

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

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In re:

CBRM REALTY INC., *et al.*,

Debtors.¹

Chapter 11

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

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: CBRM Realty Inc. (2420), Crown Capital Holdings LLC (1411), Kelly Hamilton Apts LLC (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), RH New Orleans Holdings MM LLC (1951), and Laguna Reserve Apts Investor LLC (N/A). 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.



**DECLARATION OF MATTHEW DUNDON, PRINCIPAL OF
ISLANDDUNDON LLC, IN SUPPORT OF FINAL APPROVAL OF THE
DISCLOSURE STATEMENT AND CONFIRMATION OF THE AMENDED JOINT
CHAPTER 11 PLAN OF CBRM REALTY INC. AND CERTAIN OF ITS DEBTOR AFFILIATES**

I, Matthew Dundon, pursuant to 28 U.S.C. § 1746, hereby declare that the following is true and correct to the best of my knowledge, information, and belief:

1. I am a Principal of Dundon Advisers LLC (“**Dundon**”) and its real estate restructuring affiliate IslandDundon LLC (“**IslandDundon**”), the proposed financial advisor for the above-captioned debtors and debtors-in-possession (collectively, the “**Debtors**”). Based on my work with the Debtors, my review of relevant documents, and my discussions with members of the Debtors’ management team and other professionals, including the Independent Fiduciary,² I am familiar with the Debtors’ day-to-day operations, business affairs, capital structure, and the claims filed against the estates. I submit this declaration (this “**Declaration**”) in support of final approval of the Disclosure Statement and confirmation of the Plan for Debtors CBRM Realty Inc., Kelly Hamilton Apts LLC, and Kelly Hamilton Apts MM LLC.³

2. Except where specifically noted, the statements in this Declaration are based upon:
(a) my personal knowledge of the Debtors’ operations, business affairs, financial performance, and

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the *Amended Joint Chapter 11 Plan of CBRM Realty Inc. and Certain of Its Debtor Affiliates* [Docket No. 469] (including all exhibits and supplements thereto and as may be modified, amended, or supplemented from time to time, the “**Plan**”), *Disclosure Statement for the Joint Chapter 11 Plan of CBRM Realty Inc. and Certain of Its Debtor Affiliates* [Docket No. 360, Ex. A] (including all exhibits thereto and as may be modified, amended, or supplemented from time to time, the “**Disclosure Statement**”), or the *Order (I) Conditionally Approving the Adequacy of the Information Contained in the Disclosure Statement, (II) Approving the Solicitation and Voting Procedures with Respect to Confirmation of the Plan, (III) Approving the Form of Ballots and Notices in Connection Therewith, (IV) Scheduling Certain Dates with Respect Thereto, and (V) Granting Related Relief* [Docket No. 347] (the “**Disclosure Statement Order**”), as applicable.

³ It is my understanding that in parallel, the Debtors are pursuing a dual-track process for four multifamily affordable housing complexes located in New Orleans, Louisiana (the “**NOLA Properties**”). That process is being advanced through a separate but coordinated proposed chapter 11 plan (including all exhibits thereto and as may be modified, amended, or supplemented from time to time, the “**Crown Plan**”) [Docket No. 389] that contemplates a Court-supervised marketing and sale process for the NOLA Properties. The Debtors that are subject to the proposed Crown Plan are Crown Capital Holdings LLC, RH New Orleans Holdings LLC, RH New Orleans Holdings MM LLC, Laguna Reserve Apts Investor LLC, RH Chenault Creek LLC, RH Copper Creek

restructuring efforts; (b) information learned from my review of relevant documents; and (c) information I have received from members of the Debtors' management or the Debtors' advisors. This Declaration is intended to supplement, and does not overlap with the factual content set forth in, the *Declaration of Evan J. Gershbein of Kurtzman Carson Consultants, LLC dba Verita Global Regarding the Solicitation of Votes and Tabulation of Ballots Cast on Joint Chapter 11 Plan of CBRM Realty Inc. and Certain of Its Debtor Affiliates* [Docket No. 462] (the "**Voting Report**"), filed contemporaneously herewith.

3. I am over the age of 18 and authorized to submit this Declaration on behalf of the Debtors. I am not being compensated for this testimony other than through payments received by IslandDundon as a professional engaged by the Debtors; none of those payments are specifically payable on account of this testimony. If called upon to testify, I could and would testify competently to the statements set forth in this Declaration, as the information in this Declaration is complete and accurate to the best of my knowledge.

I. Background and Qualifications

4. I have been a principal of Dundon since 2016 and of IslandDundon and its predecessor joint venture vehicles with Island Capital Group LLC ("**Island**") since 2019. Dundon provides financial restructuring and asset management advice and places loans and other nonsecurities financings on the primary and secondary markets. Island invests in real estate transactions and holds interests in real estate services concerns. I previously worked as a credit hedge fund portfolio manager (2010 to 2016), an institutional brokerage fixed income analyst and head of research (2003 to 2010), and a securities and leveraged finance attorney (1998 to 2003).

LLC, RH Lakewind East LLC, and RH Windrun LLC. To the extent the Crown Plan becomes effective, the Crown Debtors will transfer to the Creditor Recovery Trust certain assets, including causes of action, proceeds from the sale of the NOLA Properties, and specified equity interests of the Debtors, thereby further enhancing recoveries for creditors across these Estates.

5. I have worked directly with the Debtors, their management, and other advisors to provide services in connection with the preparation, filing, and implementation of the above-captioned chapter 11 cases. Among other things, I have personally been involved in or oversaw the preparation of the liquidation analysis attached to the Disclosure Statement as Exhibit C (the “**Liquidation Analysis**”) and the Debtors’ analysis of the claims filed in these Chapter 11 Cases.

6. I received a Juris Doctor from the University of Chicago Law School and a Bachelor of Arts from the University of California at Berkeley. My testimony and declarations in relation to complex chapter 11 matters are regularly accepted by bankruptcy courts in this and many other districts.

II. Preliminary Statement

7. The Debtors own and operate the Kelly Hamilton Apartments, a multifamily affordable housing complex in Pittsburgh, Pennsylvania (the “**Kelly Hamilton Property**”). The Kelly Hamilton Property provides rent-restricted housing to low-income residents and is supported in part by government housing programs. Preserving this property is essential not only to maximizing the value of the Debtors’ Estates, but also to maintaining a critical affordable housing resource for the Pittsburgh community.

8. On May 19, 2025 (the “**Petition Date**”), the Debtors filed these chapter 11 cases (the “**Chapter 11 Cases**”). On August 18, 2025, Laguna Reserve Apts Investor LLC filed a voluntary petition with this Court under chapter 11 of the Bankruptcy Code. These filings were necessitated by severe operational, financial, and governance challenges stemming from mismanagement of the broader Crown Capital Portfolio and the criminal conviction of its ultimate equity owner, Mark “Moshe” Silber. These issues precipitated liquidity constraints, declining property performance, and increasing creditor enforcement actions across the portfolio.

9. Since the Petition Date, and under the direction of the Independent Fiduciary, the Debtors have stabilized operations, secured postpetition financing, and conducted a robust Court-supervised marketing and sale process designed to maximize value for stakeholders. Upon completing that marketing process, the Debtors are prepared to confirm the Plan that provides for the implementation of the sale of the Kelly Hamilton Property to 3650 SS1 Pittsburgh LLC (the “**Kelly Hamilton Purchaser**”), in accordance with the Kelly Hamilton Purchase Agreement (the “**Kelly Hamilton Sale Transaction**”).

10. I believe that confirmation of the Plan is the best available path to conclude the Debtors’ Chapter 11 Cases and maximize creditor recoveries. The Plan implements the Kelly Hamilton Sale Transaction, provides for the satisfaction of Allowed Other Priority Claims, Other Secured Claims, Kelly Hamilton Go-Forward Trade Claims, and Other Kelly Hamilton Unsecured Claims, and establishes a Creditor Recovery Trust for the benefit of certain creditors as set forth in the Plan (such creditors, the “**Trust Beneficiaries**”).⁴ The Creditor Recovery Trustee will be responsible for administering, prosecuting, settling, or monetizing the Creditor Recovery Trust Assets for the benefit of the Trust Beneficiaries as set forth in the Plan, and making distributions in accordance with the Plan and Creditor Recovery Trust Agreement.

11. Following consummation of the Kelly Hamilton Sale Transaction and the Effective Date of the Plan, the Debtors will no longer operate an ongoing business and will wind down their affairs. A Wind-Down Officer selected by the Debtors will oversee the wind down, dissolution, and liquidation of the Debtors’ Estates in accordance with the Plan.

⁴ The Trust Beneficiaries shall include Holders of all Allowed CBRM Unsecured Claims and, to the extent the Crown Plan is confirmed, Holders of all Allowed Crown Capital Unsecured Claims and RH New Orleans Unsecured Claims (each as defined in the Crown Plan).

12. The Plan ensures that the Debtors' Estates can be wound down efficiently while maximizing recoveries for creditors and is the culmination of complex, arms'-length negotiations among the Debtors, creditors, and other stakeholders. For the reasons set forth below, confirmation of the Plan is in the best interests of the Debtors' Estates.

III. The Sale of the Kelly Hamilton Property

13. As set forth in the *Declaration of Matthew Dundon, Principal of IslandDundon LLC, in Support of 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. 313] (the "**Bidding Procedures Declaration**"), IslandDundon advised the Debtors in connection with one or more postpetition transaction(s) concerning the Kelly Hamilton Property with the goal of maximizing its value for the Debtors' stakeholders. The Bidding Procedures Declaration is incorporated by reference.

A. The Kelly Hamilton Sale Transaction Was Entered Into in Good Faith

14. With IslandDundon's assistance, the Debtors entered into arms'-length negotiations with the Kelly Hamilton DIP Lender, which ultimately agreed to serve as the "stalking horse bidder" for the Kelly Hamilton Property. *See* Bidding Procedures Declaration. The Debtors, with the help of their advisors, evaluated the Kelly Hamilton DIP Lender's proposed terms to purchase the Kelly Hamilton Property and determined that acceptance of the terms proposed by the Kelly Hamilton DIP Lender was in the best interests of the Estates. *See id.* Accordingly, on July 11, 2025, the Kelly Hamilton Debtor and the Kelly Hamilton Purchaser entered into the Kelly Hamilton Purchase Agreement whereby the Kelly Hamilton DIP Lender agreed to credit bid the

Kelly Hamilton DIP Facility Obligations and the Manager Administrative Expense Claim (each as defined in the Kelly Hamilton Purchase Agreement), to acquire substantially all of the Kelly Hamilton Property owned by the Kelly Hamilton Debtor. *See id.*

15. The Kelly Hamilton Purchase Agreement was negotiated at arm's length, without collusion or fraud, and in good faith. I believe this is evidenced by, among other things: (i) the Kelly Hamilton Purchaser has recognized that the Debtors were free to engage with any party in connection with the marketing and sale of the Kelly Hamilton Property, (ii) the Kelly Hamilton Purchaser has complied with all applicable provisions of the Bidding Procedures Order, (iii) Kelly Hamilton Purchaser's bid was subjected to the competitive and robust bidding process set forth in the Bidding Procedures Order, and (iv) the Kelly Hamilton Purchase Agreement has been disclosed, is attached as Exhibit 4 to the Bidding Procedures Order, and is reasonable and appropriate.

B. The Debtors Complied with the Bidding Procedures Order and Pursued a Robust Marketing Process

16. In parallel, pursuant to the Bidding Procedures Order, the Debtors and their advisors continued the robust marketing process to test the market and ensure that no higher or better offers were available for the Kelly Hamilton Property. Specifically, the Debtors, with the assistance of IslandDundon and Hilco Real Estate, LLC, the Debtors' real estate advisor, contacted 125 potentially interested parties who received a non-confidential marketing overview, and provided further diligence materials to the nineteen parties who executed confidentiality agreements.

17. Parties in interest were afforded approximately five weeks between the filing of the Debtors' Bidding Procedures Motion [Docket No. 281] and the bid deadline of August 14, 2025 at 4:00 p.m. (prevailing Eastern Time) to diligence and formulate bids for the Kelly Hamilton

Property, which I believe was reasonable and appropriate under the circumstances of these Chapter 11 Cases. I believe the bidding procedures approved by the Court ensured that all qualified bids could be solicited, reviewed, and evaluated in a manner consistent with the milestones and confirmation timeline outlined in the Debtors' solicitation procedures.

18. Despite the robust outreach and diligence process, no qualifying alternative bids were received for the Kelly Hamilton Property on or before August 15, 2025. On August 14, 2025, two offers were received for less than a qualifying offer. Neither bid was submitted with a marked asset purchase agreement as instructed and there was no reason to believe that additional time would lead to a qualifying bid under the Bidding Procedures Order. I believe that there was no realistic prospect that any party could have negotiated and financed an executable transaction even in the absence of the Kelly Hamilton Purchaser's credit bid. The lack of competing bids was attributable to the distressed condition of the property and the broader financial and operational context—not any flaw or impropriety in the marketing process.

19. As a result, on August 15, 2025, the Debtors cancelled the auction and designated the stalking horse bid submitted by the Kelly Hamilton Purchaser as the successful bid. *See Notice of Cancellation of Auction and Designation of the Stalking Horse Bid as the Successful Bid for the Kelly Hamilton Property* [Docket No. 383]. The Debtors determined that accepting the stalking horse bid and consummating a sale on its terms was in the best interests of the Estates, especially considering the drastic impact to the Estates of being unable to consummate the sale of the Kelly Hamilton Property. Consistent with that determination, the Debtors now seek to effectuate the terms of the Kelly Hamilton Sale Transaction through the Plan.

20. If the Plan is not confirmed or does not go effective, I believe there is no assurance that the Debtors would, and I doubt that the Debtors *could*, be able to implement an alternative

transaction that would provide recoveries equal to or greater than those contemplated by the Plan, inclusive of the consummation of the Kelly Hamilton Sale Transaction. The Plan is based on the consummation of the Kelly Hamilton Sale Transaction and the orderly wind-down of the Debtors' Estates. It is my understanding that the Debtors do not have an alternative transaction or plan of reorganization currently negotiated, proposed or available. If the Kelly Hamilton Sale Transaction is not consummated, I believe the Debtors may be required to convert these Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code or seek the dismissal of these Chapter 11 Cases, either of which would likely result in significantly lower recoveries for Holders of Allowed Claims and prove detrimental to the Debtors' stakeholders. It is very questionable whether the Debtors or any chapter 7 trustee would have sufficient financial resources to operate the Kelly Hamilton Property, which is a grave concern under these circumstances, particularly given the imminent winter season and the corresponding increase in utility and maintenance expenses. The Kelly Hamilton Property provides a valuable service to its residents and the broader Pittsburgh community and will benefit from access to a properly-capitalized sponsor.

C. The Debtors Gave Proper Notice of the Confirmation and Sale Hearing

21. It is my understanding that, in order for the Debtors to consummate the Kelly Hamilton Sale Transaction, proper notice must be provided to interested parties. I believe the Debtors complied with their notice obligations by filing the *Notice of Proposed Sale, Entry into Stalking Horse Agreement, Bidding Procedures, Auction, and Confirmation and Sale Hearing* (the "**Sale Notice**") [Docket No. 333] and serving this notice on interested parties in accordance with this Court's Bidding Procedures Order. The Sale Notice, among other things, provided the date of the auction for the Kelly Hamilton Property (if any) and set the deadline to object to the sale of the Kelly Hamilton Property. The Debtors also published the Sale Notice in the *Newark Star Ledger* and the *Pittsburgh Post-Gazette*. See *Affidavit of Publication of Notice of Proposed Sale*,

Entry into Stalking Horse Agreement, Bidding Procedures, Auction, and Confirmation and Sale Hearing [Docket No. 366].

IV. The Plan

22. The Plan is the product of extensive, arm's-length negotiations among the Debtors, the Ad Hoc Group of Holders of Crown Capital Notes, the Kelly Hamilton Purchaser, Spano, and other key stakeholders. These negotiations resulted in a consensual framework that resolved competing creditor interests and provided a clear path to maximize value through the Kelly Hamilton Sale Transaction and the Wind-Down of the Debtors' Estates following consummation of the Kelly Hamilton Sale Transaction, including the creation of a Creditor Recovery Trust. The Debtors worked constructively with their stakeholders throughout the process, incorporating their comments into both the Plan and the Confirmation Order.

23. Importantly, the Plan reflects hard-fought but constructive compromises. For example, it provides for the release of certain Released Parties in exchange for substantial contributions that facilitated the Plan's implementation, while at the same time preserving other causes of action to be pursued for the benefit of unsecured creditors through the Creditor Recovery Trust.

24. As set forth below, in exchange for the releases granted under the Plan, the Released Parties made meaningful and valuable contributions to these Chapter 11 Cases, including by providing financing, support, and concessions that were critical to enabling the consummation of the Kelly Hamilton Sale Transaction. Without these efforts, creditors likely would have faced the lower recoveries of a piecemeal liquidation under chapter 7. I believe that, as a result, the Plan will provide Holders of Allowed Unsecured Claims with materially greater recoveries than they would receive in any alternative restructuring scenario.

25. Additionally, my team and I, with the assistance of the Debtors and White & Case LLP, prepared the Liquidation Analysis. The Liquidation Analysis represents a good-faith estimate of what creditors would recover in a hypothetical liquidation under chapter 7 of the Bankruptcy Code. The analysis, methodology, and assumptions applied as part of the Liquidation Analysis are set out in greater detail therein. Based on my experience with the Debtors, my review of their books and records, and my experience as a restructuring advisor, I believe that the methodology used to prepare the Liquidation Analysis is appropriate and the assumptions and conclusions set forth therein are fair and reasonable under the circumstances.

A. The Debtor Releases Were Hard Fought and Are Narrowly Tailored

26. Article VIII.C of the Plan sets forth certain releases granted by the Debtors and their Estates (the “**Debtor Releases**”). These provisions are the product of good-faith, arm’s-length negotiations among the Debtors and their key stakeholders, informed by the extensive investigation and review undertaken by the Independent Fiduciary and the Debtors’ professionals. The releases are narrowly tailored, supported by valuable consideration provided by the Released Parties—including their efforts to negotiate and implement the Plan and their contributions that enabled the Kelly Hamilton Sale Transaction and the establishment of the Creditor Recovery Trust—and are critical to achieving the settlements embodied in the Plan. I believe that the Debtor Releases included in the Plan constitute an appropriate exercise of the Debtors’ business judgment and are fair, reasonable, and in the best interests of the Debtors and their Estates.

27. I believe that each of the Released Parties has been an active participant in these Chapter 11 Cases and has provided a significant and substantial contribution warranting the release of claims embodied in the Debtor Releases. All of the Debtors’ Released Parties engaged as crucial participants in the Plan process and share a common goal with the Debtors in seeing the Plan succeed. During Plan negotiations and related discussions, the Released Parties demonstrated a

desire to seek to confirm the Plan and implement the transactions contemplated thereunder. Each Released Party has worked constructively with the Debtors and their advisors, including my team, to promote their wind-down efforts, both prior to and following the Petition Date.

28. Since September 26, 2024, the Independent Fiduciary has acted in a fiduciary capacity for the Debtors and other non-debtor entities owned by Debtors CBRM Realty Inc. and Crown Capital Holdings LLC. *See 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**”).⁵ Prior to the Petition Date, the Independent Fiduciary took steps to revitalize the Debtors’ portfolio, including by ensuring that each property owned by the portfolio had sufficient staffing and other resources, with the goal of ensuring that residents had safe, clean homes, as well as providing periodic updates to the Ad Hoc Group of Holders of Crown Capital Notes (the “**Noteholders**”). Since the Petition Date, the Independent Fiduciary has engaged with the Debtors’ professionals and stakeholders to promote the Debtors’ restructuring efforts, including by directing and overseeing the negotiation and execution of the Kelly Hamilton Purchase Agreement, the marketing of the Kelly Hamilton Property, and the proposed Plan.

29. Similarly, the Kelly Hamilton DIP Lender and the Kelly Hamilton Purchaser are active participants in these Chapter 11 Cases, providing both the debtor-in-possession financing needed to reach confirmation and the successful bid for the Kelly Hamilton Property. Accordingly, the Kelly Hamilton DIP Lender and the Kelly Hamilton Purchaser maintain a strong interest—which they have demonstrated through their hard work during the cases and in Plan negotiations—

⁵ The First Day Declaration and the *Declaration of Matthew Dundon, Principal of IslandDundon LLC, in Support of Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Granting Liens and Superpriority Administrative Expense Claims, (III) Modifying the Automatic Stay, and (IV) Granting Related Relief* [Docket No. 156] are incorporated by reference.

in seeing the Plan confirmed and the Kelly Hamilton Sale Transaction contemplated therein be consummated.

30. I understand that, based on my review of relevant documents and conversations with the Noteholders, the Noteholders also played a crucial role in the Plan process. As stakeholders, the Noteholders share the common goal of confirming the Plan, which includes the creation of the Creditor Recovery Trust for the benefit of, among others, Noteholders with Allowed Unsecured Claims. In the absence of an official unsecured creditors' committee, the Noteholders served as the primary voice and coordinating constituency for unsecured creditors in these Chapter 11 Cases.

31. Finally, as explained in greater detail below, the Debtors' Asset Manager and Property Manager were also integral parties to the Plan process, including the negotiation and execution of the Plan. Indeed, the services provided by these parties were necessary to preserve the value of the Kelly Hamilton Property, which is central to the Debtors' restructuring efforts. Accordingly, these parties share the common goal of ensuring the Plan's success and consummation.

32. I believe that the Released Parties have each made a substantial contribution to the Debtors' Estates, as each Released Party played an integral role in the formulation of the Plan and the administration of these Chapter 11 Cases. As explained above, the Independent Fiduciary has negotiated with critical stakeholders, overseen the administration of these Chapter 11 Cases, and managed the negotiation, drafting, and execution of the Plan, including the Kelly Hamilton Sale Transaction pursuant to the terms of the Kelly Hamilton Purchase Agreement. Moreover, it is my understanding that the Independent Fiduciary has agreed to forego payment of certain fees that arose prior to the Petition Date and/or may be forced to forego payment of certain fees and

expenses incurred postpetition in exchange for the releases contemplated in the Plan. As a result, I believe that the Independent Fiduciary has provided substantial monetary and non-monetary contributions to the Debtors' wind-down efforts.

33. Moreover, the Kelly Hamilton DIP Lender and the Kelly Hamilton Purchaser have made indispensable contributions without which this Plan could not be consummated. Indeed, as set forth above, the Kelly Hamilton DIP Lender provided the financing needed to fund these Chapter 11 Cases, including to market, auction, and sell the Kelly Hamilton Property, and the Kelly Hamilton Purchaser invested the time and resources to negotiate the Kelly Hamilton Purchase Agreement, and agreed to serve as the "stalking horse bidder" for the sale of the Kelly Hamilton Property, thus setting a baseline bid for the sale of the Kelly Hamilton Property and promoting a competitive bidding process. I believe there was no viable path to administer these Chapter 11 Cases or pursue the proposed Plan absent the Kelly Hamilton DIP Lender's financing and Kelly Hamilton Purchaser's bid. The Kelly Hamilton DIP Lender's capital and the Kelly Hamilton Purchaser's commitments were necessary to the Plan and materially advanced creditor recoveries and tenant interests. Accordingly, I believe that the Kelly Hamilton DIP Lender and the Kelly Hamilton Purchaser have made substantial contributions to the Debtors' wind-down efforts.

34. The Noteholders also provided substantial contributions to the Debtors and their Estates and were instrumental in negotiating the terms of the Plan on behalf of a key group of Holders of unsecured Claims. Indeed, certain of the Noteholders have agreed to serve on the Advisory Committee (as defined in the Creditor Recovery Trust Agreement), which will ensure that the Creditor Recovery Trust is managed by a body with a fiduciary responsibility to its beneficiaries.

35. I further believe that the Debtors' professionals have made significant contributions to the Debtors' efforts in these Chapter 11 Cases. With respect to Debtors' counsel, based on my review of relevant documents, I believe that White & Case LLP played an instrumental role in the Debtors' bankruptcy proceedings, including by (i) facilitating the commencement of the chapter 11 cases through the filing of the Debtors' voluntary petitions, (ii) securing, revising, and filing motions that, among other things, secured the necessary postpetition financing needed to administer these Chapter 11 Cases, and (iii) negotiating and filing the proposed Plan and Disclosure Statement. *See Attorney Monthly Fee Statement for the Period May 19, 2025 Through May 31, 2025* [Docket No. 369]; *Attorney Monthly Fee Statement for the Period June 1, 2025 Through June 30, 2025* [Docket No. 403]. Similarly, I believe that the Debtors' New Jersey counsel, Ken Rosen Advisors PC, has provided vital contributions to the Debtors throughout these Chapter 11 Cases, including by assisting the Debtors as New Jersey counsel with respect to matters and proceedings in the Chapter 11 Cases.

36. Based on my team's work in these Chapter 11 Cases, I also believe that IslandDundon has made substantial contributions to the Debtors' bankruptcy efforts. Indeed, as set forth above and in the Bidding Procedures Declaration, IslandDundon advised the Debtors in connection with the Kelly Hamilton DIP Lender's proposed terms to purchase the Kelly Hamilton Property, the "stalking horse bid" submitted by the Kelly Hamilton Purchaser, and the parallel process by which the Debtors pursued a marketing process to ensure no higher or better offers were available for the Kelly Hamilton Property.

37. I believe that the Debtors' Claims and Noticing Agent provided valuable services that have allowed the Debtors to propose and seek to confirm the Plan. For example, I understand that the Claims and Noticing Agent solicited votes from each class of creditors entitled to vote on

the Plan, tabulated these votes, and published the Voting Report setting forth the results of the vote, along with ensuring that the Disclosure Statement and Plan were properly noticed.

38. In addition to the Independent Fiduciary, it is my understanding that the Debtors' professionals, including White & Case LLP, IslandDundon LLC, Ken Rosen Advisors PC, and Kurtzman Carson Consultants, LLC dba Verita Global, have agreed to forego payment of certain fees that arose prior to the Petition Date and/or may be forced to forego payment of certain fees and expenses incurred postpetition, in exchange for the releases contemplated in the Plan, each of which could be fairly considered to be additional consideration for the benefit of the releases the Plan would grant them.

39. Finally, I believe that the Debtors' Asset Manager and Property Manager provided valuable services that have allowed the Debtors to propose and seek to confirm the Plan. As explained above, the Kelly Hamilton Sale Transaction is a crucial cornerstone of the proposed Plan. I understand that the Debtors' Property Manager was charged with day-to-day operations, tenant relations, staffing, and maintenance of the Debtors' properties, including the Kelly Hamilton Property, while the Asset Manager's duties included contracting with professionals, including property managers and contractors, and monitoring their performance, managing and disbursing funds, establishing reserves, and recommending cash resource investment strategies, reviewing and monitoring the property manager's operations, preparing strategic asset and marketing plans, recommending and overseeing major repairs, replacements, and critical improvements at the Debtors' properties, and providing information for annual financial statements and tax returns. *See 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]. I believe that these services helped obtain the highest and best bid for the Kelly Hamilton Property and kept

the Debtors operational during the course of these Chapter 11 Cases. Accordingly, I believe that the Debtors' Asset Manager and Property Manager provided substantial value to the Debtors, and thus the Debtor Releases are appropriate with respect to these parties.

40. I believe that the Debtor Releases are essential to the success of the Debtors' Plan because they constitute an integral term of the Plan. Absent the Debtor Releases, the Released Parties would not have agreed to support the Plan. As described above, each Released Party contributed substantial value to these Chapter 11 Cases and did so with the understanding that they would receive releases from the Debtors. In the absence of the Released Parties' support, the Debtors would not be in a position to confirm the Plan, implement the Plan, and maximize value for creditors. The Debtor Releases, therefore, are essential to the Debtors' Restructuring Transaction.

41. For example, I understand that the Kelly Hamilton DIP Lender insisted on these Debtor Releases during the negotiation of the Kelly Hamilton DIP Credit Agreement, as evidenced by that certain Binding Term Sheet for Senior Secured, Superpriority Debtor-in-Possession Financing dated May 26, 2025, attached as Exhibit A to the Kelly Hamilton DIP Order. Importantly, the Debtor Releases are the product of arm's-length negotiations between the Debtors and their key stakeholders, all of which was overseen by the Debtors' Independent Fiduciary.

42. It is equally important to note that the Plan does *not* release Mark Silber; his conspirators, indicted, convicted or otherwise; any of his family; or any of their respective transferees, or any of the professionals associated with the issuance of the Crown Capital Notes and the borrowing of the various mortgage loans with which the Debtors and their affiliates financed the purchase of their respective properties from any of their respective liabilities to the Debtors' Estates or to any third party. To the contrary, the Plan carefully preserves the Estates

Causes of Action against such non-releasees, establishes the Creditor Recovery Trust to, among other things, efficiently and effectively investigate and prosecute preserved Causes of Action for investigation and prosecution.

V. Effects of Delaying Confirmation

43. It is my understanding that certain objectors to the Plan have requested that the Confirmation Hearing be continued to December 10, 2025 in order for certain parties potentially to submit alternative proposed plans. A three-month delay in confirming the Plan would be catastrophic and value-destructive to the Debtors' estates and to creditors' recoveries.

44. The Debtors filed these Chapter 11 Cases to prevent a sheriff's sale, address urgent liquidity shortfalls, and stabilize the Debtors' operations. It is my understanding that the Kelly Hamilton DIP Facility was designed as a short-term bridge, not as a source of long-term capital. Postponing confirmation would (i) increase administrative expenses, (ii) prolong uncertainty at the Kelly Hamilton Property that urgently needs investment, and (iii) defer the only transaction that positions a new owner to deploy capital for the benefit of both the Kelly Hamilton Property tenants and the broader community. Prompt confirmation, by contrast, will enable the Kelly Hamilton Purchaser, as the new equity owner, to inject capital and pursue long-term rehabilitation immediately.

45. I believe the sale process for the Kelly Hamilton Sale Transaction was designed to ensure transparency and market testing while adhering to the tight milestones and liquidity constraints imposed under the Kelly Hamilton DIP Facility. The milestones require, among other things, entry of a confirmation order by September 4, 2025. As a result, I believe that an adjournment to confirmation would violate the milestones under the Kelly Hamilton DIP Facility, jeopardize the Debtors' financing, and introduce risk that the Estates cannot absorb. Absent confirmation of the Plan and consummation of the Kelly Hamilton Sale Transaction, it is my

understanding that the Debtors will run out of funds to administer these Chapter 11 Cases as early as September 30, 2025.

46. It is also my understanding that the Plan is predicated on the consummation of the Kelly Hamilton Sale Transaction. If the sale is not consummated, including due to termination of the Kelly Hamilton Purchase Agreement as a result of delay, the Debtors may be required to convert the Chapter 11 Cases to chapter 7 pursuant to which a trustee would be appointed or elected to liquidate the Debtors' assets. In a chapter 7 scenario, the approximately \$4.5 million in capital that the Kelly Hamilton Purchaser has arranged for the Kelly Hamilton Property would not be available. I believe that outcome is not in the best interests of the Estates, would significantly erode value, and delay distributions for stakeholders.

47. As earlier noted, the Debtors running out of money is not just an issue for the Chapter 11 Cases, it is also an operational threat to the socially-disadvantaged residents who stand to benefit from a well-managed residence with a properly capitalized sponsor.

48. To my knowledge, no party, including the parties seeking to adjourn confirmation, has offered financing that could bridge the Debtors to a later confirmation date. Moreover, to my knowledge, no party, including the parties seeking to adjourn confirmation, has proposed a viable and available alternative to the Plan, or even stated that such an alternative will be forthcoming.

49. A three-month delay in confirming the Plan would be severely detrimental to the Debtors and their Estates. The Kelly Hamilton DIP Facility was intentionally sized as a short-term bridge facility sufficient to cover the Debtors' funding needs for only up to 180 days. Since the Petition Date, occupancy levels and rent collections at the Kelly Hamilton Property have continued to decline, placing further strain on liquidity. Compounding this problem, Housing Assistance Payments ("**HAP**") owed by HUD cannot be collected by the Debtors unless and until title to the

property is transferred through a bankruptcy sale or plan consummation; accordingly, those funds remain unavailable to meet near-term obligations. Based on initial projections, Kelly Hamilton Apts LLC and Kelly Hamilton Apts MM LLC were expected to run out of cash by mid-August 2025. Through aggressive expense management, that exhaustion date was extended only marginally, to mid-September 2025, underscoring the fragility of the Debtors' cash position. Additionally, \$1 million of the Kelly Hamilton DIP Facility proceeds are contractually earmarked for the exclusive use of the Creditor Recovery Trust for the benefit of the Trust Beneficiaries to pursue certain litigation against parties not being released under the Plan. Those proceeds are not available for operating or administrative expenses. Any delay in confirmation would not only jeopardize the Estates' ability to remain administratively solvent but would also compress the limited timeframe within which the Creditor Recovery Trust would be able to investigate and pursue these Causes of Action before relevant statutes of limitation expire. For all of these reasons, a three-month adjournment to confirmation would risk immediate administrative insolvency, undermine creditor recoveries, and impair the Estates' ability to maximize litigation recoveries for the Trust Beneficiaries.

VI. Effects of Appointing an Examiner

50. It is my understanding that one objector to the Plan has also requested that an examiner be appointed. There is no plausible benefit to the Estates from the appointment of an Examiner. Such an appointment would be value-destructive to the Debtors' Estates and to creditors' recoveries and a threat to the well-being of the Debtors' tenants.

51. Moreover, it is unclear what an examiner could accomplish or complete before confirmation of the Plan, which is scheduled to be heard on September 4, 2025, as well as what additional value would be added to the Debtors' Estates to offset the increased costs of the examiner's investigation. The appointment of an examiner would increase administrative costs to

the detriment of the Debtors' Estates and would reduce recoveries to their creditors. As a result of increased administrative costs, the Debtors may be required to convert the Chapter 11 Cases to chapter 7 pursuant to which a trustee would be appointed or elected to liquidate the Debtors' assets. As discussed above, I believe that outcome is not in the best interests of the Estates, would significantly erode value, and delay distributions for stakeholders.

52. The scope of a hypothetical examiner's work would be sharply limited by the entire absence of funds, or prospect of funds, to pay for his or her professionals or for the support of those professionals by the Debtors' professionals, by the Debtors' non-possession of the books and records that would likely be of most interest to him or her, and by Silber's and his confederates' likely non-cooperation with any investigation. There are no funds to finance an extension of the active Chapter 11 Cases while an examiner does whatever he or she might still hope to do despite those factors, which would in turn likely compel a conversion of these Chapter 11 Cases to chapter 7 cases or their dismissal. In this scenario, the risks to the Kelly Hamilton Property tenants, as discussed above, are at stake.

53. I am certainly mindful of the need to investigate and pursue the Estates' Causes of Action and to facilitate the prosecution by third parties of any Causes of Action not released under the Plan. As discussed above, I believe that the Plan appropriately protects creditor interests by narrowly tailoring any releases of the Estates and third-party Causes of Action and by establishing the Creditor Recovery Trust to prosecute retained claims. Moreover, I have personally participated in certain—and am aware of additional—significant preparatory efforts by the Creditor Recovery Trustee and the Noteholders to retain contingency counsel and/or to obtain litigation funding, which would be capital that an examiner could neither access nor deploy.

VII. Conclusion

54. In conclusion, based on the foregoing, I believe that final approval of the Disclosure Statement and confirmation of the Plan is in the best interests of the Debtors, their Estates, Holders of Claims and Interests, and other parties in interest in these Chapter 11 Cases.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: September 2, 2025

Respectfully submitted,

/s/ Matthew Dundon

Matthew J. Dundon

Principal

IslandDundon LLC

*Proposed Financial Advisor and Investment
Banker of the Debtors and Debtors-in-
Possession*