debtors may consider a combination of bids for the Kelly Hamilton Property. As set forth in the Bidding Procedures Order, in the event one or more Qualifying Bids are submitted in advance of the Auction, the Stalking Horse Bid shall be the Successful Bid so long as the Stalking Horse Bid is equal to an amount not less than the highest other Qualifying Bid, if any

10. **No Qualifying Bids**

If no timely Qualifying Bids other than the Stalking Horse Bid are submitted on or before the Bid Deadline, the Debtors shall not hold an Auction and shall request at the Confirmation and Sale Hearing that the Court approve the sale to the Stalking Horse Bidder on the terms of the Stalking Horse Agreement and the transaction contemplated thereunder.

11. **Auction**

If the Debtors timely receive one or more Qualifying Bids other than the Stalking Horse Bid, then the Debtors shall conduct an auction (the “**Auction**”). Following the Auction, the Debtors will determine, in consultation with the Consultation Party, which Qualifying Bid or combination of Qualifying Bids is the highest or otherwise best bid for the Kelly Hamilton Property, which will be determined by considering, among other things, the following non-binding factors: (a) the number, type and nature of any changes to the Stalking Horse Agreement requested by each Qualifying Bidder; (b) the extent to which such modifications are likely to delay closing of the Sale Transaction and the cost to the Debtors and their estates of such modifications or delay; (c) the total consideration to be received by the Debtors and their estates; (d) the transaction structure and execution risk, including conditions to, timing of and certainty of closing, termination provisions, availability of financing and financial wherewithal to meet all commitments, and required governmental or other approval; (e) the net benefit to the Debtors’ estates; (f) the certainty of the Debtors being able to confirm a chapter 11 plan; and (g) any other factors the Debtors may reasonably deem relevant in their business judgment.

Bidders and their representatives may not communicate or coordinate with one another for purposes of submitting a Bid or Bids or participating in the Auction without the prior consent of the Debtors. All parties are prohibited from (i) engaging in any collusion with respect to the bidding or sale of the Kelly Hamilton Property described herein or (ii) taking any other action to prevent a transparent and competitive auction process.

The Auction shall be governed by the following procedures:

- (a) the Auction shall be held on August 18, 2025 at 10:00 a.m. (ET) or such other date as may be determined by the Debtors, in consultation with the Consultation Party (which information will be timely provided by the Debtors to the Auction Participants (as defined below)) at the offices of White & Case LLP, White & Case LLP, 1221 Avenue of the Americas, New York, NY 10020, or virtually via telephone or video conference;
- (b) only the Stalking Horse Bidder and the other Qualifying Bidders (together, the “**Auction Bidders**”) shall be entitled to make any subsequent bids at the Auction;
- (c) the Auction Bidders shall appear at the Auction themselves, or through a duly authorized representative;
- (d) Only (i) the Debtors, (ii) any Qualifying Bidder, (iii) the U.S. Trustee, (iv) the Kelly Hamilton DIP Lender, (v) the Ad Hoc Group, and (vi) in the Debtors’

discretion, any other creditor of the Debtors that delivers to Debtors' counsel a written request to attend the Auction (by email to barrett.lingle@whitecase.com) no later than 24 hours prior to the commencement of the Auction, in each case, along with their respective representatives and counsel, may attend the Auction (collectively, the "**Auction Participants**"); provided that the Debtors may establish a reasonable limit on the number of advisors that may appear on behalf of each party;

- (e) the Debtors and their professional advisors shall direct and preside over the Auction, which shall be transcribed;
- (f) prior to the start of the Auction, each of the Auction Bidders shall confirm that they have not engaged in any collusion with respect to the Bidding Procedures, the Auction or the Sale Transaction;
- (g) the Auction shall be conducted in an open format (and not by way of sealed bids);
- (h) the Auction Bidders may submit successive bids (each, an "**Overbid**") in increments of at least \$250,000.00, provided that: (i) each such Overbid must be a Qualifying Bid; and (ii) the Debtors shall retain the right to modify the bid increment requirements at the Auction following consultation with the Consultation Party;
- (i) the Auction may include individual negotiations with any of the Auction Bidders, but all bids shall be made on the record and in the presence of all of the Auction Bidders;
- (j) all material terms of the bid that is deemed to be the highest or otherwise best bid, if applicable, for each round of bidding shall be fully disclosed to the Auction Bidders, and the Debtors shall use reasonable efforts to clarify any and all questions that the Auction Bidders may have regarding Debtors' announcement of the then-current highest or otherwise best bid;
- (k) except as specifically set forth herein, for the purpose of evaluating the value of the purchase price provided by each successive bid (including any successive bid by the Stalking Horse Bidder), the Debtors, in consultation with the Consultation Party, may give effect to any additional liabilities to be assumed by a Qualifying Bidder, and any additional costs which may be imposed on the Debtors;
- (l) each Auction Bidder shall (i) be deemed to have waived any right to a jury trial in connection with, and consented and submitted to the exclusive jurisdiction of the Court over, any actions or proceedings arising from or relating to the Bidding Procedures, the Sale Transaction, the Auction and the construction and enforcement of the contemplated transaction documents of the Auction Bidders, (ii) be deemed to have waived any right to bring any such action or proceeding relating to the Bidding Procedures, the Auction, or the Sale Transaction in the

Court, and (iii) be deemed to have consented to (a) the Court entering a final order or judgment determining in any such action or proceeding and (b) a final order or judgment in any such action or proceeding, including all appeals, being conclusive and enforceable in other jurisdictions (including any foreign jurisdictions) by suit on the judgment or in any other manner provided by applicable law;

- (m) throughout the Auction, the Stalking Horse Bidder shall have the continuing right to credit bid an amount equal to the sum of the Kelly Hamilton DIP Facility Obligations and the Manager Administrative Expense Claim to purchase the Kelly Hamilton Property;
- (n) the Auction Bidders shall have the right to make additional modifications to the Stalking Horse Agreement or any Alternative APA, as applicable, in conjunction with each Qualifying Bid submitted in each round of bidding during the Auction, provided that (i) any such modifications on an aggregate basis and viewed in whole, shall not, in the Debtors' discretion, in consultation with the Consultation Party, be less favorable to the Debtors and their estates than the terms of the Stalking Horse Agreement, and (ii) each Qualifying Bid shall constitute an irrevocable offer and shall be binding on the Auction Bidder submitting such bid until such Auction Bidder shall have submitted a subsequent Qualifying Bid at the Auction, unless such bid is selected as the Successful Bid, which shall remain binding as provided for herein;
- (o) the Debtors and the Consultation Party shall have the right to request any additional financial information that will allow the Debtors and the Consultation Party to make a reasonable determination as to an Auction Bidder's financial and other capabilities to consummate the transactions contemplated by the Stalking Horse Agreement or any Alternative APA, as applicable, as may be amended during the Auction, and any further information that the Debtors may believe is reasonably necessary to clarify and evaluate any bid made by an Auction Bidder during the Auction;
- (p) upon the conclusion of the Auction, the Debtors shall determine, in consultation with the Consultation Party, and subject to Court approval, the offer that is the highest or otherwise best from among the Qualifying Bids submitted at the Auction (the "**Successful Bid**"). In making this decision, the Debtors shall consider, in consultation with the Consultation Party, the amount of the purchase price, the assumption of liabilities, the likelihood of the bidder's ability to close the proposed transaction and the timing thereof, the number, type and nature of any changes to the Stalking Horse Agreement or the applicable Alternative APA, as applicable, requested by each bidder, and the net benefit to the Debtors' estates. The bidder(s) submitting such Successful Bid at the Auction shall become the "Successful Bidder," and shall have such rights and responsibilities of the purchaser as set forth in the Stalking Horse Agreement or any Alternative APA, as applicable. The Debtors, in consultation

with the Consultation Party, shall designate a Back-Up Bid (and the corresponding Back-Up Bidder) to purchase the Kelly Hamilton Property (or any subset thereof, if applicable) in the event that the Successful Bidder does not close the sale;

- (q) on August 19, 2025, the Debtors will file with the Court a notice setting forth the results of the Auction (the “**Notice of Successful Bidder and Back-Up Bidder**”), which will (a) identify the Successful Bidder and the Back-Up Bidder with respect to the Kelly Hamilton Property; (b) include a copy of the Successful Bid(s) and the Back-Up Bid(s) or a summary of the material terms of such bids; and (c) set forth the date, time, and location of the Confirmation and Sale Hearing and any other relevant dates or other information necessary to reasonably apprise parties of the outcome of the Auction;
- (r) within one (1) business day of the close of the Auction, in the event the Stalking Horse Bidder is not the Successful Bidder, the Successful Bidder shall supplement the Successful Bidder’s Deposit such that the Deposit shall be equal to an amount that is ten (10%) percent of the Successful Bid; and
- (s) prior to the Confirmation and Sale Hearing, the Successful Bidder(s) shall complete and execute all agreements, contracts, instruments, and other documents evidencing and containing the terms and conditions upon which the Successful Bid was made.

THE SUCCESSFUL BID AND ANY BACK-UP BID AND THEIR RELATED PURCHASE AGREEMENTS SHALL CONSTITUTE AN IRREVOCABLE OFFER AND BE BINDING ON THE SUCCESSFUL BIDDER(S) AND THE BACK-UP BIDDER(S), RESPECTIVELY, FROM THE TIME THE APPLICABLE BID IS SUBMITTED UNTIL TWO (2) BUSINESS DAYS AFTER THE SALE TRANSACTION WITH RESPECT TO THE KELLY HAMILTON PROPERTY HAS CLOSED. EACH QUALIFYING BID THAT IS NOT THE SUCCESSFUL BID OR THE BACK-UP BID SHALL BE DEEMED WITHDRAWN AND TERMINATED AT THE CONCLUSION OF THE CONFIRMATION AND SALE HEARING.

12. Confirmation and Sale Hearing

The Successful Bid and any Back-Up Bid (or if no Qualifying Bid other than that of the Stalking Horse Bidder is received, then the Stalking Horse Agreement, which will be deemed to be the Successful Bid) will be subject to approval by the Court. The Confirmation and Sale Hearing to approve the Successful Bid and any Back-Up Bid (or if no Qualifying Bid other than that of the Stalking Horse Bidder is received, then the Stalking Horse Agreement) shall take place on September 4, 2025 at 11:30 a.m. (prevailing Eastern Time). The Confirmation and Sale Hearing may be adjourned by the Debtors from time to time without further notice to creditors or other parties in interest other than by announcement of the adjournment in open court or by filing a hearing agenda or notice on the docket of these chapter 11 cases.

At the Confirmation and Sale Hearing, the Debtors will seek entry of their forthcoming Confirmation and Sale Order that, among other things: (i) confirms the Debtors' proposed chapter 11 plan, (ii) authorizes and approves the Sale Transaction to the Stalking Horse Bidder or, in the event the Stalking Horse Bidder is not the Successful Bidder, then to the Successful Bidder, pursuant to the terms and conditions set forth in the Stalking Horse Agreement or Alternative APA submitted by the Successful Bidder, as applicable, free and clear of all liens, claims, interests, and encumbrances, except certain permitted encumbrances and assumed liabilities as determined by the Debtors and any Successful Bidder; (iii) finds that the Stalking Horse Bidder or Successful Bidder, as applicable, is a good faith purchaser pursuant to section 363(m) of the Bankruptcy Code; and (iv) authorizes the assumption and assignment of certain Assumed Contracts in connection with the Sale Transaction.

Any party who fails to file an objection to the Sale Transaction with the Court and serve it upon the parties specified in the Bidding Procedures Order on or before August 22, 2025 at 4:00 p.m. (ET) will be forever barred from asserting, at the Confirmation and Sale Hearing or thereafter, any objection to the consummation of the applicable Sale Transaction and any related relief requested by the Debtors.

13. Back-Up Bidder

Notwithstanding any of the foregoing, in the event that a Sale Transaction to the applicable Successful Bidder is terminated or fails to close by the outside date identified in the Successful Bid (or such date as may be extended by the Debtors in consultation with the Consultation Party), the applicable Back-Up Bid will be deemed to be the Successful Bid with respect to the Kelly Hamilton Property, the applicable Back-Up Bidder will be deemed to be the applicable Successful Bidder, and the Debtors shall be authorized to close the Sale Transaction for the Kelly Hamilton Property to such Back-Up Bidder on the terms of its Back-Up Bid without the need for further order of the Court and without the need for further notice to any interested parties.

14. Return of Deposits

All Deposits shall be returned to the bidders not selected by the Debtors as the Successful Bidder or Back-Up Bidder no later than five (5) business days following the closing of the Sale Transaction. The deposit of the Successful Bidder or, if the Sale Transaction is closed with the Back-Up Bidder, the deposit of the Back-Up Bidder, shall be applied to the purchase price at the closing of the Sale Transaction. If the Successful Bidder (or, if the Sale Transaction is to be closed with the Back-Up Bidder, then the Back-Up Bidder) fails to consummate the Sale Transaction because of a breach or failure to perform on the part of such bidder, then, subject to the terms of the Stalking Horse Agreement or any Alternative APA, as applicable, the Debtors and their estates shall be entitled to retain the Deposit of the Successful Bidder (or, if the Sale Transaction is to be closed with the Back-Up Bidder, then the Back-Up Bidder) as part of the damages to the Debtors and their estates for such breach or failure to perform. For the avoidance of doubt, the Debtors' retention of a Deposit shall not constitute a waiver or limitation of any of the Debtors' legal or equitable rights relating to a Successful Bidder's or Back-Up Bidder's breach or failure to perform, and all such rights and remedies are preserved.

15. **No-Shop or No-Solicitation Provisions**

The Bidding Procedures Order and Bidding Procedures do not limit the Debtors' ability or right to solicit higher or otherwise better bids for the Kelly Hamilton Property. The Motion, the Bidding Procedures, and the Bidding Procedures Order call for a fair and open bidding and auction process.

16. **Consultation Rights**

For the avoidance of doubt, any consultation rights provided to the Consultation Party by these Bidding Procedures shall not limit the Debtors' discretion in any way and shall not include the right to veto any decision made by the Debtors in the exercise of their business judgment.

17. **Sale Is As Is / Where Is**

Except as may be set forth in the Stalking Horse Agreement or any Alternative APA, the Kelly Hamilton Property sold pursuant to the Bidding Procedures shall be conveyed at the closing in its then-present condition, **"AS IS, WITH ALL FAULTS, AND WITHOUT ANY WARRANTY WHATSOEVER, EXPRESS OR IMPLIED."**

18. **Reservation of Rights and Fiduciary Out**

The Debtors, in consultation with the Consultation Party, reserve their rights to, and approval of the Bidding Procedures shall not in any way affect the Debtors' rights to: (i) determine whether a Bid is a Qualifying Bid; (ii) determine which Bid at the Auction is the highest or otherwise best Bid; (iii) reject any Bid that is (a) inadequate or insufficient, (b) not in conformity with the requirements of the Bidding Procedures or the requirements of the Bankruptcy Code, or (c) contrary to the best interests of the Debtors and their estates; (iv) waive terms and conditions set forth herein with respect to all Bidders; (v) impose additional terms and conditions at the Auction with respect to all Bidders; (vi) extend the deadlines set forth herein (including the date, time, or location of the Auction and/or the Bid Deadline); (vii) continue or cancel the Auction by filing a notice or in open court without further notice; and (viii) modify the Bidding Procedures, if necessary, and implement additional procedural rules that the Debtors determine, in their business judgment, and after consultation with the Consultation Party, will better promote the goals of the bidding process and discharge their fiduciary duties and are not inconsistent with any Court order.

Notwithstanding anything to the contrary in the Bidding Procedures, nothing in the Bidding Procedures or the Order shall require a Debtor (including the Independent Fiduciary, board of directors, board of managers, or similar governing body of a Debtor), after consulting with counsel, to take any action or to refrain from taking any action, with respect to the Bidding Procedures or otherwise related to any potential transaction, to the extent taking or failing to take such action is required to comply or would be inconsistent with applicable law or the Debtors' fiduciary obligations, if any, under applicable law.

Further, notwithstanding anything to the contrary in the Bidding Procedures, nothing in the Bidding Procedures or the Order shall diminish the right of the Debtors and their respective

directors, officers, employees, investment bankers, attorneys, accountants, consultants, and other advisors or representatives to: (a) consider, respond to, and facilitate alternate proposals for other restructuring transactions involving any or all of the Debtors' assets (an "**Alternate Proposal**"); (b) provide access to non-public information concerning the Debtors to any entity or enter into confidentiality agreements or nondisclosure agreements with any entity; (c) maintain or continue discussions or negotiations with respect to any Alternate Proposals; (d) otherwise cooperate with, assist, participate in, or facilitate any inquiries, proposals, discussions, or negotiation of any Alternate Proposals; and (e) enter into or continue discussions or negotiations with holders of claims against or equity interests in a Debtor or any other party in interest in these chapter 11 cases, or any other entity regarding any Alternate Proposals.

Exhibit 2

Confirmation and Sale Notice

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

WHITE & CASE LLP

Gregory F. Pesce (admitted *pro hac vice*)
111 South Wacker Drive
Chicago, Illinois 60606
Telephone: (312) 881-5400
Email: gregory.pesce@whitecase.com

-and-

Andrew Zatz
Samuel P. Hershey (admitted *pro hac vice*)
Barrett Lingle (admitted *pro hac vice*)
1221 Avenue of the Americas
New York, New York 10020
Telephone: (212) 819-8200
Email: azatz@whitecase.com
sam.hershey@whitecase.com
barrett.lingle@whitecase.com

Counsel to Debtors and Debtors-in-Possession

KEN ROSEN ADVISORS PC

Kenneth A. Rosen
80 Central Park West
New York, New York 10023
Telephone: (973) 493-4955
Email: ken@kenrosenadvisors.com

*Co-Counsel to Debtors and
Debtors-in-Possession*

In re:

CBRM REALTY INC., *et al.*

Debtors.¹

Chapter 11

Case No. 25-15343 (MBK)
(Jointly Administered)

**NOTICE OF PROPOSED SALE, ENTRY INTO STALKING HORSE AGREEMENT,
BIDDING PROCEDURES, AUCTION, AND CONFIRMATION AND SALE HEARING**

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 (9071), 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.

PLEASE TAKE NOTICE OF THE FOLLOWING:

On May 19, 2025, the above-captioned debtors and debtors-in-possession (collectively, the “**Debtors**”) filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the District of New Jersey (the “**Court**”).

The Debtors are seeking to assume and assign certain of their executory contracts and unexpired leases in connection with the proposed sale of substantially all of the multi-family housing assets (the “**Kelly Hamilton Property**”) owned by Kelly Hamilton Apts LLC under a chapter 11 plan (the “**Sale Transaction**”). The Debtors currently propose that the Sale Transaction will be approved pursuant to a chapter 11 plan (the “**Plan**”). The Sale Transaction will be free and clear of liens, claims, and encumbrances, to the maximum extent permissible under applicable law, the Plan, and the order approving confirmation of the Plan and Sale Transaction. In connection with the Sale Transaction, Kelly Hamilton Apts LLC (the “**Kelly Hamilton Debtor**”) has entered into that certain Purchase and Sale Agreement (as amended, supplemented or otherwise modified by the parties thereto, and including any exhibits attached thereto, the “**Stalking Horse Agreement**”), dated July 11, 2025, with 3650 SS1 Pittsburgh LLC (the “**Kelly Hamilton DIP Lender**”) or a nominee designated in accordance with the Stalking Horse Agreement² (such nominee, together with the Kelly Hamilton DIP Lender, as applicable, the “**Stalking Horse Bidder**”) to acquire the Kelly Hamilton Property. The Stalking Horse Agreement remains subject to the Debtors’ acceptance of higher or otherwise better offers in accordance with the Bidding Procedures (as defined herein).

On [●], the Court entered an order [Docket No. [●]] (the “**Order**”),³ (a) approving the bidding and auction procedures attached to the Order as Exhibit 1 (the “**Bidding Procedures**”); (b) approving the selection of the Stalking Horse Bidder as the stalking horse bidder; (c) authorizing the Kelly Hamilton Debtor to enter into the Stalking Horse Agreement; (d) authorizing the Debtors to conduct an auction (the “**Auction**”) to consider competing bids for the purchase of the Kelly Hamilton Property in accordance with the Bidding Procedures; (e) approving the Assumption and Assignment Procedures set forth in the Order; and (f) granting related relief. **All interested bidders should carefully read the Bidding Procedures.**

The Debtors’ Sale timeline is as follows:

- The deadline to submit a bid for the Kelly Hamilton Property is **August 14, 2025 at 4:00 p.m. (ET)**.
- The Auction for the Kelly Hamilton Property, unless cancelled or adjourned in accordance with the Bidding Procedures Order, will be held on **August 18, 2025 at 10:00 a.m. (prevailing Eastern Time)** at the offices of White & Case LLP, 1221

² The nominee shall be a special purpose entity under common control by the Stalking Horse Bidder which the Stalking Horse Bidder shall designate to acquire the Kelly Hamilton Property in accordance with the Stalking Horse Agreement.

³ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Order or the Bidding Procedures, as applicable.

Avenue of the Americas, New York, NY 10020 and/or a virtual room hosted by the Debtors' counsel, or such other place and time as the Debtors shall notify the Qualifying Bidders. In accordance with these Bidding Procedures, the Debtors will provide instructions for accessing the Auction by videoconference to the Stalking Horse Bidder and the Qualifying Bidders prior to any Auction. Only the Stalking Horse Bidder and Qualifying Bidders will be entitled to make any bids at the Auction.

- Except as otherwise set forth in the Order, any objections to consummation or approval of the Debtors' Plan and the Sale Transaction, must (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules and the Local Rules; (c) state with particularity the legal and factual bases for the objection and the specific grounds therefor; and (d) be filed with the Court and served upon (i) counsel to the Debtors, (ii) counsel to the Stalking Horse Bidder, and (iii) any other party that has filed a notice of appearance in the chapter 11 cases, so as to be actually received no later than **August 22, 2025, at 4:00 p.m., prevailing Eastern Time.**
- Except as otherwise set forth in the Order, objections, if any, to the Cure Payment or proposed assumption and assignment of the Assumed Contracts to the Stalking Horse Bidder, must (i) be in writing, (ii) comply with the applicable provisions of the Bankruptcy Rules and the Local Rules, (iii) state with specificity the nature of the objection and, if the objection pertains to the proposed amount of the Cure Payment, the correct cure amount alleged by the objecting counterparty, together with any applicable and appropriate documentation in support thereof, and (iv) be filed with the Court and served upon, so as to be actually received by (a) counsel to the Debtors, (b) counsel to the Stalking Horse Bidder, and (c) any other party that has filed a notice of appearance in these chapter 11 cases, so as to be **actually received on or before the 14th day after service (or as reflected by the postmarked date) of the relevant Assumption Notice or three (3) business days after service of the Supplemental Assumption Notice (such date, as applicable the "Cure Objection Deadline").** In the event the Stalking Horse Bidder is not the Successful Bidder, the deadline to object to the proposed assumption and assignment of an Assumed Contract to the Successful Bidder (that is not the Stalking Horse Bidder), solely on account of (x) the identity of the Successful Bidder and (y) adequate assurance of future performance of the Successful Bidder (that is not the Stalking Horse Bidder), is the Confirmation and Sale Objection Deadline (as defined below).⁴

⁴ For the avoidance of doubt, all objections to the Cure Payment and assumption and assignment of the Assumed Contracts to the Stalking Horse Bidder, including objections to the adequate assurance of the Stalking Horse Bidder, must be filed by the applicable Cure Objection Deadline regardless of whether the Stalking Horse Bidder is the Successful Bidder.

- Unless adjourned, the Bankruptcy Court will conduct a hearing to consider approval of the Debtors' Plan and the Sale on **September 4, 2025 at 11:30 a.m., prevailing Eastern Time**, subject to the Bankruptcy Court's availability.

Copies of the Order, the Bidding Procedures, the Stalking Horse Agreement, and all other documents filed with the Court may be obtained by visiting the Debtors' restructuring website at: <https://www.veritaglobal.net/cbrm>. A separate notice will be provided to counterparties to Executory Contracts or Unexpired Leases with the Debtors that may be assumed and assigned in connection with the Sale. There will also be a separate notice with additional details regarding the proposed Plan.

CONSEQUENCES OF FAILING TO TIMELY MAKE AN OBJECTION

ANY PARTY OR ENTITY WHO FAILS TO TIMELY MAKE AN OBJECTION TO THE SALE TRANSACTION ON OR BEFORE THE APPLICABLE OBJECTION DEADLINES IN ACCORDANCE WITH THE BIDDING PROCEDURES ORDER SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE SALE TRANSACTION, INCLUDING WITH RESPECT TO THE TRANSFER OF THE KELLY HAMILTON PROPERTY FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS, EXCEPT AS MAY BE SET FORTH IN THE APPLICABLE PURCHASE AGREEMENT OR THE PLAN, AS APPLICABLE.

Exhibit 3

Assumption Notice

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-1

WHITE & CASE LLP

Gregory F. Pesce (admitted *pro hac vice*)
111 South Wacker Drive
Chicago, Illinois 60606
Telephone: (312) 881-5400
Email: gregory.pesce@whitecase.com

-and-

Andrew Zatz
Samuel P. Hershey (admitted *pro hac vice*)
Barrett Lingle (admitted *pro hac vice*)
1221 Avenue of the Americas
New York, New York 10020
Telephone: (212) 819-8200
Email: azatz@whitecase.com
sam.hershey@whitecase.com
barrett.lingle@whitecase.com

Counsel to Debtors and Debtors-in-Possession

KEN ROSEN ADVISORS PC

Kenneth A. Rosen
80 Central Park West
New York, New York 10023
Telephone: (973) 493-4955
Email: ken@kenrosenadvisors.com

*Co-Counsel to Debtors and
Debtors-in-Possession*

In re:

CBRM REALTY INC., *et al.*

Debtors.¹

Chapter 11

Case No. 25-15343 (MBK)
(Jointly Administered)

**NOTICE OF POSSIBLE ASSUMPTION AND ASSIGNMENT WITH RESPECT TO
EXECUTORY CONTRACTS AND UNEXPIRED LEASES OF THE DEBTORS**

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 (9071), 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.

PLEASE TAKE NOTICE THAT:

The above-captioned debtors and debtors-in-possession (the “**Debtors**”) each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Bankruptcy Code**”), on May 19, 2025, in the United States Bankruptcy Court for the District of New Jersey (the “**Bankruptcy Court**”). The Debtors are seeking to assume and assign certain of their executory contracts and unexpired leases in connection with the sale (the “**Sale Transaction**”) of substantially all of the multi-family housing assets (the “**Kelly Hamilton Property**”) owned by Debtor Kelly Hamilton Apts through a chapter 11 plan (the “**Plan**”). In connection with the Sale Transaction, the Kelly Hamilton Debtor has entered into that certain Purchase and Sale Agreement (as amended, supplemented or otherwise modified by the parties thereto, and including any exhibits attached thereto, the “**Stalking Horse Agreement**”), dated July 11, 2025, with 3650 SS1 Pittsburgh LLC (the “**Kelly Hamilton DIP Lender**”) or a nominee designated in accordance with the Stalking Horse Agreement² (such nominee, together with the Kelly Hamilton DIP Lender, as applicable, the “**Stalking Horse Bidder**”) to acquire the Kelly Hamilton Property. The Stalking Horse Agreement remains subject to the Debtors’ acceptance of higher or otherwise better offers in accordance with the Bidding Procedures (as defined herein).

By order, dated [●], 2025 [Docket No. [●]] (the “**Bidding Procedures Order**”), the Bankruptcy Court approved certain relief requested in the *Debtors’ Motion for Entry of an Order (I) Approving (a) Bidding Procedures, the Sale Timeline, and the Form and Manner of Notice Thereof for the Kelly Hamilton Property, (B) the Debtors’ Entry into and Performance Under the Stalking Horse Agreement, (C) Bid Protections in Connection with the Stalking Horse Agreement, and (D) Assumption and Assignment Procedures, and (II) Granting Related Relief* [Docket No. ●] (the “**Motion**”), including the “Bidding Procedures” that govern the sale of the Kelly Hamilton Property to the highest or otherwise best bidder(s). All interested bidders should carefully read the Bidding Procedures. The Bidding Procedures Order also approved certain procedures for the assumption and assignment of certain of the Debtors’ executory contracts and unexpired leases (the “**Assumption and Assignment Procedures**”).

Copies of the Motion,³ the Bidding Procedures Order, the Bidding Procedures, and the Stalking Horse Agreement are available for download at <https://www.veritaglobal.net/cbrm> (the “**Case Website**”).

Pursuant to the Bidding Procedures Order, the Debtors hereby provide notice that they are seeking to potentially assume and assign to the Stalking Horse Bidder or other Successful Bidder, as applicable, the executory contracts or unexpired leases (each, an “**Assumed Contract**” and together, the “**Assumed Contracts**”) listed on Schedule A attached hereto.

² The nominee shall be a special purpose entity under common control by the Stalking Horse Bidder which the Stalking Horse Bidder shall designate to acquire the Kelly Hamilton Property in accordance with the Stalking Horse Agreement.

³ Capitalized terms used herein shall have the meaning ascribed to such terms in the Bidding Procedures Order or the Motion, as applicable.

You are receiving this Notice because you or one of your affiliates may be a party to an Assumed Contract that *may* be assumed and assigned in connection with the Sale Transaction.

If the Debtors assume and assign to the Stalking Horse Bidder or other Successful Bidder, as applicable, an Assumed Contract to which you are a party, on the closing date of the Sale Transaction, or as soon thereafter as practicable, the Stalking Horse Bidder or other Successful Bidder, as applicable, will pay you the amount the Debtors' records reflect is owing to you for prepetition arrearages as set forth on Schedule A attached hereto (the "**Cure Payment**"). The Debtors' records reflect that all postpetition amounts owing under your Assumed Contract have been paid and will continue to be paid until the assumption and assignment of the Assumed Contract, and that other than the Cure Payment, there are no other defaults under the Assumed Contract.

The Debtors' inclusion of an Executory Contract or Unexpired Lease as an Assumed Contract on Schedule A is not a guarantee that such Executory Contract or Unexpired Lease will ultimately be assumed and assigned to the Stalking Horse Bidder or other Successful Bidder. Should it be determined that an Assumed Contract will not be assumed and assigned, the Debtors shall notify such party to the Assumed Contract in writing of such decision.

Under the terms of the Bidding Procedures Order, the Debtors may modify the list of Assumed Contracts on Schedule A until consummation of the Sale Transaction, and the Debtors reserve the right, but only in accordance with the Stalking Horse Agreement or as otherwise agreed by the Debtors and the Stalking Horse Bidder or other Successful Bidder, as applicable, at any time after the closing of the Sale Transaction and before the deadline for designation of additional Assumed Contracts or removal of potentially Assumed Contracts set forth in the Stalking Horse Agreement to (i) supplement the list of Assumed Contracts with previously omitted executory contracts, (ii) remove Assumed Contracts from the list of executory contracts ultimately selected as Assumed Contracts that the Stalking Horse Bidder or other Successful Bidder, as applicable, proposes be assumed and assigned to it in connection with the Sale Transaction, or (iii) modify the previously stated Cure Payment associated with any Assumed Contracts. In the event the Debtors exercise any of these reserved rights, the Debtors will promptly serve a supplemental notice of contract assumption (a "**Supplemental Assumption Notice**") on each of the counterparties to such contracts and their counsel of record, if any; provided, however, the Debtors may not add an executory contract to the list of Assumed Contracts that has been previously rejected by the Debtors by order of the Bankruptcy Court. Each Supplemental Assumption Notice will include the same information with respect to listed Assumed Contracts as was included in the Assumption Notice, or in the event of a removal, the information required in a Removal Notice.

Any objection to the Cure Payment or to the assumption and assignment of the Assumed Contracts to the Stalking Horse Bidder, must (i) be in writing, (ii) comply with the applicable provisions of the Bankruptcy Rules and the Local Rules, (iii) state with specificity the nature of the objection and, if the objection pertains to the proposed amount of the Cure Payment, the correct cure amount alleged by the objecting counterparty, together with any applicable and appropriate documentation in support thereof, and (iv) be filed with the Court **on or before [____, 2025 (i.e., fourteen (14) days after service) or ____ , 2025 (i.e., three (3) business days after service of**

the Supplemental Assumption Notice)] (the “Cure Objection Deadline”) and served upon, so as to be actually received by, the Objection Notice Parties (as defined herein) on or before the Cure Objection Deadline.

Any objection to the (a) Sale Transaction and (b) in the event the Stalking Horse Bidder is not the Successful Bidder, any objection to the proposed assumption and assignment of an Assumed Contract to the Successful Bidder (that is not the Stalking Horse Bidder), solely on account of the identity of the Successful Bidder and adequate assurance of future performance of the Successful Bidder (that is not the Stalking Horse Bidder), must (i) be in writing, (ii) comply with the applicable provisions of the Bankruptcy Rules and the Local Rules, (iii) state with specificity the nature of the objection, together with any applicable and appropriate documentation in support thereof, (iv) be filed with the Court **on or before August 22, 2025, at 4:00 p.m., prevailing Eastern Time (the “Confirmation and Sale Objection Deadline”)**, and (v) be served upon, so as to be actually received by, the Objection Notice Parties (as defined herein) on or before the Confirmation and Sale Objection Deadline.⁴

The “**Objection Notice Parties**” are as follows: (a) counsel to the Debtors, (b) counsel to the Stalking Horse Bidder, and (c) any other party that has filed a notice of appearance in these chapter 11 cases.

If an objection to the Cure Payment, assumption and assignment, adequate assurance of future performance, or the Sale Transaction is timely filed and not resolved by the parties, a hearing with respect to the objection will take place in the United States Bankruptcy Court for the District of New Jersey at the Confirmation and Sale Hearing to be held at 11:30 a.m. (prevailing Eastern Time) on September 4, 2025, subject to the Bankruptcy Court’s availability, or such other date as determined by the Debtors, in consultation with the Stalking Horse Bidder or, in the event the Stalking Horse Bidder is not the Successful Bidder, then in consultation with the Successful Bidder, in accordance with the terms of the Bidding Procedures Order. A hearing regarding the Cure Payment, if any, may be continued at the discretion of the Debtors and the Stalking Horse Bidder or other Successful Bidder, as applicable, until after the closing of the Sale Transaction.

Any party failing to timely file an objection to the proposed Cure Payment, the proposed assumption and assignment of an Assumed Contract or Additional Assumed Contract listed on an Assumption Notice or the Supplemental Assumption Notice, or the Sale Transaction is deemed to have consented to (a) such Cure Payment, (b) the assumption and assignment of such Assumed Contract or Additional Assumed Contract (including the adequate assurance of future payment), (c) the related relief requested in the Motion, and (d) the Sale Transaction. Such party shall be forever barred and estopped from objecting to the Cure Payment, the assumption and assignment of the Assumed Contract, or Additional Assumed Contract, adequate assurance of future performance, the relief requested herein, whether applicable law excuses such counterparty from accepting performance by, or rendering performance to the Stalking Horse Bidder or other Successful Bidder, as applicable, for purposes of section 365(c)(1) of the Bankruptcy Code and

⁴ For the avoidance of doubt, all objections to the Cure Payment and assumption and assignment of the Assumed Contracts to the Stalking Horse Bidder, including objections to the adequate assurance of the Stalking Horse Bidder, must be filed by the applicable Cure Objection Deadline regardless of whether the Stalking Horse Bidder is the Successful Bidder.

from asserting any additional cure or other amounts against the Debtors and the Stalking Horse Bidder or other Successful Bidder, as applicable, with respect to such party's Assumed Contract or Additional Assumed Contract.

Subject to the terms of the Bidding Procedures Order, an auction (the "**Auction**") for the Kelly Hamilton Property, including the Assumed Contracts, will be conducted on August 18, 2025 at 10:00 a.m. (prevailing Eastern Time) or such other date as may be determined by the Debtors (which information will be timely provided by the Debtors to the Auction Participants), at the White & Case LLP, 1221 Avenue of the Americas, New York, NY 10020, or virtually via telephone and/or video conference.

After the Auction, the Debtors will file and serve a notice that identifies the Successful Bidder for the Kelly Hamilton Property, including any Assumed Contracts. The Debtors or the Stalking Horse Bidder or other Successful Bidder, as applicable, reserve all of their rights, claims, and causes of action with respect to the contracts and agreements listed on Schedule A hereto. Notwithstanding anything to the contrary herein, the proposed assumption and assignment of each of the Assumed Contracts listed on Schedule A hereto (a) shall not be an admission as to whether any such Assumed Contract was executory or unexpired as of the Petition Date or remains executory or unexpired postpetition within the meaning of section 365 of the Bankruptcy Code; and (b) shall be subject to the Debtors' or the Stalking Horse Bidder's or other Successful Bidder's, as applicable, right to conduct further confirmatory diligence with respect to the Cure Payment of each Assumed Contract and to modify such Cure Payment accordingly. In the event that the Debtors or the Stalking Horse Bidder or other Successful Bidder, as applicable, determine that your Cure Payment should be modified, you will receive a notice, which will provide for additional time to object to such modification.

The Debtors will seek to assume and assign the Assumed Contracts that have been selected by the Stalking Horse Bidder or other Successful Bidder, as applicable, (collectively, the "**Selected Assumed Contracts**") at the Confirmation and Sale Hearing.

Nothing contained herein shall obligate the Debtors or the Stalking Horse Bidder or other Successful Bidder to assume any Selected Assumed Contracts, and all rights of the Debtors and the Stalking Horse Bidder or other Successful Bidder with respect to such Selected Assumed Contracts are reserved. Moreover, the Debtors explicitly reserve their rights, in their reasonable discretion, to seek to reject or assume each Selected Assumed Contract pursuant to section 365(a) of the Bankruptcy Code and in accordance with the procedures allowing the Debtors or the Stalking Horse Bidder or other Successful Bidder, as applicable, to designate any Selected Assumed Contract as either rejected or assumed on a post-closing basis.

Schedule A

Potential Assumed and Assigned Executory Contracts and Unexpired Leases

Exhibit 4

Stalking Horse Agreement

PURCHASE AND SALE AGREEMENT

by and between

KELLY HAMILTON APTS LLC,
a Delaware limited liability company

and

3650 SS1 PITTSBURGH LLC,
a Delaware limited liability company

Property Name: Kelly Hamilton Apartments
Location: Pittsburgh, Pennsylvania

Execution Date: July 11, 2025

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this “**Agreement**”) is executed as of July 11, 2025 (the “**Execution Date**”) by and between KELLY HAMILTON APTS LLC, a Delaware limited liability company (“**Debtor**”), and 3650 SS1 PITTSBURGH LLC, a Delaware limited liability company (“**Bidder**”) or a nominee designated in accordance with this Agreement. Capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Final DIP Order (as hereinafter defined) or Article 1 hereof, as applicable.

WITNESSETH:

WHEREAS, Debtor is the owner of the Property;

WHEREAS, Debtor is one of the debtors in the Bankruptcy Proceedings;

WHEREAS, Bidder is the DIP Lender under the DIP Facility;

WHEREAS, the Debtor has determined that it is in its best interest of Debtor to sell the Property to Bidder pursuant to a Kelly Hamilton Restructuring Transaction to be entered into in accordance with the terms and conditions of the Final DIP Order.

WHEREAS, the Debtor desires to sell the Property to Bidder, and Bidder desires to purchase the Property from Debtor, pursuant to a Kelly Hamilton Restructuring Transaction to be consummated in accordance with the terms and conditions of this Agreement, subject to a comprehensive auction process, including consideration of only Qualifying Bids, and Debtor’s agreement to provide the Breakup Fee in the event that the Debtor shall elect to enter into an Alternative Kelly Hamilton Restructuring Transaction in accordance with the terms and conditions of this Agreement and the entry of the Bidding Procedures Order authorizing the payment of the same.

NOW THEREFORE, in consideration of the foregoing premises, the payment of the Independent Consideration, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Debtor and Bidder (collectively, the “**Parties**” and each, individually, a “**Party**”) hereby agree as follows:

ARTICLE 1 - CERTAIN DEFINITIONS

In addition to terms defined elsewhere in this Agreement, as used herein, the following terms shall have the following meanings:

“**Affiliate**” shall mean any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with another Person.

“**Agreement**” shall have the meaning assigned to such term in the Preamble.

“Alternative Agreement” shall mean any agreement to purchase the Property pursuant to a Kelly Hamilton Restructuring Transaction in accordance with the terms and conditions of the Final DIP Order which shall provide for the Minimum Alternative Purchase Price and is otherwise on terms and conditions no less favorable to the Debtor than the terms and conditions of this Agreement and which the Debtor shall determine is in the best interest of the Debtor to enter in replacement of this Agreement.

“Alternative Agreement Notice” shall mean a written notice from Debtor to Bidder indicating Debtor’s desire to enter into an Alternative Agreement which notice, as a condition to the effectiveness thereof, shall be accompanied by a true, correct and complete copy of the proposed Alternative Agreement.

“Alternative Kelly Hamilton Restructuring Transaction” shall mean any Kelly Hamilton Restructuring Transaction proposed to be consummated in accordance with the terms and conditions of an Alternative Agreement, in which case this Agreement shall be null and void as of the closing of such transaction and the Parties shall be released from any further liability or obligation hereunder other than the payment of the Breakup Fee, without further action of the Parties hereto and without either Party being deemed to be in default under this Agreement.

“Assignment and Assumption of Contracts” shall have the meaning assigned to such term in **Section 5.2(a)(iii)** hereof.

“Assignment and Assumption of HAP Contract” shall mean an Assignment, Assumption and Amendment of Section 8 Housing Assistance Payments Contract in the form of **Exhibit B** attached hereto and by this reference made a part hereof or such other form as may be required by HUD.

“Assumed Contract Claims” shall mean any claims or Causes of Action of the Debtors or their estates against any third party arising under or relating solely to any Assumed Contract.

“Assumed Contracts” shall mean all executory contracts and unexpired leases assumed by the Debtor and assigned to the Bidder in the Bankruptcy Proceedings in accordance with the procedures set forth in the Bidding Procedures Order, including the Scheduled Contracts and any executory contracts and leases hereafter entered into by Debtor in the ordinary course of business in connection with the leasing and operation of the Real Property.

“Assumed Liabilities” shall mean (i) all Liabilities under the Assumed Contracts arising on or after the Closing, (ii) all Cure Costs related to the Assumed Contracts, (iii) each Senior Claim to the extent such Senior Claim is not paid in full in cash by Bidder or an affiliate thereof as of the Closing Date and (iv) real estate taxes and other normal and customary operating expenses of the Property that are unpaid as of the Closing Date and would typically be prorated in connection with the sale of real property.

“Available Credit Bid Amount” shall mean the sum of the DIP Facility Obligations and the Manager Administrative Expense Claim.

“Bankruptcy Court” shall mean the United States Bankruptcy Court for the District of New Jersey.

“Bankruptcy Proceedings” shall mean the proceedings pursuant to the Bankruptcy Code in the case styled In re CBRM Realty, Inc., et. al., Case No. 25-15343 (MBK), presently pending before the Bankruptcy Court.

“Base Amount” shall mean an amount equal to the sum of (a) the DIP Facility Obligations and (b) the amount of the Manager Administrative Expense Claim.

“Bidder” shall have the meaning assigned to such term in the Preamble.

“Bidding Procedures Order” shall mean an Order of the Bankruptcy Court approving, among other things, the bidding procedures for an auction process for the Property, approving Bidder as the stalking horse bidder and the Breakup Fee, which Order shall be in form and substance reasonably acceptable to Debtor and Bidder. Such **“Bidding Procedures Order”** shall provide for Bidder to be the winning bidder so long as it agrees to pay an amount that it is not less than the highest other Qualifying Bid, if any.

“Breakup Fee” shall mean a payment in the amount of TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$250,000.00), which amount shall be payable from of the Cash proceeds (if any) of an Alternative Kelly Hamilton Restructuring Transaction solely upon (x) the Bankruptcy Court entering a Bidding Procedures Order authorizing the payment of the Breakup Fee, (y) the Bankruptcy Court entering a Final Order authorizing the Debtor to enter into and consummate such Alternative Kelly Hamilton Restructuring Transaction, and (z) the consummation of such Alternative Kelly Hamilton Restructuring Transaction in accordance with its terms.

“Business Day” shall mean any day other than a Saturday, Sunday or a day on which banks in Pittsburgh, Pennsylvania are required or permitted to be closed for business in accordance with the requirements of applicable Laws.

“Casualty/Condemnation Proceeds” shall mean any awards or proceeds payable by any insurer or Governmental Authority in connection with any casualty with respect to the Real Property or any taking of the Real Property by the power of eminent domain.

“Causes of Action” shall have the meaning assigned to such term in the Plan.

“Closing” shall mean the closing of the Transaction.

“Closing Date” shall mean the date on which the Transaction closes.

“Closing Documents” shall mean any and all documents to be executed and delivered by Debtor and Bidder in connection with the Closing in accordance with the terms and conditions of this Agreement.

“Closing Statement” shall have the meaning assigned to such term in **Section 6.2(f)** hereof.

“Common-Interest Communications” means documents, information, or communications that are subject to the attorney-client privilege, attorney-work product doctrine, joint defense, or other privilege or protection from disclosure, and (a) are in the Debtor’s possession, and (b) are shared between or among (i) the Debtor, on the one hand, and (ii) any third-party entity or its representatives that share a common legal interest with the Debtor, on the other hand, including documents that reflect defense strategy, case evaluations, discussions of settlements or resolutions, and communications regarding underlying litigation.

“Creditor Recovery Trust” shall have the meaning assigned to such term in the Plan.

“Creditor Recovery Trust Amount” shall have the meaning assigned to such term in the Plan.

“Cure Costs” shall mean means the amounts, as determined pursuant to the Bidding Procedures Order, necessary to cure all of the Debtor’s monetary defaults, if any, and to pay all actual pecuniary losses that have resulted from such defaults under any executory contracts or unexpired leases and that must be paid pursuant to section 365(b)(1)(A) and section 365(b)(1)(B) of the Bankruptcy Code to effectuate the assumption of such executory contracts or unexpired leases by the Debtors and the assignment thereof to the Bidder.

“Cutoff Date” shall mean the date that is one day prior to the hearing to consider approval of the Sale Order.

“D&O Liability Insurance Policies” shall have the meaning assigned to such term in the Plan.

“Debtor” shall have the meaning assigned to such term in the Preamble.

“Deed” shall have the meaning assigned to such term in **Section 5.2(a)(i)** hereof.

“DIP Facility” shall mean the debtor in possession financing facility provided to the Debtors under the DIP Facility Documents.

“DIP Facility Documents” shall mean the Senior Secured Super Priority Debtor-In-Possession Credit Agreement by and among the Kelly Hamilton Loan Parties and the DIP Lender dated as of June 23, 2025 and all other documents and instruments executed and delivered in connection therewith which evidence the DIP Facility.

“DIP Facility Obligations” shall mean, the sum of the following amounts outstanding as of the Closing Date:

- (a) the Outstanding DIP Facility Principal Amount;

(b) all accrued and unpaid interest on the Outstanding DIP Facility Principal Amount and any interest capitalized thereunder;

(c) any attorneys' fees of counsel for the DIP Lender in connection with the Bankruptcy Proceedings, the preparation and negotiation of this Agreement and the consummation of the Transaction; and

(d) any other sums outstanding under the DIP Facility Documents as of the Closing Date.

"DIP Lender Litigation Claims" shall have the meaning assigned to such term in the Final DIP Order.

"Escrow Agent" shall mean the Title Company in its capacity as escrow agent.

"Execution Date" shall have the meaning assigned to such term in the Preamble.

"Excluded Liabilities" shall mean any Liabilities, claims and Causes of Action that are not included within the definition of Assumed Liabilities.

"Fee Escrow Amount" shall have the meaning assigned to such term in the Plan.

"Final DIP Order" shall mean that certain *Final Order (i) Authorizing the Kelly Hamilton Loan Parties to Obtain Senior Secured Priming Superpriority Postpetition Financing, (ii) Granting Liens and Superpriority Administrative Expense Claims, (iii) Modifying the Automatic Stay and (iv) Granting Related Relief* [Docket No. 178] entered by the Bankruptcy Court on June 19, 2025.

"Final Order" shall mean (a) an Order of the Bankruptcy Court or (b) an Order of any other court having jurisdiction over any appeal from (or petition seeking certiorari or other review of) any Order of the Bankruptcy Court, in each case as to which the time to file an appeal, a motion for rehearing or reconsideration or a petition for writ of certiorari has expired and no such appeal, motion or petition is pending; *provided, however*, that the possibility a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Federal Rules of Bankruptcy Procedure or local rules of the Bankruptcy Court, may be filed relating to such Order shall not prevent such Order from being a Final Order.

"Financial Records" shall mean the financial records of Debtor in connection with the leasing, management, operation and ownership of the Real Property, including, without limitation, all operating statements, rent rolls, budgets, statements of accounts receivable and accounts payable, delinquency reports, and information regarding Tenant Deposits; *provided* such materials shall exclude information protected or purportedly protected by the attorney-client privilege or attorney work product doctrine, including information shared pursuant to any joint defense, common interest, or confidentiality agreement among the Debtors and any Affiliate or Insider, and any Common-Interest Communications, appraisals, and internal Debtor memorandums.

“General Administrative Claims” shall have the meaning assigned to such term in the Plan.

“Governmental Authority” shall mean the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, including, without limitation, the Bankruptcy Court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“HAP Contract” shall mean that certain Housing Assistance Payments Contract dated as of October 1, 1982 between Debtor, U.S. Department of Housing and Urban Development and Pennsylvania Housing Finance Agency, as renewed and amended pursuant to that certain Renewal HAP Contract for Section 8 Mark-Up-To-Market Project entered into as of September 1, 2023.

“HAP Contract Assignment and Assumption” shall mean the assumption and assignment of the HAP Contract to the Bidder or its designated nominee.

“HUD” shall mean the U.S. Department of Housing and Urban Development.

“Independent Consideration” shall have the meaning assigned to such term in Section 2.3 hereof.

“Insider” shall mean an “insider” as defined in section 101(31) of the Bankruptcy Code.

“Insurance Causes of Action” shall have the meaning assigned to such term in the Plan.

“Insurance Policies” shall have the meaning assigned to such term in the Plan.

“Intangible Personal Property” shall mean all of that certain intangible property owned by Debtor relating to the leasing, management, operation and ownership of the Real Property, including, without limitation, all of Debtor’s right, title and interest in, to and under the Property Documents and Materials, any tradenames used in connection with the leasing, management, operation and ownership of the Real Property, including, without limitation, the name “Kelly Hamilton” and any internet websites or domain names used in connection with the operation of the Real Property.

“Kelly Hamilton Go-Forward Trade Claims” shall have the meaning assigned to such term in the Plan.

“Laws” shall mean any law, enactment, statute, code, ordinance, order, rule, regulation, judgment, decree, writ, injunction, authorization, covenant, condition, restriction or agreement, or other direction or requirement of any Governmental Authority.

“Leases” shall mean all unexpired leases, occupancy agreements, and any other agreements for the use, possession, or occupancy of any portions of the Real Property as of the Closing Date.

“Liabilities” shall mean, as to any Person, any claim (as defined by section 101(5) of the Bankruptcy Code), debt, adverse claim, liability, duty, responsibility, obligation, commitment, assessment, cost, expense, loss, expenditure, charge, fee, penalty, fine or contribution obligation of any kind or nature whatsoever, whether known or unknown, asserted or unasserted, absolute or contingent, direct or indirect, accrued or unaccrued, liquidated or unliquidated, or due or to become due, and regardless of when sustained, incurred or asserted or when the relevant events occurred or circumstances existed. For purposes hereof, the term **“Liabilities”** shall specifically exclude any legal fees and expenses of Debtor’s counsel.

“Losses” shall mean any and all claims, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings, obligations, debts, damages, losses, costs, expenses, fines, penalties, charges, fees, expenses, judgments, awards, amounts paid in settlement of whatever kind or nature (including but not limited to reasonable attorneys’ fees and other costs of defense).

“Major Casualty/Condemnation” shall mean any casualty, condemnation proceedings, or eminent domain proceedings to the extent that (i) the portion of the Property that is the subject of such casualty or such condemnation or eminent domain proceedings has a value in excess of SEVEN HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$750,000.00), or (ii) such casualty is an uninsured casualty.

“Manager” shall mean, together, LAGSP LLC and Lynd Management Group.

“Manager Administrative Expense Claim” shall mean the Manager Administrative Expense Claim as defined in the *Debtors’ Motion for Entry of an Order Authorizing the Debtors to Assume Certain Amended and Restated Property Management and Asset Management Agreements* [Docket No. 128].

“Mineral Rights” shall mean all of Bidder’s right, title and interest, if any, in and to all oil, gas, coal and other minerals within and underlying the real property to be conveyed pursuant hereto, together with appurtenant mining, drilling and extraction rights and all other rights and privileges appurtenant thereto, if any.

“Minimum Alternative Base Amount” shall mean an amount equal to one hundred five percent (105%) of the sum of (a) the Base Amount and (b) the Breakup Fee.

“Minimum Alternative Purchase Price” shall mean the sum of (a) the Minimum Alternative Base Amount and (b) the Assumed Liabilities; *provided* that the Manager Administrative Expense Payment shall be deemed satisfied by the Minimum Alternative Base Amount.

"New Bidder" shall mean any bidder submitting a bid for the purchase of the Property pursuant to an Alternative Agreement.

"Order" means any order, writ, judgment, injunction, decree, rule, ruling, directive, determination or award made, issued or entered by or with any Governmental Entity, whether preliminary, interlocutory or final, including by the Bankruptcy Court in the Bankruptcy Proceedings (including the Sale Order).

"Original DIP Facility Principal Amount" shall mean NINE MILLION SEVEN HUNDRED FIVE THOUSAND ONE HUNDRED SIXTY-TWO AND NO/100 DOLLARS (\$9,705,162.00).

"Other Priority Claims" shall have the meaning assigned to such term in the Plan.

"Other Secured Claims" shall have the meaning assigned to such term in the Plan.

"Outside Closing Date" shall mean September 30, 2025, subject to extension as provided in Section 6.4.

"Outstanding DIP Facility Principal Amount" shall mean the sum of the Original DIP Facility Principal Amount and any sums added to the Original DIP Facility Principal Amount as principal pursuant to the DIP Facility Documents, whether as capitalized interest, protective advances or otherwise.

"Owner's Title Policy" shall mean an ALTA owner's title insurance policy to be issued by the Title Company to Bidder in the form of the Proforma Title Policy insuring Bidder as the owner of the Real Property in an amount equal to the Purchase Price.

"Parties" shall have the meaning assigned to such term in the Recitals.

"Party" shall have the meaning assigned to such term in the Recitals.

"Permitted Exceptions" shall mean those matters set forth in Schedule B of the Proforma Title Policy.

"Person" shall mean any individual, corporation, partnership, joint venture, association, limited liability company, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Personal Property" shall mean, collectively, the Tangible Personal Property and the Intangible Personal Property to the extent owned by Debtor.

"Plan" shall mean the *Joint Chapter 11 Plan of CBRM Realty Inc. and Certain of Its Debtor Affiliates*, dated as of June 30, 2025, as amended, amended and restated, supplement or other modified from time to time.

"Preamble" shall mean the preamble to this Agreement on Page 1 hereof.

“Priority Tax Claims” shall have the meaning assigned to such term in the Plan.

“Proforma Title Policy” shall mean the Proforma Owner’s Policy attached hereto as **Exhibit C** and by this reference made a part hereof.

“Property” shall mean, collectively, (a) the Real Property, (b) the Personal Property, (c) the Assumed Contracts, (d) the Tenant Deposits, (e) all cash on hand, in bank accounts, or in escrow or reserve accounts established pursuant to the DIP Facility Documents, (f) all books and records of Debtor, subject to the right of Debtor to retain copies of such books and records to the extent necessary for the administration of the Creditor Recovery Trust or the Wind-Down; (g) the Assumed Contract Claims; and (h) the DIP Lender Litigation Claims. Notwithstanding anything to the contrary contained herein, the term **“Property”** shall specifically exclude (i) the Creditor Recovery Trust Amount, or any other amounts held or designated for the benefit of the Creditor Recovery Trust; (ii) all Insurance Policies and any Insurance Causes of Action, including the D&O Liability Insurance Policies, and any rights or claims thereunder; (iii) any claims or Causes of Action of the Debtor or Debtor’s estate against any third party other than the Assumed Contract Claims and the DIP Lender Litigation Claims; and (iv) the Fee Escrow Amount.

“Property Documents and Materials” shall mean all documents and materials relating to the leasing, management, operation and ownership of the Real Property in Debtor’s possession or control, including, without limitation, (a) the Leases and any files relating to the leasing of the Real Property, (b) the Financial Records, (c) service contracts, (d) operating manuals, (e) warranties, (f) property management agreements to the extent remaining in force after Closing, (g) the HAP Contract and any documentation relating to the compliance or non-compliance of the Real Property relating thereto, (h) real estate tax bills and notices, (i) utility tax bills and notices, (j) plans and specifications, (k) licenses, permits and approvals, (l) certificates of use and occupancy and (m) notices from and correspondence with Governmental Authorities; *provided* such documents and materials shall exclude appraisals, internal Debtor memorandums and correspondence and materials covered by an attorney client privilege.

“Purchase Price” shall mean the sum of (a) the Base Amount and (b) the Assumed Liabilities; *provided* that the Manager Administrative Expense Payment shall be deemed satisfied by the Base Amount.

“Qualifying Bid” shall have the meaning assigned to such term in the Bidding Procedures Order, provided that such bid must provide for a payment in an amount equal to the Minimum Alternative Purchase Price.

“Real Property” shall mean the real property legally described in **Exhibit A** attached hereto and by this reference made a part hereof, together with all improvements and fixtures located thereon, and any rights, privileges and appurtenances pertaining thereto, including without limitation all of Seller’s right, title and interest, if any, in and to any Mineral Rights.

“Recitals” shall mean the recitals to this Agreement on Page 1 hereof.

"Rents" shall mean and include all rents, administrative charges, utility charges and other sums and charges payable by Tenants under the Leases.

"Representatives" shall mean, with respect to a particular Person, any director, officer, employee or other authorized representative of such Person or its subsidiaries, including such Person's attorneys, accountants, financial advisors and restructuring advisors.

"Sale Order" shall mean an Order of the Bankruptcy Court confirming the Plan and authorizing the sale of the Property by Debtor to Bidder pursuant to this Agreement and the Plan in accordance with the provisions of section 1123 of the Bankruptcy Code, free and clear of any claims, liens or interests against the Debtor or any parties claiming by, through or under the Debtor, including, without limitation, (i) any claims of the United States seeking forfeiture of the Property or any portion thereof, and (ii) any other claim, lien, or interest, whether or not that claim, lien, or interest is junior to the liens granted under the Final DIP Order, of any person or entity that was provided notice of entry of the Final DIP Order and failed to object to or consented to entry of the Final DIP Order, which Order shall be in form and substance reasonably acceptable to the Parties.

"Scheduled Closing Date" shall mean the date ten (10) Business Days following the issuance of the Sale Order, subject to extension as provided in Section 6.4.

"Scheduled Contracts" shall mean those executory contracts and unexpired leases identified in **Exhibit D** attached hereto and by this reference made a part hereof.

"Senior Claims" shall mean, collectively: (a) General Administrative Claims allowed against the Debtor; (b) Priority Tax Claims allowed against Debtor; (c) Other Priority Claims allowed against Debtor; (d) Other Secured Claims allowed against Debtor; and (e) Kelly Hamilton Go-Forward Trade Claims allowed against Debtor, but in each case solely to the extent that the same relate to the Property. For the avoidance of any doubt, the Manager Administrative Expense Claim shall constitute a General Administrative Claim; *provided* that the extent to which the Manager Administrative Expense Claim is satisfied in cash by Bidder following the Closing Date shall be subject to the mutual consent of Bidder and the Manager.

"Surviving Obligations" shall mean any liabilities and obligations that this Agreement expressly provides shall survive the termination hereof.

"Tangible Personal Property" shall mean any tangible personal property owned by Debtor which is located at and used in connection with the operation of the Real Property as of the Closing Date.

"Tenant Deposits" shall mean all refundable deposits (whether cash or non-cash) paid or deposited by the Tenants with Debtor, as landlord, or any other person on Debtor's behalf pursuant to the Leases (together with any interest which has accrued thereon as required by the terms of such Lease, but only to the extent such interest has accrued for the account of the

respective Tenants or as required by Law), to the extent the same have not been advanced or paid to DIP Lender on or prior to the Closing Date.

“Tenants” shall mean the tenants under the Leases.

“Title Company” shall mean Chicago Title Insurance Company.

“Transaction” shall mean the transactions contemplated by this Agreement.

“Wind-Down” shall have the meaning assigned to such term in the Plan.

ARTICLE 2 - PURCHASE AND SALE OF PROPERTY

2.1 Agreement for Purchase and Sale.

(a) Subject to the provisions of **Section 2.1(b)** herein below, Debtor agrees to sell to Bidder, and Bidder, or its nominee by way of an assignment of this Agreement and all of the duties and obligations hereunder, agrees to purchase from Debtor, all of Debtor’s right, title and interest in and to the Property.

(b) In the event that the Debtor shall determine that it is in the best interest of the Debtor to sell the Property to a New Bidder pursuant to an Alternative Agreement and (i) Debtor shall deliver an Alternative Agreement Notice to Bidder on or before the Cutoff Date and (ii) Debtor shall make payment of the Breakup Fee to Bidder by wire transfer to the account identified in **Exhibit E** attached hereto and by this reference made a part hereof solely upon (x) the Bankruptcy Court entering a Bidding Procedures Order authorizing the payment of the Breakup Fee, (y) the Bankruptcy Court entering a Final Order authorizing the Debtor to enter into and consummate such Alternative Kelly Hamilton Restructuring Transaction, and (z) the consummation of such Alternative Kelly Hamilton Restructuring Transaction in accordance with its terms. Upon the closing of the Alternative Kelly Hamilton Restructuring Transaction, this Agreement shall automatically terminate, whereupon the Parties shall be released from any further liability or obligation hereunder. Notwithstanding anything to the contrary contained herein, no Alternative Agreement shall be permitted to adversely affect the rights of the DIP Lender under the DIP Facility Documents.

2.2 Purchase Price. In consideration of the sale of the Property by Debtor to Bidder in accordance with the terms and conditions of this Agreement, Bidder shall pay or be deemed to pay the Purchase Price to Debtor on the Closing Date by (a) credit bidding the Available Credit Bid Amount and (b) assuming the Assumed Liabilities, provided that the Manager Administrative Expense Payment shall be deemed satisfied by the Base Amount. To the extent that any sums shall be required to pay the obligations of Bidder described in clause (b) of the preceding sentence due as of the Closing Date or pay closing costs for which Bidder is responsible

hereunder, Bidder shall deliver such a cash payment to Escrow Agent as may be required for purposes of paying such sums.

2.3 Independent Consideration. Simultaneously with the execution of this Agreement, Bidder shall make a nonrefundable payment to Debtor in the amount of ONE HUNDRED AND NO/100 DOLLARS (\$100.00) (the "**Independent Consideration**"). Debtor acknowledges and agrees that Debtor's receipt of the Independent Consideration constitutes adequate and agreed upon consideration for Debtor entering into this Agreement notwithstanding the limitations on Debtor's remedies in the event of a default by Bidder pursuant to Section 9.1 hereof. Without limiting the generality of the foregoing, the Parties hereby waive any defense to the enforcement of this Agreement on the grounds that the same is an illusory contract.

ARTICLE 3 - TITLE MATTERS

3.1 Title. At Closing, Debtor shall convey good and marketable title to the Real Property to Bidder or its nominee pursuant to the Deed, subject only to the Permitted Exceptions.

3.2 Title Insurance. At Closing, the Title Company shall issue (or be irrevocably committed to issuing) the Owner's Title Policy to Bidder.

ARTICLE 4 - AS-IS SALE

4.1 AS-IS SALE. BIDDER ACKNOWLEDGES AND AGREES THAT, AT THE TIME OF CLOSING, DEBTOR SHALL SELL AND CONVEY TO BIDDER, AND BIDDER SHALL ACCEPT AND PURCHASE FROM DEBTOR, THE PROPERTY "AS IS, WHERE IS, WITH ALL FAULTS," EXCEPT TO THE EXTENT EXPRESSLY PROVIDED OTHERWISE IN THIS AGREEMENT. EXCEPT FOR REPRESENTATIONS AND WARRANTIES, IF ANY, EXPRESSLY SET FORTH IN THIS AGREEMENT, BIDDER HAS NOT RELIED AND WILL NOT RELY ON, AND DEBTOR HAS NOT MADE AND IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTEES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY OR RELATING THERETO, WHETHER PROVIDED TO BIDDER BY DEBTOR OR ANY AGENT OR REPRESENTATIVE OF DEBTOR. BIDDER REPRESENTS THAT IT IS A KNOWLEDGEABLE, EXPERIENCED AND SOPHISTICATED REAL ESTATE INVESTOR AND THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF BIDDER'S CONSULTANTS IN PURCHASING THE PROPERTY AND BIDDER SHALL MAKE, AND HAS HAD THE OPPORTUNITY TO MAKE, AN INDEPENDENT VERIFICATION OF THE ACCURACY OF ANY DOCUMENTS AND INFORMATION PROVIDED TO BIDDER BY OR ON BEHALF OF DEBTOR. BIDDER WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY AS BIDDER DEEMS NECESSARY, INCLUDING, BUT NOT LIMITED TO, SUCH INSPECTIONS WITH RESPECT TO THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS BIDDER SHALL DETERMINE APPROPRIATE.

4.2 RELEASE. EXCEPT TO THE EXTENT EXPRESSLY PROVIDED OTHERWISE IN THIS AGREEMENT, EFFECTIVE AS OF THE CLOSING DATE, BIDDER HEREBY FOREVER RELEASES AND DISCHARGES DEBTOR FROM ALL RESPONSIBILITY AND LIABILITY, WHETHER ARISING BEFORE OR

AFTER THE CLOSING DATE, RELATING TO THE CONDITION, VALUATION, SALABILITY OR UTILITY OF THE PROPERTY, OR ITS SUITABILITY FOR ANY PURPOSE WHATSOEVER (INCLUDING, BUT NOT LIMITED TO, WITH RESPECT TO CONDITIONS RELATING TO THE PRESENCE IN THE SOIL, AIR, STRUCTURES AND SURFACE AND SUBSURFACE WATERS, OF HAZARDOUS MATERIALS OR OTHER MATERIALS OR SUBSTANCES THAT HAVE BEEN OR MAY IN THE FUTURE BE DETERMINED TO BE TOXIC, HAZARDOUS, UNDESIRABLE OR SUBJECT TO REGULATION AND THAT MAY NEED TO BE SPECIALLY TREATED, HANDLED AND/OR REMOVED FROM THE PROPERTY UNDER CURRENT OR FUTURE LAWS, AND ANY STRUCTURAL AND GEOLOGIC CONDITIONS, SUBSURFACE SOIL AND WATER CONDITIONS AND SOLID AND HAZARDOUS WASTE AND HAZARDOUS MATERIALS ON, UNDER, ADJACENT TO OR OTHERWISE AFFECTING THE PROPERTY) AND WAIVES ANY CLAIM BIDDER MAY HAVE AGAINST DEBTOR WITH RESPECT THERETO UNDER THE DIP FACILITY DOCUMENTS AS OF SUCH CLOSING DATE. BIDDER FURTHER HEREBY WAIVES (AND BY CLOSING THIS TRANSACTION WILL BE DEEMED TO HAVE WAIVED) ANY AND ALL OBJECTIONS AND COMPLAINTS (INCLUDING, BUT NOT LIMITED TO, FEDERAL, STATE AND LOCAL STATUTORY AND COMMON LAW BASED ACTIONS, AND ANY PRIVATE RIGHT OF ACTION UNDER ANY FEDERAL, STATE OR LOCAL LAWS, REGULATIONS OR GUIDELINES TO WHICH THE REAL PROPERTY IS OR MAY BE SUBJECT) CONCERNING THE PHYSICAL CHARACTERISTICS AND ANY EXISTING CONDITIONS OF THE REAL PROPERTY. BIDDER FURTHER HEREBY ASSUMES THE RISK OF CHANGES IN APPLICABLE LAWS AND REGULATIONS RELATING TO PAST, PRESENT AND FUTURE ENVIRONMENTAL CONDITIONS ON THE REAL PROPERTY AND THE RISK THAT ADVERSE PHYSICAL CHARACTERISTICS AND CONDITIONS.

4.3 EXCLUDED CLAIMS. NOTHING CONTAINED HEREIN SHALL BE DEEMED TO CONSTITUTE AN ASSUMPTION BY BIDDER OF ANY EXCLUDED LIABILITIES.

4.4 SURVIVAL. THE PROVISIONS OF THIS **ARTICLE 4** SHALL SURVIVE THE CLOSING.

ARTICLE 5 - CLOSING

5.1 Escrow Closing.

(a) Subject to the satisfaction of the conditions precedent to the obligations of Bidder and Debtor set forth in **Section 6.1** and **Section 6.2** hereof, the Parties shall conduct the Closing on the Scheduled Closing Date, or such other earlier or later date as may be agreed upon by the Parties, as an escrow-style closing through the Title Company as escrow agent pursuant to escrow closing instructions to be delivered to the Title Company consistent with the terms and conditions of this Agreement so that it will not be necessary for any Party to attend the Closing. In the event of any conflict between this Agreement and the escrow instructions, the terms and conditions of this Agreement shall prevail.

(b) Provided all conditions precedent to Debtor's obligations hereunder have been satisfied, Debtor agrees to convey the Property to Bidder upon delivery of the items to be delivered by Bidder to Debtor pursuant to **Section 5.3**.

(c) The items to be delivered by Debtor or Bidder in accordance with the terms of **Section 5.2** and **Section 5.3** shall be delivered to the Title Company no later than 5:00 p.m. Eastern Time on the last Business Day prior to the Closing Date.

5.2 Debtor's Closing Deliveries.

(a) At the Closing, Debtor shall deliver the following items to the Title Company:

(i) Deed. A special warranty deed for the Property other than the Mineral Rights in the form of **Exhibit F** attached hereto and by this reference made a part hereof ("**Deed**"), executed and acknowledged by Debtor in recordable form, subject to the Permitted Exceptions, and (y) a quitclaim deed for the Mineral Rights in the form of **Exhibit F-1** attached hereto and by this reference made a part hereof executed and acknowledged by Debtor in recordable form;

(ii) Bill of Sale and General Assignment. A quitclaim bill of sale in the form of **Exhibit G** attached hereto and by this reference made a part hereof, executed by Debtor;

(iii) Assignment and Assumption of Contracts. An assignment and assumption of the Assumed Contracts in the form of **Exhibit H** attached hereto and by this reference made a part hereof ("**Assignment and Assumption of Contracts**") executed by Debtor;

(iv) Assignment and Assumption of HAP Contract. An Assignment and Assumption of the HAP Contract executed by Bidder, together with such additional documents as HUD may require be furnished by Debtor in connection with HUD's approval of the Assignment and Assumption of HAP Contract;

(v) Certified Rent Roll. A rent roll for the Real Property reflecting the name of each Tenant, the apartment occupied by such Tenant, the then current Rent payable by such Tenant under its Lease, any due and unpaid Rent owed by such Tenant as of the Closing Date and the Tenant Deposits made by such Tenant pursuant to its Lease certified by Debtor as true and correct as of the Closing Date;

(vi) Notice to Tenants. A single form letter in the form of **Exhibit I** attached hereto and by this reference made a part hereof, executed by Debtor, duplicate copies of which shall be sent by Bidder after Closing to the Tenants under the Lease;

(vii) Non-Foreign Status Affidavit. A non-foreign status affidavit in the form of **Exhibit J** attached hereto and by this reference made a part hereof, as required by Section 1445 of the Internal Revenue Code, executed by Debtor or, if

Debtor is a disregarded entity for United States federal income tax purposes, the appropriate non-disregarded entity owning an interest in Debtor;

(viii) Title Affidavit. A title affidavit and gap indemnity in such form as may be required by the Title Company and form reasonably acceptable to Debtor;

(ix) Closing Statement. A mutually acceptable form of a joint closing statement setting forth the sums to be disbursed by the Escrow Agent at Closing (the "Closing Statement"), executed by Debtor;

(x) Other Documents. Applicable transfer or sales tax filings and such other documents as may be reasonably required by the Title Company or may be agreed upon by Debtor and Bidder to consummate the Transaction to the extent required and not exempt; and

(b) On the Closing Date, Debtor shall deliver to Bidder, which may occur by leaving the same at the Real Estate, any Property Documents and Materials to the extent not previously furnished to Bidder.

5.3 Bidder's Closing Deliveries. At the Closing, Bidder shall deliver the following items to the Title Company:

(a) Release and Satisfaction. An instrument in form and substance reasonably acceptable to Debtor confirming the release of Debtor from liability under the DIP Facility Documents.

(b) Assignment and Assumption of Contracts. An Assignment and Assumption of Contracts executed by Bidder;

(c) Assignment and Assumption of HAP Contract. An Assignment and Assumption of the HAP Contract executed by Bidder, together with such additional documents as HUD may require be furnished by Bidder in connection with HUD's approval of the Assignment and Assumption of HAP Contract, together with such additional documents as HUD may require be furnished by Bidder in connection with HUD's approval of the Assignment and Assumption of HAP Contract;

(d) Closing Statement. The Closing Statement, executed by Bidder;

(e) Other Documents. Applicable transfer or sales tax filings and such other documents as may be reasonably required by the Title Company or may be agreed upon by Debtor and Bidder to consummate the Transaction to the extent required and not exempt; and

(f) Cash Payment. Any sums required to pay (i) the obligations of Bidder described with respect to any Assumed Liabilities due as of the Closing Date other than

the Manager Administrative Expense Claim and (ii) closing costs for which Bidder is responsible hereunder (if any) shall be paid by wire transfer to the Escrow Agent.

5.4 No Proration of Income and Expenses. In consideration of the transfer of all cash on hand, in bank accounts, or in escrow or reserve accounts established pursuant to the DIP Facility Documents, exclusive of the Credit Recovery Trust Amount and the Fee Escrow Amount, and Bidder's assumption of all of the Assumed Liabilities, there shall be no proration of income or expenses with respect to the Property as of the Closing Date. Accordingly, at the time of Closing, (a) Bidder shall become entitled to the receipt of all income from the Property collected from and after the Closing Date regardless of whether the amount thereof is attributable to the period prior to or after the Closing Date, and (b) Bidder shall become responsible for the payment of all expenses with respect to the Property that would normally and customarily be prorated at the time of Closing regardless of whether the amount thereof is attributable to the period prior to or after the Closing Date. The provisions of this **Section 5.4** shall survive the Closing.

5.5 Tenant Deposits. On the Closing Date, Debtor shall, to the extent in its possession, turnover all of the Tenant Deposits to Bidder or wire transfer the amount thereof to the Title Company for payment to Bidder at the time of Closing.

5.6 Closing Costs.

(a) Bidder shall pay all normal and customary closing costs in connection with the sale of the Property, including, without limitation: (i) unless otherwise exempt from payment by reason of the Bankruptcy Proceedings, all transfer taxes, sales taxes and similar charges, if any, applicable to the transfer of the Property to Bidder, (ii) all premiums and charges of the Title Company for the title commitment and the Owner's Title Policy (including any endorsements requested by Bidder), (iii) the cost of any update of the Survey, (iv) all recording and filing charges in connection with the instruments by which Debtor conveys the Property to Bidder properly paid by the Bidder in commercial real estate transactions in Allegheny County, Pennsylvania (v) all escrow or closing charges, (vi) all fees due to Bidder's attorneys in connection with this Agreement; and (vii) to the extent due as of the Closing Date, all Cure Costs for all Assumed Contracts pursuant to section 365 of the Bankruptcy Code. Notwithstanding anything to the contrary contained herein, Bidder shall have no liability or obligation with respect to the payment of the attorneys' fees and expenses of Debtor or any sums due to any other Representatives of Debtor.

(b) The obligations of Bidder under this **Section 5.6** shall survive the Closing (and not be merged therein) or any earlier termination of this Agreement.

ARTICLE 6 - CONDITIONS PRECEDENT

6.1 Conditions Precedent to Bidder's Obligations. Bidder's obligation to close the Transaction is conditioned on all of the following:

(a) Accuracy of Representations and Warranties. All of the representations and warranties of Debtor contained in this Agreement shall be true and correct in all material respects as of the Closing Date with the same force and effect as if the same had been made as of the Closing Date;

(b) Legal Proceedings. No court order, injunction, legal action, suit or other legal proceeding shall be pending against Debtor as of the Closing Date (i) seeking to restrain or prohibit the purchase and sale of the Property or the consummation of the Transaction or (ii) seeking damages with respect to such purchase and sale or the consummation of the Transaction;

(c) Sale Order. The Bankruptcy Court shall have entered the Sale Order no later than September 15, 2025, in a form reasonably acceptable to Debtor and Bidder and such Order shall not have been stayed, reversed, revoked, modified or vacated;

(d) HAP Approval. HUD shall have executed and delivered the Assignment and Assumption of the HAP Contract to Escrow Agent and authorized Escrow Agent to release the same upon the completion of the Closing;

(e) Debtor's Performance. Debtor shall have delivered all of the documents and other items required pursuant to Section 5.2 hereof and shall have performed all other obligations to be performed by Debtor pursuant to this Agreement prior to Closing in all material respects.

6.2 Conditions Precedent to Debtor's Obligations. Debtor's obligation to close the Transaction is conditioned on all of the following:

(a) Accuracy of Representations and Warranties. All of the representations and warranties of Bidder contained in this Agreement shall be true and correct as of the Closing Date with the same force and effect as if the same had been made as of the Closing Date;

(b) Legal Proceedings. No court order, injunction, legal action, suit or other legal proceeding shall be pending against Bidder as of the Closing Date (i) seeking to restrain or prohibit in the purchase and sale of the Property or the consummation of the Transaction, or (ii) seeking damages with respect to such purchase and sale or the consummation of the Transaction;

(c) Sale Order. The Bankruptcy Court shall have entered the Sale Order no later than September 15, 2025 and such Order shall not have been stayed, reversed, revoked, modified or vacated;

(d) Title Conditions Satisfied. At Closing, the Title Company shall issue (or be irrevocably committed to issuing) the Owner's Title Policy to Bidder; and

(e) Bidder's Performance. Bidder shall have delivered all of the documents and other items required pursuant to Section 5.3 hereof and shall have performed all other obligations to be performed by Bidder pursuant to this Agreement prior to Closing.

6.3 Waiver of Failure of Conditions Precedent. At any time on or before the date specified for the satisfaction of any condition, Debtor or Bidder may elect in writing to waive the benefit of any condition precedent to its obligations hereunder other than the entry of the Sale Order. By closing the Transaction, Debtor and Bidder shall be conclusively deemed to have waived the benefit of any remaining unfulfilled conditions set forth in this Article 6, except to the extent that the same expressly survive Closing. In the event any of the conditions set forth in this Article 6 are neither waived nor fulfilled on or before the Outside Closing Date, as the same may be extended in accordance with the provisions of this Agreement, the Party for whose benefit the applicable condition exists may terminate this Agreement and exercise such rights and remedies, if any, that such Party may have in the event such termination is the result of a default hereunder by the other Party pursuant to the terms of Article 9. If this Agreement is terminated as a result of the failure of any condition set forth in this Article 6 that is not also a default hereunder, then neither Party shall have any further rights or obligations hereunder except for the Surviving Obligations.

6.4 Execution of Assignment and Assumption of HAP Contract. The Parties shall execute and deliver the Assignment and Assumption of HAP Contract to HUD as soon as practicable following the entry of the Sale Order. The Scheduled Closing Date and the Outside Closing Date shall be subject to extension for up to ten (10) Business Days in the event that the same is delayed by reason of the failure of HUD to execute and deliver the Assignment and Assumption of HAP Contract.

ARTICLE 7 - REPRESENTATIONS AND WARRANTIES

7.1 Bidder's Representations and Warranties. Bidder represents and warrants to Debtor as follows:

(a) Bidder's Authorization. Bidder is duly organized, validly existing and in good standing under the laws of the State of Delaware and authorized to execute this Agreement, consummate the Transaction and fulfill all of its obligations hereunder and under all Closing Documents to be executed by Bidder. The execution and delivery of this Agreement and all Closing Documents to be executed and delivered by Bidder pursuant to this Agreement and the performance by Bidder of the obligations of Bidder hereunder and under such Closing Documents have been authorized by all requisite company action of Bidder. The obligations of Bidder under this Agreement constitute and, as of the Closing Date, the obligations of Bidder under the Closing Documents to be executed and delivered by Bidder pursuant to this Agreement shall constitute, the valid and binding obligations of Bidder enforceable in accordance with their respective terms. Without limiting the generality of the foregoing, neither the execution and delivery of this Agreement and Closing Documents to be executed and delivered by Bidder pursuant to this Agreement nor the performance by Bidder of the obligations of Bidder hereunder

under such Closing Documents will (i) result in the violation of any applicable Laws or any provision of Bidder's organizational documents, (ii) conflict with any order of any Governmental Authority binding upon Bidder, or (iii) conflict or be inconsistent with, or result in any default under, any contract, agreement or commitment by which Bidder is bound.

(b) Patriot Act Compliance. Bidder is not acting, directly or indirectly for, or on behalf of, any person, group, entity or nation named by any Executive Order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, group, entity, or nation pursuant to any Law that is enforced or administered by the Office of Foreign Assets Control, and Bidder is not engaging in this Transaction, directly or indirectly, on behalf of, or instigating or facilitating this Transaction, directly or indirectly, on behalf of, any such person, group, entity or nation. Bidder is not engaging in this Transaction, directly or indirectly, in violation of any Laws relating to drug trafficking, money laundering or predicate crimes to money laundering. None of the funds of Bidder have been or will be derived from any unlawful activity with the result that the investment of direct or indirect equity owners in Bidder is prohibited by Law or that the Transaction or this Agreement is or will be in violation of Law. Bidder has and will continue to implement procedures, and has consistently and will continue to consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times prior to Closing. Notwithstanding the foregoing, in no event shall Bidder's representations and warranties under this Section 7.1(b) apply to any person or entity which owns, has owned, or may hereafter own any publicly traded stock or other publicly traded securities of (i) Bidder (if any), or (ii) any Person which directly or indirectly owns an interest in Bidder.

Bidder's representations and warranties contained in this Section 7.1 shall survive the Closing and not be merged therein.

7.2 Debtor's Representations and Warranties. Debtor represents and warrants to Bidder as follows:

(a) Debtor's Authorization. Debtor is duly organized, validly existing and in good standing under the Laws of the State of Delaware and qualified to do business under the Laws of the Commonwealth of Pennsylvania and authorized to execute this Agreement and, subject to the entry of the Sale Order, consummate the Transaction and fulfill all of its obligations hereunder and under all Closing Documents to be executed by Debtor in connection herewith. The execution and delivery of this Agreement and all Closing Documents to be executed and delivered by Debtor pursuant to this Agreement and the performance by Debtor of the obligations of Debtor hereunder under such Closing Documents have been authorized by all requisite company action of Debtor. The obligations of Debtor under this Agreement constitute and, as of the Closing Date, the

obligations of Debtor under the Closing Documents to be executed and delivered by Debtor pursuant to this Agreement shall constitute, the valid and binding obligations of Debtor enforceable in accordance with their respective terms, subject to entry of the Sale Order. Without limiting the generality of the foregoing, but subject to entry of the Sale Order, neither the execution and delivery of this Agreement and Closing Documents to be executed and delivered by Debtor pursuant to this Agreement nor the performance by Debtor of the obligations of Debtor hereunder or under such Closing Documents will (i) result in the violation of any applicable Laws or any provision of Debtor's organizational documents, (ii) conflict with any order of any Governmental Authority binding upon Debtor, or (iii) conflict or be inconsistent with, or result in any default under, any contract, agreement or commitment by which Debtor is bound.

(b) Patriot Act Compliance. Debtor is not acting, directly or indirectly for, or on behalf of, any person, group, entity or nation named by any Executive Order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, group, entity, or nation pursuant to any Law that is enforced or administered by the Office of Foreign Assets Control and Debtor is not engaging in this Transaction, directly or indirectly, on behalf of, or instigating or facilitating this Transaction, directly or indirectly, on behalf of, any such person, group, entity or nation. Debtor is not engaging in this Transaction, directly or indirectly, in violation of any Laws relating to drug trafficking, money laundering or predicate crimes to money laundering. None of the funds of Debtor have been or will be derived from any unlawful activity with the result that the investment of direct or indirect equity owners in Debtor is prohibited by Law or that the Transaction or this Agreement is or will be in violation of Law. Debtor has and will continue to implement procedures, and has consistently and will continue to consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times prior to Closing. Notwithstanding the foregoing, in no event shall Debtor's representations and warranties under this Section 7.2(b) apply to any person or entity which owns, has owned, or may hereafter own any publicly traded stock or other publicly traded securities of (a) Debtor (if any), or (b) any entity which directly or indirectly owns an interest in Debtor.

7.2.2 Personal Property. Except for the liens and security interests created in favor of the DIP Lender under the DIP Facility Documents and as provided in the Sale Order, the Personal Property to be transferred to Bidder is free and clear of liens, security interests and other encumbrances.

7.2.3 Rents. Except for the assignments of the interest of Debtor in the Leases and Rents to the DIP Lender pursuant to the DIP Facility Documents, Debtor has not assigned, transferred or hypothecated its interest in the Leases and Rents.

7.2.4 Third-Party Rights. Debtor has not entered into any agreements currently in effect pursuant to which Debtor has granted any Person any option to purchase, right of first refusal to purchase, right of first option to purchase or other preferential right to purchase all or any part of the Property.

7.2.5 Litigation. Except for the Bankruptcy Proceedings and those matters listed in Exhibit K attached hereto and by this reference made a part hereof, there is not currently or threatened in writing any pending action, claim, suit, litigation or other proceeding to which Debtor is a party or which otherwise relates to the Property (including, without limitation, any condemnation proceedings).

7.2.6 Contracts. As of the Execution Date, Debtor has not entered into or assumed any leases or other executory contracts affecting the Property which will be binding upon Bidder after the Closing other than Scheduled Contracts.

Debtor's representations and warranties in this Section 7.2 shall survive the Closing for a period of three (3) months and not be merged therein.

ARTICLE 8 - COVENANTS

8.1 Compliance with DIP Facility Documents. Debtor shall at all times comply with the requirements of the DIP Facility Documents until Closing and nothing contained herein shall be deemed to limit or otherwise affect the rights or obligations of the Parties under the DIP Facility Documents prior to Closing.

8.2 Compliance with Requirements of Orders. Debtor shall comply with the requirements of all Orders.

ARTICLE 9 - DEFAULTS

9.1 DEBTOR'S REMEDIES FOR BIDDER DEFAULTS. IF THE SALE OF THE PROPERTY IS NOT CONSUMMATED DUE TO ANY DEFAULT BY BIDDER HEREUNDER, THEN DEBTOR SHALL BE ENTITLED, AS ITS SOLE REMEDY TO TERMINATE THIS AGREEMENT BY DELIVERY OF WRITTEN NOTICE TO BIDDER, WHEREUPON NEITHER PARTY HERETO SHALL HAVE ANY FURTHER OBLIGATION OR LIABILITY TO THE OTHER HEREUNDER EXCEPT WITH RESPECT TO SURVIVING OBLIGATIONS.

9.2 BIDDER'S REMEDIES FOR DEBTOR DEFAULTS. IF THE SALE OF THE PROPERTY IS NOT CONSUMMATED DUE TO DEBTOR'S DEFAULT HEREUNDER, BIDDER SHALL BE ENTITLED, AS ITS SOLE REMEDY, TO (A) TERMINATE THIS AGREEMENT BY DELIVERY OF WRITTEN NOTICE TO DEBTOR, WHEREUPON NEITHER PARTY HERETO SHALL HAVE ANY FURTHER OBLIGATION OR LIABILITY TO THE OTHER EXCEPT WITH RESPECT TO SURVIVING OBLIGATIONS OR (B) ENFORCE THIS AGREEMENT BY SPECIFIC PERFORMANCE PROVIDED ANY SUCH PROCEEDING IS COMMENCED WITHIN FORTY-FIVE (45) DAYS AFTER THE DEBTOR DEFAULT OCCURS GIVING RIGHT TO SUCH ENFORCEMENT.

ARTICLE 10 - CASUALTY/CONDEMNATION

10.1 Right to Terminate. If, after the Execution Date, (a) any portion of the Property is taken by condemnation or eminent domain (or is the subject of a pending taking), or (b) any portion of the Property is damaged or destroyed (excluding routine wear and tear and damage caused by any of Bidder's Representatives), Debtor shall notify Bidder in writing of such fact promptly after obtaining knowledge thereof. If the Property is the subject of a Major Casualty/Condemnation that occurs after the Execution Date, Bidder shall have the right to terminate this Agreement by giving written notice to Debtor no later than ten (10) Business Days after the giving of Debtor's notice, and the Closing Date shall be extended, if necessary, to provide sufficient time for Bidder to make such election. The failure by Bidder to terminate this Agreement within such ten (10) Business Day period shall be deemed an election by Bidder not to terminate this Agreement.

10.2 Allocation of Proceeds and Awards. If a condemnation or casualty occurs after the Execution Date and this Agreement is not terminated as permitted pursuant to the terms of **Section 10.1** hereof, then this Agreement shall remain in full force and effect and Bidder shall acquire the Property or, if applicable, the remainder thereof, upon the terms and conditions set forth herein. Any Casualty/Condemnation Proceeds shall be allocated between Bidder and Debtor as follows in respect of a Closing hereunder:

(a) Debtor shall be entitled to be reimbursed from the Casualty/Condemnation Proceeds for proceeds of any rental loss, business interruption or similar insurance, or other compensation for loss of use or income, that are allocable to the period prior to the Closing Date, such sums to be applied in accordance with the requirements of the DIP Facility Documents; and

(b) Bidder shall be entitled to the balance of the Casualty/Condemnation Proceeds.

10.3 Insurance. Debtor shall maintain the property insurance coverage required under the DIP Facility Documents in place through the Closing Date.

ARTICLE 11 - MISCELLANEOUS

11.1 Brokers. Each of the Parties hereby warrants and represents to the other that it did not employ or use any broker or finder to arrange or bring about this transaction. If any Person brings a claim for a commission or finder's fee based upon any contact, dealings, or communication with either Party in connection with the Transaction, then the Party allegedly authorizing such commission or fee shall defend the other Party and hold the other Party harmless from any and all costs, damages, claims, liabilities, or expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by the other Party with respect to the claim. The provisions of this **Section 11.1** shall survive the Closing or, if the purchase and sale is not consummated, any termination of this Agreement.

11.2 Survival/Merger. Except for the provisions of this Agreement which are explicitly stated to survive the Closing, (a) none of the terms of this Agreement shall survive the Closing, and (b) the delivery of the Purchase Price, the Deed and the other Closing Documents and the acceptance thereof shall effect a merger, and be deemed the full performance and discharge of every obligation on the part of Bidder and Debtor to be performed hereunder.

11.3 Integration; Waiver. This Agreement and the Sale Order embody and constitute the entire understanding between the Parties with respect to the Transaction and all prior agreements, understandings, representations and statements, oral or written, are merged into this Agreement. Neither this Agreement nor any provision hereof may be waived, modified, amended, discharged or terminated except by an instrument signed by the Party against whom the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument. No waiver by either Party hereto of any failure or refusal by the other Party to comply with its obligations hereunder shall be deemed a waiver of any other or subsequent failure or refusal to so comply.

11.4 Governing Law. This Agreement shall be governed by, and construed in accordance with, the Laws of the Commonwealth of Pennsylvania, without application of its choice of laws.

11.5 Captions Not Binding; Exhibits. The captions in this Agreement are inserted for reference only and in no way limit the scope or intent of this Agreement or of any of the provisions hereof. All Exhibits attached hereto shall be incorporated by reference as if set out herein in full.

11.6 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

11.7 Severability. If any term or provision of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

11.8 Notices. All notices required or permitted hereunder shall be in writing and shall be served on the Parties at the following addresses:

If to Debtor, to:	CBRM Realty Inc. c/o White & Case LLP 1221 Avenue of the Americas New York, New York 10020 Attention: Elizabeth A. LaPuma Email: elapuma.crowncapital@gmail.com
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with a copy to: White & Case LLP
111 South Wacker Dr, Suite 5100
Chicago, IL 60606-4302
Attention: Gregory F. Pesce
Email: gregory.pesce@whitecase.com

If to Bidder, to: 3650 Capital
2977 McFarlane Road, Suite 300
Miami, FL 33133
Attention: Myles Burstein, Esq.
Email: mburstein@3650capital.com

with a copy to: Lynd Management Group
4499 Pond Hill Rd.
San Antonio, TX 78231
Attention: Justin Utz, CFO
Email: jutz@lynd.com

with a copy to: Lippes Mathias LLP
54 State Street, Suite 1001
Albany, New York 12207-2527
Attention: Leigh A. Hoffman, Esq.
Email: lhoffman@lippes.com

with a copy to: McCarter & English, LLP
Four Gateway Center
100 Mulberry Street
Newark, NJ 07102
Attention: Joseph Lubertazzi, Jr., Esq.
Email: jlubertazzi@mccarter.com

Any such notices may be sent by (a) certified mail, return receipt requested, postage prepaid in the U.S. mail, or (b) a nationally recognized overnight courier, or (c) sent by electronic transmission (i.e., e mail). Notices shall be deemed delivered upon actual delivery or refusal of delivery one (1) Business Day after deposit in the case of overnight courier and three (3) Business Days after deposit in the case of certified mail, and notices delivered by electronic transmission shall be deemed delivered on the same day of such successful transmission. The above addresses may be changed by written notice to the other Party; provided that no notice of a change of address shall be effective until actual receipt of such notice.

11.9 Counterparts; Electronic Signatures. This Agreement may be executed in counterparts, each of which shall be an original and all of which counterparts taken together shall constitute one and the same agreement. Signatures to this Agreement transmitted by electronic means shall be valid and effective to bind the Party so signing. Each Party agrees to promptly

deliver an execution original to this Agreement with its actual signature to the other Party, but a failure to do so shall not affect the enforceability of this Agreement.

11.10 Additional Agreements; Further Assurances. Each Party hereto shall execute and deliver such documents as the other Party shall reasonably request in order to consummate and make effective the Transaction; provided, however, the execution and delivery of such documents shall not result in any additional liability or cost to the executing Party.

11.11 Construction. The Parties acknowledge that each Party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement, any modification hereof or any of the Closing Documents.

11.12 Time of Essence. **Time is of the essence with respect to the Closing and all of the provisions of this Agreement.**

11.13 WAIVER OF JURY TRIAL. EACH PARTY HEREBY WAIVES TRIAL BY JURY IN ANY PROCEEDINGS BROUGHT BY THE OTHER PARTY IN CONNECTION WITH ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE TRANSACTION, THIS AGREEMENT, THE PROPERTY OR THE RELATIONSHIP OF BIDDER AND DEBTOR HEREUNDER. THE PROVISIONS OF THIS **SECTION 11.13** SHALL SURVIVE THE CLOSING (AND NOT BE MERGED THEREIN) OR ANY EARLIER TERMINATION OF THIS AGREEMENT.

11.14 RELEASES. WITH RESPECT TO ANY RELEASE SET FORTH IN THIS AGREEMENT RELATING TO UNKNOWN AND UNSUSPECTED CLAIMS, THE PARTIES HERETO HEREBY ACKNOWLEDGE THAT SUCH WAIVER AND RELEASE IS MADE WITH THE ADVICE OF COUNSEL AND WITH FULL KNOWLEDGE AND UNDERSTANDING OF THE CONSEQUENCES AND EFFECTS OF SUCH RELEASE.

11.15 Nominee. Notwithstanding anything to the contrary contained herein, the Parties acknowledge and agree that Bidder does not intend to acquire title to the Property in its own name. Instead, Bidder is executing this Agreement on behalf of a special purpose entity controlled by Bidder or under common control with Bidder which Bidder shall designate to acquire the Property at least three days prior to the Auction (as defined in the Bidding Procedures Order). Such designation shall not be deemed to constitute a taxable assignment under the laws relating to the Realty Transfer Tax payable under the laws of the Commonwealth of Pennsylvania in connection with the transfer of real estate interests.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, each Party hereto has caused this Agreement to be duly executed
to be effective as of the day and year first above written.

DEBTOR:

KELLY HAMILTON APTS LLC,
a Delaware limited liability company

By: 

Name: Elizabeth A. LaPuma
Title: Independent Fiduciary and
Authorized Representative
of Debtor

BIDDER:

3650 SS1 PITTSBURGH LLC,
a Delaware limited liability company

By: _____
Name:
Title:

IN WITNESS WHEREOF, each Party hereto has caused this Agreement to be duly executed to be effective as of the day and year first above written.


DEBTOR:

KELLY HAMILTON APTS LLC,
a Delaware limited liability company

By: _____
Name: Elizabeth A. LaPuma
Title: Independent Fiduciary and
Authorized Representative
of Debtor

BIDDER:

3650 SS1 PITTSBURGH LLC,
a Delaware limited liability company

By:  _____
Name: Peter LaPointe
Title: Authorized Representative of
Bidder