

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

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In re:

CROWN CAPITAL HOLDINGS LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 25–15351 (MBK)

(Joint Administration Requested)

¹ The lead debtor in these chapter 11 cases, along with the last four digits of the debtor's federal tax identification number, is Crown Capital Holdings LLC (1411). A complete list of each of the debtors in these chapter 11 cases and their service address for purposes of these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://omniagentsolutions.com/CrownCapital>.

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

The above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) respectfully state as follows in support of this motion:²

Relief Requested

1. The Debtors seek entry of an interim order (the “**Interim Order**,” attached hereto as **Exhibit B**) and final order (the “**Final Order**”), to be filed in connection herewith, granting the following relief:

- **DIP Facility:** Authorizing certain of the Debtors to enter into a debtor-in-possession financing facility on the terms set forth in the Binding Term Sheet for Senior Secured, Superpriority Debtor-in-Possession Financing, dated October 1, 2025, attached hereto as **Exhibit A** (the “**DIP Term Sheet**”), with Nexus DIP Financing LLC (the “**DIP Lender**”);
- **Cash Collateral:** Authorizing the Debtors to use the proceeds of the DIP Facility and the prepetition collateral of the Debtors’ prepetition secured lenders, including cash collateral, subject to the terms of each DIP Facility’s definitive documentation;
- **DIP Liens:** Authorizing the Debtors to grant first-priority, fully perfected liens on all assets subject only to the Carve-Out (as defined below);
- **DIP Superpriority Claims:** Granting superpriority administrative expense claims to the DIP Lender for all amounts due under the DIP Facility, subject only to the Carve-Out;
- **Adequate Protection:** Granting adequate protection to the Debtors’ Prepetition Lenders (as defined below) to the extent of any postpetition diminution in value of their interests in any prepetition collateral;
- **Automatic Stay:** Vacating and modifying the automatic stay imposed by section 362 of title 11 of the United States Code (the “**Bankruptcy Code**”), to the extent necessary to implement and effectuate the terms and provisions of the agreements, documents, and instruments delivered or executed in connection with the DIP Facility (collectively, the “**DIP Loan Documents**”);

² Capitalized terms used but not otherwise defined in this motion shall have the meanings ascribed to such terms in the Interim Order.

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

Jurisdiction and Venue

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

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

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

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

5. The table below contains a summary of the material terms of the proposed DIP Facility, together with references to the applicable sections of the DIP Loan Documents or other relevant source documents, as required by Bankruptcy Rule 4001(c)(1)(B) and Local Rule 4001-3.³

³ The summaries contained in this motion are qualified in their entirety by the provisions of the documents referenced. To the extent anything in this motion is inconsistent with such documents, the terms of the applicable documents shall control. Capitalized terms used in the following summary chart but not otherwise defined have the meanings ascribed to them in the DIP Loan Documents or the respective Interim Order, as applicable.

Bankruptcy Rule	Summary of Material Terms
Parties to the DIP Facility Bankruptcy Rule 4001(c)(1)(B)	DIP Loan Parties: Debtors DIP Lender: Nexus DIP Financing LLC See DIP Term Sheet at 1, 8.
Commitment Bankruptcy Rule 4001(c)(1)(B)	\$21,910,861.29 See DIP Term Sheet at 1.
Conditions of Borrowing Bankruptcy Rule 4001(c)(1)(B)	The DIP Facility includes conditions to closing that are customary and appropriate for similar debtor in possession financings of this type, including entry of the Interim Order and Final Order and payment of outstanding fees to the DIP Lender. See DIP Term Sheet at 12.
Use of DIP Facility Bankruptcy Rule 4001(b)(1)(B)(ii)	Proceeds of the DIP Facility will be used in accordance with Exhibit B of the DIP Term Sheet and the Approved Budget, including: (i) rehabilitation and capital expenditures; and (ii) the Debtors' ordinary course operating expenses (including any expenses related to bringing units back online and critical/life safety issues at the properties), including, without limitation, any payments authorized to be made under "first day" or "second day" orders, and payments related to the working capital and other general corporate purposes of the Debtors, including the payment of professional fees and expenses, and, in each case, consistent with, subject to, and within the categories and limitations contained in, the Approved Budget. See DIP Term Sheet at 9-10.
Variance Reporting Bankruptcy Rule 4001(c)(1)(B)	The Debtors shall not make or commit to make any payments other than those identified in the Approved Budget. The Debtors shall not permit aggregate expenditures under the Approved Budget to exceed one hundred and fifteen percent (115%) of the total budgeted expenses or aggregate cash receipts under the Approved Budget to be less than eighty-five percent (85%) of the total budgeted cash receipts, in each case calculated on a rolling two-week basis commencing as of the Petition Date, with the first such testing to begin two weeks after the Petition Date; <i>provided</i> that the cash disbursements considered for determining compliance with this covenant shall exclude disbursements in respect of (x) the DIP Lender's expenses and professional fees and (y) payments made to vendors that qualify as "Critical Vendors" and are approved by the DIP Lender and interest due under the existing mortgage. See DIP Term Sheet at 10.

Bankruptcy Rule	Summary of Material Terms
Maturity Bankruptcy Rule 4001(b)(1)(B)(iii), 4001(c)(1)(B)	The earliest to occur of (i) January 5, 2026; (ii) the closing date following entry of one or more final orders approving the Restructuring Transaction; (iii) the acceleration of any outstanding DIP Loan following the occurrence of an Event of Default; (iv) the filing of a plan which is inconsistent with terms of the DIP Term Sheet and the DIP Loan Documents; or (v) entry of an order by the Bankruptcy Court in the Chapter 11 Cases either (a) dismissing the Chapter 11 Cases or converting one or more Chapter 11 Cases to Chapter 7 of the Bankruptcy Code, (b) the Bankruptcy Court does not authorize or approve the DIP Facility Liens, or (c) appointing a Chapter 11 trustee or an examiner with enlarged powers relating to the operation of the business of the Debtors (<i>i.e.</i>, powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code), in each case without the consent of the DIP Lender; <i>provided, however</i>, that to the extent that the Debtors effectuate the Restructuring Transaction as a sale under section 363 of the Bankruptcy Code, rather than under the Chapter 11 Plan, the Maturity Date shall be abated pending confirmation of the Chapter 11 Plan and consummation of the Chapter 11 Plan. All amounts outstanding under the DIP Facility shall be due and payable in full, and the DIP Commitments thereunder shall terminate on the Maturity Date. See DIP Term Sheet at 8.
Interest Rates Bankruptcy Rule 4001(c)(1)(B)	18% per annum, which shall be paid as follows: (a) 12% paid in cash; <i>plus</i> (b) 6% paid in kind. See DIP Term Sheet at 7.
Fees Bankruptcy Rule 4001(c)(1)(B)	Origination Fee: 3.0% of the DIP Facility, which shall be deemed fully earned, due, and payable upon closing of the DIP Facility. Break-Up Fee: The Debtors may seek Bankruptcy Court approval for the DIP Lender to serve as a stalking horse purchaser for the Properties identified as Group A in Schedule 2 of the DIP Term Sheet, subject to a stalking horse break-up fee of 3.0% of the purchase price of such properties and \$250,000 expense reimbursement. See DIP Term Sheet at 4.
DIP Collateral Bankruptcy Rule 4001(c)(1)(B)	Subject to the Carve-Out, the DIP Facility is secured by substantially all of the Debtors' assets. See DIP Term Sheet at 15.
Liens and Priorities Bankruptcy Rules 4001(c)(1)(B)(i), 4001-3(c)(1)	Subject to the Carve-Out, all amounts owing by the Debtors to the DIP Lender under the DIP Facility shall be joint and several as to each Debtor and (a) will be entitled to superpriority claim status pursuant to section 364(c)(1) of the Bankruptcy Code with priority over any or all administrative expense claims of every kind and nature whatsoever, and (b) will be secured by perfected security interests pursuant to section 364(c)(2), section 364(c)(3) and section 364(d) of the Bankruptcy Code with priority over the security interest securing the relevant obligor's existing secured credit facilities and other indebtedness, in each case,

Bankruptcy Rule	Summary of Material Terms
	with respect to clause (a) and (b), in an amount equal to the sum of (1) the aggregate amount funded to each DIP Loan Party under the DIP Facility for the costs to administer the Chapter 11 Cases (including on account of any professional fees, costs, and expenses), plus (2) the amount funded to the applicable DIP Loan Party under the DIP Loan Party on account of operational expenditures, capital expenditures, other operational payments (including funding for critical vendors and commercial creditors). See DIP Term Sheet at 14; Interim Order, Recitals.
Carve Out Bankruptcy Rule 4001(c)(1)(B)	The relative priority of all amounts owed under the DIP Facility will be subject only to a “Carve-Out” in favor of the Debtors’ Independent Fiduciary and professionals, the costs of a potential chapter 7 trustee, and the payment of fees pursuant to 28 U.S.C. § 1930. See Interim Order ¶ 4.
Events of Default Bankruptcy Rules 4001(c)(1)(B), 4001-3(c)(3)	The DIP Loan Documents include customary events of default, as well as the institution of any action by the U.S. Department of Justice to initiate forfeiture proceedings against any asset owned either partially or entirely by any Debtor. See DIP Term Sheet at 17, Interim Order ¶ 18.
Chapter 11 Milestones Bankruptcy Rule 4001(c)(1)(B), 4001-3(c)(4)	The Debtors are required to comply with customary milestones for filing a plan, conducting an asset sale, and completing the administration of these chapter 11 cases. See DIP Term Sheet at 11-12.
Indemnification and Release Bankruptcy Rule 4001(c)(1)(B)(ix)	The Debtors shall protect, defend, indemnify, release and hold harmless the DIP Lender and certain related parties for, from, and against any and all claims, suits, liabilities, losses, costs, expenses (including reasonable, out-of-pocket attorneys’ fees and costs) imposed upon or incurred by or asserted against such parties arising out of or relating to the Debtors (and any subsidiaries or affiliates), prior loans, mortgages, all avoidance actions under the Bankruptcy Code, the DIP Facility, except for those arising out of willful misconduct or gross negligence as determined by a non-appealable court order. See DIP Term Sheet at 18. Each Debtor, on behalf of itself, its estate, and successors and assigns releases the DIP Lender and each of its respective successors, participants, and assigns, and their present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, and other representatives of any and all claims, demands, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages, and any and all other claims, counterclaims, cross claims, defenses, rights of set-off, demands, and liabilities whatsoever of every kind, name, nature and description, known or unknown, foreseen or unforeseen, matured or contingent, liquidated or unliquidated, primary or secondary,

Bankruptcy Rule	Summary of Material Terms
	suspected or unsuspected, both at law and in equity. See Interim Order ¶ H, 23.
506(c) Waiver; No Marshaling; 552(b) Waiver; Bankruptcy Rule 4001(c)(1)(B)(x) Local Rule 4001-3	Subject to entry of the Final Order, the Debtors shall waive any right of surcharge under section 506(c) of the Bankruptcy Code, any “equities of the case” exception under section 552(b) of the Bankruptcy Code, and the equitable doctrine of marshaling with respect to the DIP Collateral. See DIP Term Sheet at 2; Interim Order ¶¶ 26-28.
Challenge Period Local Rule 4001-3	The Final Order shall provide a reasonable and customary challenge period for interested parties, including any official committee appointed in these chapter 11 cases, to investigate and challenge the Debtors’ release and waiver of claims against the DIP Lender. See DIP Term Sheet at 16.
Restructuring Transaction Local Rule 4001-3	In connection with the Chapter 11 Cases, the Debtors shall seek to sell the assets of, capitalize, or reorganize the Debtors (the “Restructuring Transaction”). As a condition precedent to the execution of the DIP Term Sheet, the Debtors shall have entered into the Stalking Horse Transaction Agreements, which agreements and the transactions contemplated thereby shall be subject to higher and better offers in a competitive auction process. To the extent that the Debtors determine that the Stalking Horse Transactions are the prevailing bids following the bid deadline, the Stalking Horse Transactions shall constitute the Restructuring Transaction for purposes of the DIP Term Sheet and the DIP Facility. The Debtors may seek to effectuate the Restructuring Transaction under section 363 of the Bankruptcy Code or under the Chapter 11 Plan. In such a sale, the DIP Lender shall have the right, exercisable in its sole discretion, to assign its right to credit bid the obligations under the DIP Facility to a designee, including an affiliate of the DIP Lender, in each case, on terms acceptable to the Debtors and the DIP Lender and subject to approval by the Bankruptcy Court. To the extent that the Restructuring Transaction does not occur prior to confirmation of the Chapter 11 Plan, the Debtors may, with the DIP Lender’s consent, effectuate a Restructuring Transaction under the Chapter 11 Plan. To the extent that the DIP Lender sponsors the Restructuring Transaction (as an asset acquirer, plan sponsor, or other similar capacity), the Debtors may, subject to approval by the Bankruptcy Court as part of confirmation of the Chapter 11 Plan or otherwise, provide, as part of the Restructuring Transaction for the option, exercisable at the DIP Lender’s sole discretion, to convert all or a portion of the outstanding principal amount of the DIP Loan, including any accrued but unpaid interest, into shares of a newly created series of preferred equity in any applicable Debtor, in a manner acceptable to the Debtors and the DIP Lender. In the event any portion of the DIP Lender’s debt is converted into any form of equity of a Debtor or non-Debtor affiliate under the Chapter 11 Plan (i.e., common shares or preferred shares), the Debtors, subject to approval by the

Bankruptcy Rule	Summary of Material Terms
	Bankruptcy Court, shall identify the DIP Lender as the general partner/managing member of such entity. DIP Term Sheet at 13.
Non-Consensual Priming Local Rule 4001-3	The liens granted under the DIP Facility will prime the prepetition interests of the Prepetition Lenders.

The Initial Debtors’ Chapter 11 Cases and Negotiation of the DIP Facility

6. On May 19, 2025 and August 17, 2025, CBRM Realty Inc. (“**CBRM**”), Crown Capital Holdings LLC (“**Crown**”), and certain of their affiliates (collectively, the “**Initial Debtors**”) filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code commencing their respective chapter 11 cases.

7. The chapter 11 cases of the Initial Debtors have been resoundingly successful. On September 4, 2025, the Court confirmed the *Amended Joint Chapter 11 Plan of CBRM Realty Inc. and Certain of Its Debtor Affiliates (With Technical Modifications)* [Docket No. 500] with respect to Initial Debtors CBRM, Kelly Hamilton Apts MM LLC, and Kelly Hamilton Apts LLC (the “**CBRM Plan**”) and approved the sale of the multi-family housing asset in Pittsburgh, Pennsylvania owned by Kelly Hamilton Apts LLC (the “**Kelly Hamilton Sale Transaction**”).

8. On September 12, 2025, Initial Debtors RH Chenault Creek LLC, RH Windrun LLC, RH Copper Creek LLC, and RH Lakewind East LLC entered into a Purchase and Sale Agreement with Lynd Acquisitions Group LLC for the purchase of all four of such Initial Debtors’ properties in New Orleans, Louisiana (the “**NOLA Properties**”). *See Notice of Cancellation of Auction and Designation of Successful Bid for the NOLA Properties* [Docket No. 554]. The Initial Debtors will seek approval of the sale of the NOLA Properties at the hearing scheduled for October 22, 2025, during which the Court is set to consider confirmation of the *Modified Joint Chapter 11*

Plan of Crown Capital Holdings LLC and Certain of Its Debtor Affiliates [Docket No. 501]. The Initial Debtors anticipate that this confirmation hearing will be uncontested.

9. Prior to the Petition Date, the Debtors' efforts to refinance and restructure their capital structure were severely impaired by the prosecution of Mark Silber and the nature of the allegations against him. Following approval of the Kelly Hamilton Sale Transaction and conclusion of the marketing process for the NOLA Properties, the Debtors revisited discussions with potential capital providers and asset acquirors regarding potential transactions with respect to other properties in the Crown Capital Portfolio. The Debtors, with the assistance of IslandDundon and Lynd Living, engaged with numerous parties regarding potential financing initiatives, including DH1 Holdings LLC ("**DH1**"), which held a mortgage on the NOLA Properties and provided a secured debtor-in-possession credit facility to the Initial Debtors. Discussions with DH1 progressed following the outcome of the Initial Debtors' sale processes for the Kelly Hamilton Property and the NOLA Properties.

10. Negotiations between the parties resulted in the DIP Term Sheet, which contemplates the provision of the DIP Facility by the DIP Lender as well as the Debtors' entry into (1) a stalking horse transaction agreement with the DIP Lender for the purchase of the Group A Properties (as defined in the DIP Term Sheet) and (2) a stalking horse transaction agreement with LAGSP, LLC or an affiliate thereof for the purchase of the Group B Properties (as defined in the DIP Term Sheet) (collectively, the "**Stalking Horse Transaction Agreements**"). No other party was willing to provide financing.

11. The DIP Facility will provide the Debtors with a vital infusion of capital to pursue a marketing process for the 19 properties listed in Schedule 2 of the DIP Term Sheet, allowing the Debtors to obtain the highest and best option for the benefit of the Debtors' estates and their

creditors.

12. The proceeds of the DIP Facility will facilitate the rehabilitation of the Debtors' affordable housing assets. Specifically, \$13.3 million of the proceeds from the DIP Facility will be allocated to each of the Debtors' properties as follows:

Debtor Borrower	Property Location	Capital Expenditures	Operational Expenditures	Post Petition Adequate Protection (Debt Service) Payments	Total (Per Property)
Alta Sita Apts LLC	3403 Converse Ave., East St Louis, IL 62207	\$251,211	\$42,634	\$77,101	\$370,946
Ashland Manor Apts MM LLC	2030 Ashland Avenue, Toledo, OH 43620	\$446,500	\$218,450	\$202,603	\$867,553
Bellefield Dwellings Apts LLC	4400 Centre Ave., Pittsburgh, PA 15213	\$178,150	\$213,933	\$737,185	\$1,129,268
Campus Heights Apt Owner LLC	12 Carriage Hill Dr. and 115 Carriage Hill Dr., Athens, OH 45701	\$406,397	\$197,353	\$496,570	\$1,100,320
Carriage House Apts LLC	10151 Curran Blvd., New Orleans, LA 70127	\$621,617	\$22,005	\$212,617	\$856,239
Country Club Manor Apts LLC	1930 Woodslea Dr., Flint, MI 48507	\$216,219	\$172,378	\$114,167	\$502,764
Creekwood Apartments LLC	1750 40th Ave., Tuscaloosa, AL 35401	\$226,389	\$141,259	\$102,616	\$470,264
Evergreen Regency Townhomes, Ltd.	3102 Fox Circle, Flint, MI 48507	\$684,171	\$245,209	\$573,941	\$1,503,321
Forrester Apartments LLC	1350 James I Harrison Junior Parkway, Tuscaloosa, AL 35405	\$241,421	\$249,245	\$169,760	\$660,426
Gallatin Apts LLC	43 E Main St., Uniontown, PA 15401	\$57,051	\$44,298	\$80,000	\$181,349
Geneva House Apts LLC	323 Adams Ave., Scranton, PA 18503	\$116,942	\$60,148	\$136,000	\$313,090

Debtor Borrower	Property Location	Capital Expenditures	Operational Expenditures	Post Petition Adequate Protection (Debt Service) Payments	Total (Per Property)
Green Meadow Apts LLC	1610 Edgewood Dr., Danville, IL 61832	\$208,265	\$27,024	\$200,451	\$435,740
Homewood House Apts LLC	7130 Frankstown Ave, Pittsburgh, PA 15208	\$304,708	\$119,598	\$98,982	\$523,288
Mon View Apts LLC	1 Midway Dr., West Mifflin, PA 15122	\$450,000	\$318,429	\$453,005	\$1,221,434
Palisades Apts LLC	5 Palisades Plaza, Rankin, PA 15104	\$235,808	\$113,753	\$142,373	\$491,934
Slidell Apartments LLC	2201 W Carpenter Rd., Flint, MI 48505	\$194,196	\$86,426	\$184,546	\$465,168
Sycamore Meadows Apartments, Ltd.	1273 Stamford Ct., Ypsilanti, MI 48198	\$217,014	\$254,428	\$624,758	\$1,096,200
Valley Royal Court Apts LLC	1113 5th Avenue, New Kensington, PA 15068	\$205,308	\$100,285	\$133,128	\$438,721
Woodside Village Owner LLC	1321 Piney Forest Rd., Danville, VA 24540	\$279,746	\$103,146	\$299,796	\$682,688
Total		\$5,541,113	\$2,730,000	\$5,039,599	\$13,310,712

The Debtors' Prepetition Capital Structure

13. The Debtors' prepetition indebtedness consists of (i) unsecured notes obligations (the "**Notes**") totaling approximately \$200 million from three bond issuances, including 8.00% notes due 2025, 12.50% notes due 2025 and 6.75% notes due 2027 issued by Crown Capital Holdings, LLC and (ii) property-level mortgage loans provided by an array of different financing sources.

14. The following Debtors are obligors on the Notes:

Unsecured Notes – Subsidiary Guarantors	
Bergenfield Investors LLC	RAYLBNT LLC
Crown Capital Partners LLC	RNBF Holdings LLC
Crown Capital Holdings LLC	RSBRM Apts LLC
Crown Capital Holdings SPV LLC	Stonebridge Partner LLC
Evergreen Apts Partner LLC	Sycamore Meadows Apts Partner LLC

15. The following chart outlines the outstanding mortgage obligations of certain of the Debtors due and owing to the parties listed in the Original Lender of Record column (the “**Prepetition Lenders**”), and includes the location of the property and applicable interest rate and maturity date under the relevant loan documents:

Debtor Borrower	Property Location	Amount Outstanding (as of Nov. 27, 2024)⁴	Original Lender of Record	Interest Rate	Maturity Date
Alta Sita Apts LLC	3403 Converse Ave., East St Louis, IL 62207	\$3,442,000	Capital One, National Association ⁵	6.72%	November 1, 2032
Bellefield Dwellings Apts LLC	4400 Centre Ave., Pittsburgh, PA 15213	\$23,043,500	Capital Funding, LLC	Market rate at time of application	January 27, 2058 ⁶
Campus Heights Apt Owner LLC	12 Carriage Hill Dr. and 115 Carriage Hill Dr., Athens, OH 45701	\$21,590,000	M&T Realty Capital Corporation	5.528% (initial adjustable rate)	November 1, 2024
Carriage House Apts LLC⁷	10151 Curran Blvd., New Orleans, LA 70127	\$9,750,000	X-Caliber Funding LLC	5.75%	June 6, 2023
Country Club Manor Apts LLC	1930 Woodslea Dr., Flint, MI 48507	\$5,000,000	Cleveland International Fund - AG	6.85%	July 18, 2026

⁴ The actual amounts outstanding may be greater than or less than the amounts listed. The Debtors will work with the Prepetition Lenders and any applicable receivers to reconcile these amounts.

⁵ Upon information and belief, the Debtors understand that Capital One, National Association has assigned its interest in this debt obligation—and all other obligations listed in this chart that are owed to it—to the Federal National Mortgage Association.

⁶ Maturity may also be 75% of the economic life of the property.

⁷ Relevant property is Orwood Creek.

Debtor Borrower	Property Location	Amount Outstanding (as of Nov. 27, 2024) ⁴	Original Lender of Record	Interest Rate	Maturity Date
			Crocker Park		
Creekwood Apartments LLC; Forrester Apartments LLC	1750 40th Ave., Tuscaloosa, AL 35401 and 1350 James I Harrison Jr Parkway, Tuscaloosa, AL 35405	\$11,371,000	Walker & Dunlop, LLC ⁸	2.39% + Floating Interest Rate, No Cap	January 1, 2033
Evergreen Regency Townhomes, Ltd. ⁹	3102 Fox Circle, Flint, MI 48507	\$20,054,446	Merchants Bank of Indiana	Floating Interest Rate above 3.75%	October 10, 2024
Gallatin Apts LLC	43 E Main St., Uniontown, PA 15401	Facility A: \$2,133,492 Facility B: \$105,252	Merchants Bank of Indiana	Floating Interest Rate above 3.50%	March 10, 2025
Geneva House Apts LLC	323 Adams Ave., Scranton, PA 18503	\$5,000,000	EB-5 Children's LLC ¹⁰	8.00%	November 15, 2028
Green Meadow Apts LLC	1610 Edgewood Dr., Danville, IL 61832	\$10,704,000	Capital One, National Association	5.79%	February 1, 2033
Homewood House Apts LLC	7130 Frankstown Ave, Pittsburgh, PA 15208	\$5,541,000	Capital One, National Association	5.39%	August 1, 2032
Lucas Urban Holdings LLC ¹¹	2030 Ashland Avenue, Toledo, OH 43620	\$9,140,000	M&T Realty Capital Corporation	3.15% (initial adjustable rate)	July 1, 2024
Mon View Apts LLC	1 Midway Dr., West Mifflin, PA 15122	Facility A: \$8,711,759 Facility B: \$7,637,700 (as of December 8, 2022)	Merchant's Bank of Indiana	Floating Interest Rate above 3.50%	March 10, 2025
Palisades Apts LLC	5 Palisades Plaza, Rankin, PA 15104	Facility A: \$3,549,420 Facility B: \$184,191	Merchant's Bank of Indiana	Floating Interest Rate above 3.50%	March 10, 2025

⁸ Upon information and belief, the Debtors believe that Walker & Dunlop, LLC has assigned its interest in this debt obligation to WD CVFG Holdco, LLC.

⁹ Relevant property is Midway Square.

¹⁰ Upon information and belief, the Debtors believe that EB-5 Children's LLC has assigned its interest in this debt obligation to Echo Canyon Developments LLC.

¹¹ Relevant property is Ashland Manor.

Debtor Borrower	Property Location	Amount Outstanding (as of Nov. 27, 2024) ⁴	Original Lender of Record	Interest Rate	Maturity Date
Slidell Apartments LLC	2201 W Carpenter Rd., Flint, MI 48505	Facility A: \$6,541,043 Facility B: \$918,478	Merchant's Bank of Indiana	Floating Interest Rate above 3.25%	June 10, 2024
Sycamore Meadows Apartments, Ltd.	1273 Stamford Ct., Ypsilanti, MI 48198	\$36,900,000	Capital One, National Association	5.12%	September 1, 2032
Valley Royal Court Apts LLC	1113 5th Avenue, New Kensington, PA 15068	Facility A: \$3,042,360 Facility B: \$157,878	Merchants Bank of Indiana	Floating Interest Rate above 3.50%	March 10, 2025
Woodside Village Owner LLC	1321 Piney Forest Rd., Danville, VA 24540	Facility A: \$9,250,828 Facility B: \$2,092,309	Merchants Bank of Indiana	Floating Interest Rate above 3.25%	July 10, 2024

Proposed Adequate Protection of Prepetition Lenders

16. The Interim Order will grant adequate protection as follows:

- **Adequate Protection Liens.** The Prepetition Lenders will receive (i) replacement liens on their prepetition collateral and (ii) liens on the unencumbered assets of all Debtors, in each case subordinate only to the (a) Carve Out, (b) DIP Liens, and (c) Permitted Prior Liens. Interim Order, ¶ 8(a). The Debtors hold significant claims and causes of action against Mark Silber, other insiders, and other parties. The Debtors are continuing to assess and investigate potential claims and causes of action. As of the Petition Date, the Debtors believe that they may hold claims and causes of action of ***at least*** \$250,000,000 against Mr. Silber and his affiliated parties alone. To provide further adequate protection to the prepetition lenders, the Debtors will provide each affected lender with a claim secured by a first priority lien.
- **Adequate Protection Superpriority Claims.** The Prepetition Lenders will also receive allowed administrative expense claims in the relevant Debtor's chapter 11 case ahead of and senior to any and all other administrative expense claims in the relevant Debtor's chapter 11 case to the extent of any postpetition Diminution in Value, but junior to the Carve Out and the Superpriority Claims. Interim Order, ¶ 8(b).
- **Adequate Protection Payments.** The Debtors will also seek authorization to make timely interest payments to the Prepetition Lenders during the chapter 11 cases as required by the relevant loan documents at the applicable non-default rate, as well as all reasonable and documented fees and out-of-pocket expenses whether incurred

before, on or after the Petition Date, provided that each such Prepetition Lender does not object to entry of the Interim Order.

- Right to Seek Additional Adequate Protection. The Prepetition Lenders are permitted to request further or alternative forms of adequate protection at any time, and the Interim Order will not include any findings that the adequate protection provided to the Prepetition Lenders under the Interim Order does in fact adequately protect them against any Diminution in Value of their respective interests in the Prepetition Collateral. Interim Order, ¶ 8(c).
- Budget, Other Covenants. The Interim Order will require the Debtors to maintain their cash management arrangements in a manner consistent with the cash management order approving the Debtors' cash management motion.¹² The Debtors shall comply with the covenants contained in the DIP Term Sheet and DIP Loan Documents regarding conduct of business, including, without limitation, preservation of rights, qualifications, licenses, permits, privileges, franchises, governmental authorizations and intellectual property rights material to the conduct of their business and the maintenance of properties, assets and insurance. Interim Order, ¶ 8(d).

Basis for Relief

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

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

¹² *See Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Continue Operating Their Cash Management System, (B) Honor Certain Obligations Related Thereto, (C) Maintain Existing Business Forms, and (D) Continue to Perform Intercompany Transactions, (II) Granting Superpriority Administrative Expense Status to Postpetition Intercompany Balances, and (III) Granting Related Relief*, filed in connection herewith.

A. Entry into the DIP Facility Is an Exercise of the Debtors' Sound Business Judgment

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

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

20. Furthermore, in considering whether the terms of postpetition financing are fair and

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

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

Although all parties, including the Debtors and the Committee, are naturally motivated to obtain financing on the best possible terms, a business decision to obtain credit from a particular lender is almost never based purely on economic terms. ***Relevant features of the financing must be evaluated, including non-economic elements such as the timing and certainty of closing, the impact on creditor constituencies and the likelihood of a successful reorganization.*** This is particularly true in a bankruptcy setting where cooperation and establishing alliances with creditor groups can be a vital part of building support for a restructuring that ultimately may lead to a confirmable reorganization plan. That which helps foster consensus may be preferable to a notionally better transaction that carries the risk of promoting unwanted conflict.

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

22. The Debtors’ determination to move forward with the DIP Facility is a sound exercise of the Debtors’ business judgment. Prior to the commencement of the Initial Debtors’ chapter 11 cases, the Debtors’ prior management permitted the Crown Capital Portfolio to fall into disrepair. The Debtors’ independent management has stabilized the operations and the Initial Debtors’ chapter 11 cases have been resoundingly successful. This success has given the Debtors and the DIP Lender confidence and bandwidth to restructure the rest of the Crown Capital Portfolio. Negotiations to fund these chapter 11 cases have proceeded in good faith between the

Debtors and the DIP Lender, who have agreed to utilize the DIP proceeds to facilitate the rehabilitation and sale of the properties owned by certain Debtors for the benefit of all stakeholders. As such, the Debtors' entry into the DIP Facility is clearly a sound exercise of their business judgment.

23. Additionally, the Debtors' access to the liquidity provided by the DIP Facility will benefit all stakeholders by avoiding an immediate shutdown of the Debtors' operations and facilitating the Debtors' efforts to preserve and enhance the value of their assets, as certain Debtors are at imminent risk of being divested of their properties. The DIP Facility proceeds are going to benefit the collateral, including through operating expenditures, capital expenditures, and rehab expenditures for the properties. The DIP Facility contemplates approximately \$5.5 million used for capital expenditures and \$2.73 million for operating expenditures. Dollar-for-dollar, those proceeds are going to, and for the benefit of, the collateral. Moreover, the Debtors would not be able to fund these chapter 11 cases without the liquidity proposed to be provided under the DIP Facility.

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

24. Section 364 of the Bankruptcy Code distinguishes among (a) obtaining unsecured credit in the ordinary course of business, (b) obtaining unsecured credit out of the ordinary course of business, and (c) obtaining credit with specialized priority or with security. *See* 11 U.S.C. § 364. If a debtor in possession cannot obtain postpetition credit on an unsecured basis, pursuant to section 364(b) of the Bankruptcy Code, a court may authorize a debtor to obtain credit or to incur debt, the repayment of which is entitled to superpriority administrative expense status, or is secured by a senior lien on unencumbered property, or a junior lien on encumbered property, or a combination of the foregoing. *Id.* In addition, pursuant to section 364(d) of the Bankruptcy Code,

a court may authorize a debtor to obtain postpetition credit secured by a lien that is equal or senior in priority to existing liens on encumbered property (*i.e.*, a “priming” lien) when a debtor is unable to obtain credit on other terms and the interests of existing lienholders are adequately protected, or if the existing lienholders consent to such priming.

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

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

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

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

11 U.S.C. § 364(c).

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

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

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

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

29. *Second*, the DIP Facility is necessary to preserve the Debtors’ estates. In the absence of DIP financing, the properties securing the DIP Facility are at severe risk of suffering a greater diminution of their respective values than their respective prepetition lenders’ share of the burden of subordination in favor of borrowings under the DIP Facility. The DIP Facility has been sized to provide the Debtors with liquidity to continue the operation of their businesses, including their properties, fund necessary capital expenditures, satisfy their obligations to tenants and the federal government, and continue to satisfy other working capital and operational needs during these chapter 11 cases.

30. *Third*, the terms of the DIP Facility are fair, reasonable, and adequate under the circumstances. The DIP Facility provides critical liquidity on terms that are comparable to other DIP financings and generally consistent with market terms for companies seeking similar postpetition financing. *See, e.g., In re Rite Aid Corp.*, No. 25-14861 (MBK) (Bankr. D.N.J. May 7, 2025) [Docket No. 143 ¶ 9] (approving DIP facility with terms and collateral package generally

consistent with proposed DIP Facility); *In re WeWork, Inc.*, No. 23-19865 (JKS) (Bankr. D.N.J. May 8, 2024) [Docket No. 1883] (same); *In re Thrasio Holdings, Inc.*, No. 24-11840 (CMG) (Bankr. D.N.J. Mar. 1, 2024) [Docket No. 81] (same); *In re Cyxtera Techs., Inc.*, No. 23-14854 (JKS) (Bankr. D.N.J. Jun. 7, 2023) [Docket No. 70] (same).

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

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

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

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

- a. whether alternative financing is available on any other basis (*i.e.*, whether any better offers, bids or timely proposals are before the court);
- b. whether the proposed financing is necessary to preserve estate assets and is necessary, essential and appropriate for continued operation of the debtors’ business;

- c. whether the terms of the proposed financing are reasonable and adequate given the circumstances of both the debtors and proposed lender(s);
- d. whether the proposed financing agreement was negotiated in good faith and at arm's length and entry therein is an exercise of sound and reasonable business judgment and in the best interest of the debtor's estate and its creditors; and
- e. whether the proposed financing agreement adequately protects prepetition secured creditors.

See, e.g., Ames Dep't Stores, 115 B.R. at 37–39; *Bland v. Farmworker Creditors*, 308 B.R. 109, 113–14 (S.D. Ga. 2003); *see also* 3 Collier on Bankruptcy ¶ 364.04[1] (15th ed. rev. 2008). In particular, courts have authorized financing involving priming liens to avoid imminent liquidation. *See, e.g., In re Prospect Medical Holdings, Inc.*, No. 25-80002-SGJ11 (Bankr. N.D. Tex. Jan. 14, 2025) [Docket No. 101 ¶ 7] (granting senior priming DIP liens to avoid liquidation); *In re Franchise Group, Inc.*, No. 24-12480 (Bankr. D. Del. Nov. 7, 2024) [Docket No. 134 ¶ 6(c)] (same); *In re True Religion Apparel, Inc.*, No. 20-10941 (Bankr. D. Del. Apr. 15, 2020) [Docket No. 78 ¶ 2.1] (same); *In re Patriot Coal Corp.*, No. 15-32450-KLP (Bankr. E.D. Va. May 13, 2015) [Docket No. 67 ¶ 14(a)(iv)] (same).

34. The DIP Facility's priming liens with respect to the Prepetition Lenders should be approved. *First*, during the interim period, the DIP Facility will be secured by priming liens in an amount equal to (1) the aggregate amount funded to each DIP Loan Party under the DIP Facility for the costs to administer the chapter 11 cases (including on account of any professional fees, costs, and expenses) and (2) the amount funded to the applicable DIP Loan Party under the DIP Facility on account of operational expenditures, capital expenditures, other operational payments (including funding for critical vendors and commercial creditors). *See supra*, ¶ 6 ("Liens and Priorities"). Put another way, while the DIP Facility's total funded amount is nearly \$22 million, the DIP Facility's priming liens will only encumber each Debtor and its assets on a senior basis to the extent that such Debtor receives funding under the DIP Facility for property-level expenditures

(such as operational expenditures, capital expenditures, and critical vendors), as well as any amounts funded by the DIP Lender to administer the costs of these chapter 11 cases on an aggregate basis.

35. *Second*, the Debtors were unable to find alternative financing proposals on superior terms. The Debtors have an extremely limited pool of unencumbered assets that was insufficient to attract potential financing counterparties. Additionally, in light of the misconduct of the Debtors' former insiders and the near-term potential shutdown of the Debtors' operations, no counterparty was willing to assume the risk of extending credit on an unsecured or junior secured basis. The DIP Lender was not willing to extend new capital to the Debtors absent being provided priming liens on the Debtors' property, including the encumbered assets of the Debtors.

36. *Third*, the Debtors require immediate access to the DIP Facility to provide adequate liquidity for the operation and maintenance of their properties. Absent such relief, the Debtors will suffer material and irreparable harm, as they simply cannot operate or maintain their operations in the ordinary course without cash on hand and would face an immediate liquidity crisis. Accordingly, value will be lost and the Debtors' ability to effectuate a restructuring transaction will be significantly threatened. Conversely, the Debtors' access to liquidity will benefit all stakeholders—including the Prepetition Lenders—by facilitating the Debtors' efforts to preserve and enhance the value of the Debtors' assets.

37. *Fourth*, the Debtors and their advisors determined that the DIP Facility is the only alternative readily available for such liquidity. The Debtors conducted arm's-length negotiations with the DIP Lender regarding the terms of the DIP Facility. The Debtors are only able to obtain these negotiated terms by agreement to provide first priority priming liens. The Debtors do not believe, moreover, that the financing necessary to fund these chapter 11 cases and prevent an

immediate liquidation of the Debtors' estates is available from other parties on comparable terms.

38. *Finally*, and as discussed more fully below, the Debtors will provide adequate protection for the Prepetition Lenders' interests in prepetition collateral subject to the DIP Facility's priming liens.

C. The Debtors' Proposed Adequate Protection Should Be Approved

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

40. The Interim Order provides adequate protection for the Prepetition Lenders because it allows the Debtors to continue operating their multifamily residential properties and generate revenue for the benefit of their creditors. *See, e.g., In re Salem Plaza Assoc.*, 135 B.R. 753, 758 (Bankr. S.D.N.Y. 1992) (holding that debtor's continued operation of shopping center, thereby "preserv[ing] the base that generates the income stream," provided adequate protection to secured creditor). In addition, the Prepetition Lenders will be granted replacement liens, liens on all of the Debtors' unencumbered assets, and superpriority claims, in each case junior in all respects to the Carve-Out, the DIP Facility, and the liens and collateral granted to the DIP Lender under the DIP Facility. Interim Order, ¶ 8. The Prepetition Lenders will also receive adequate protection payments, the right to seek additional adequate protection, and the protection of this Court's orders

requiring the Debtors to adhere to strict guidelines with respect to cash management and capital expenditure. *See supra*, ¶ 17.

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

II. The Conversion Option is Appropriate

42. The DIP Term Sheet permits the DIP Lender to sponsor a Restructuring Transaction as an asset acquirer, plan sponsor, or other similar capacity. DIP Term Sheet at 13. In the event that the Debtors do not proceed with the Stalking Horse Transaction Agreements, the DIP Lender may convert all or a portion of the outstanding principal amount of the DIP Loan, including any accrued but unpaid interest, into shares of a newly created series of preferred equity in any applicable Debtor, in a manner acceptable to the Debtors and the DIP Lender (the “**Conversion Option**”). *Id.*

43. The Conversion Option offers substantial additional value to the Debtors by providing a basis other than repayment in cash for satisfaction of up to \$22 million of superpriority claims. This substantially increases the odds of a successful reorganization as a going concern, as it provides a potential pathway to emergence from chapter 11 without having to raise substantial new money exit financing. Moreover, the Debtor’s option to convert the DIP Loan into post-reorganization preferred equity was a required component of the overall deal. Finally, and significantly, any decision to exercise the Conversion Option will be subject to further review and

approval by the Court and interested parties—including a creditors’ committee, if appointed—during the plan confirmation process.

44. Although not common, equity conversion features like the Conversion Option are not without precedent. *See, e.g., In re Grupo Aeromexico, S.A.B. de C.V.*, No. 20-11563 (SCC) (Bankr. S.D.N.Y. Oct. 13, 2020) [ECF No. 527]; *In re American Commercial Lines Inc.*, No. 20-30982 (MI) (Bankr. S.D. Tex. Mar. 5, 2020) [ECF No. 202]; *In re PES Holdings, LLC*, No. 18-10122 (KG) (Bankr. D. Del. Feb. 27, 2018) [ECF No. 218]; *In re Fieldwood Energy LLC*, No. 18-30648 (DJR) (Bankr. S.D. Tex. Mar. 13, 2018) [ECF No. 201]. Given the circumstances, the Debtor believes that the Conversion Option provide a significant benefit to the Debtor’s estate and its reorganization efforts.

III. The Debtors Should Be Authorized to Pay the Fees Required by the DIP Lender Under the DIP Loan Documents

45. Under the DIP Loan Documents, the Debtors have agreed, subject to Court approval, to pay certain fees to the DIP Lender. In particular, the Debtors have agreed to pay an Origination Fee of 3.0% of the DIP Facility and a nominal servicing fee of \$1,000 per month for the DIP Facility. These fees are an integral component of the overall terms of the DIP Facility and were required by the DIP Lender as consideration for the extension of postpetition financing.

46. Courts in this district and others have approved similar fees in large chapter 11 cases. *See, e.g., In re Rite Aid Corp.*, No. 23-18992 (MBK) (Bankr. D.N.J. Oct. 17, 2023) (approving 4.0 percent Upfront Fee of the DIP Term Loan Facility); *In re Cyxtera Techs., Inc.*, No. 23-14854 (JKS) (Bankr. D.N.J. Jun. 7, 2023) (approving a backstop fee of 6 percent and a 3 percent commitment fee on New Money Loans); *In re Akorn, Inc.*, No. 20-11177 (KBO) (Bankr. D. Del. May 22, 2022) (approving a commitment fee of approximately 3.0 percent of the DIP loans).

47. Because the fees under the proposed DIP Facility are integral to the DIP Lender's agreement to provide postpetition financing and consistent with the market, the Court should authorize the Debtors to pay the fees provided under the DIP Facility, subject to the terms and conditions of the DIP Loan Documents.

IV. Rents Generated by the Properties Constitute Cash Collateral

48. Pursuant to the prepetition loan agreements and related security agreements with the Prepetition Lenders, certain Debtors assigned all rents and rent equivalents arising from or attributable to the applicable Debtor's property to the Prepetition Lender. Notwithstanding these agreements, the rents covered by this prepetition assignment constitute cash collateral for purposes of the relief sought in this motion. Section 363(a) of the Bankruptcy Code defines cash collateral as "cash . . . or other cash equivalents . . . in which the estate and an entity other than the estate have an interest and includes . . . rents, or profits of property subject to a security interest as provided in section 552(b) of this title." 11 U.S.C. §§ 363(a); 552(b).

49. If it is determined that any rents and rent equivalents arising from or attributable to the applicable Debtor properties do not constitute cash collateral, the Debtors may assert a surcharge under section 506(c) of the Bankruptcy Code on the cash flows of the property. 11 U.S.C. § 506(c) ([t]he trustee may recover from property securing an allowed secured claim the reasonable, necessary costs and expenses of disposing of, such property to the extent of any benefit to the holder of such claim[.]"

V. The Debtors Should Be Authorized to Use Cash Collateral

50. Pursuant to section 363(c)(2) of the Bankruptcy Code, a debtor may use cash collateral as long as "(A) each entity that has an interest in such cash collateral consents; or (B) the court, after notice and a hearing, authorizes such use, sale, or lease in accordance with the provisions of this section." 11 U.S.C. § 363(c)(2). Section 363(e) of the Bankruptcy Code

provides for adequate protection of interests in property when a debtor uses cash collateral. Further, section 362(d)(1) of the Bankruptcy Code provides for adequate protection of interests in property due to the imposition of the automatic stay. *See In re Cont'l Airlines*, 91 F.3d 553, 556 (3d Cir. 1996).

51. The Debtors have satisfied the requirements of sections 363(c)(2) and (e) and should be authorized to use the Cash Collateral. As described above, the Prepetition Lenders will receive adequate protection that is fair and reasonable and that adequately protects such creditor's interest in its alleged prepetition collateral, including cash collateral, from any postpetition diminution in value. *See supra*, ¶ 17. Accordingly, the Court should authorize the Debtors to use cash collateral under section 363(c)(2) of the Bankruptcy Code.

VI. The DIP Lender Should Be Deemed a Good-Faith Lender Under Section 364(e) of the Bankruptcy Code

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

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

11 U.S.C. § 364(e).

53. The DIP Lender qualifies as a good faith lender under section 364(e). The DIP Facility is the product of the Debtors' reasonable and informed determination that the DIP Lender provided the best postpetition financing alternative available under the circumstances, as well as

extended, arm's length, and good-faith negotiations between the Debtors and the DIP Lender. The terms and conditions of the DIP Facility are also fair and reasonable under the circumstances. Further, the proceeds of the DIP Facility will be used only for purposes that are permissible under the Bankruptcy Code and no consideration is being provided to any party to the DIP Facility other than as described herein.

54. Accordingly, the Court should find that the DIP Lender is entitled to the protections afforded by section 364(e) as a good faith lender to the Debtors.

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

55. The Interim Order provides that the automatic stay provisions of section 362 of the Bankruptcy Code will be modified to allow the DIP Lender to file any financing statements, security agreements, notices of liens, and other similar instruments and documents in order to validate and perfect the liens and security interests granted to the DIP Lender under the DIP Facility. The Interim Order also provides that the automatic stay is modified as necessary to permit the Debtors to grant liens to the DIP Lender and to incur all liabilities and obligations set forth in the Interim Order. Finally, the Interim Order provides that, following the occurrence of an event of default and an appropriate opportunity for the Debtors to obtain appropriate relief from the Court, the automatic stay shall be vacated and modified to the extent necessary to permit the DIP Lender to exercise all rights and remedies in accordance with the DIP Loan Documents and applicable law.

56. Stay modifications of this kind are ordinary and standard features of debtor in possession financing arrangements and, in the Debtors' business judgment, are reasonable and fair under the circumstances of these chapter 11 cases. *See, e.g., In re Rite Aid Corp.*, No. 23-18992 (MBK) (Bankr. D.N.J. Oct. 17, 2023) [Docket No. 120] (modifying automatic stay as necessary to effectuate the terms of the order); *In re WeWork, Inc.*, No. 23-19865 (JKS) (Bankr. D.N.J. May

8, 2024) [Docket No. 1883] (same); *In re Thrasio Holdings, Inc.*, No. 24-11840 (CMG) (Bankr. D.N.J. Mar. 1, 2024) [Docket No. 81]; *In re Cyxtera Techs., Inc.*, No. 23-14854 (JKS) (Bankr. D.N.J. Jun. 7, 2023) [Docket No. 70] (same).

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

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

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

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

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

59. The Debtors, therefore, seek immediate authority to access the DIP Facility on an interim basis and as set forth in this motion and in the Interim Order to prevent immediate and irreparable harm to their estates pending the Final Hearing pursuant to Bankruptcy Rules 4001(b) and 4001(c). Accordingly, the Debtors respectfully submit that they have satisfied the

requirements of Bankruptcy Rule 4001 to support an expedited preliminary hearing and immediate access to the DIP Facility and cash collateral on an interim basis.

Request of Waiver of Stay

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

Waiver of Memorandum of Law

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

[Remainder of page intentionally left blank]

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

Dated: October 6, 2025

Respectfully submitted,

/s/ Warren A. Usatine

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Proposed Co-Counsel to the Debtors and Debtors-in-Possession

Exhibit A

DIP Term Sheet

Binding Term Sheet For
Senior Secured, Superpriority
Debtor-in-Possession Financing
Dated as of October 1, 2025

This term sheet (this “**Term Sheet**”) is a lending commitment from Nexus DIP Financing LLC (the “**DIP Lender**”). Capitalized terms used in this Term Sheet shall have the meanings ascribed to such terms in this Term Sheet.

This Term Sheet is subject solely to the following conditions: (i) satisfaction of all conditions precedent set forth herein, including any modifications or supplements hereinafter requested by the DIP Lender, are satisfied or waived in the sole discretion of the DIP Lender; (ii) the DIP Lender agrees to and executes this Term Sheet; (iii) the United States Bankruptcy Court for the District of New Jersey (the “**Bankruptcy Court**”), in connection with the Chapter 11 Cases, authorizes and approves the DIP Facility on terms and conditions, including any modifications or supplements thereto except as expressly set forth in this Term Sheet, which are satisfactory to the Debtors and the DIP Lender in each of its respective sole discretion and pursuant to order(s) of the Bankruptcy Court in form and substance acceptable to the DIP Lender in its sole discretion; (iv) the entry of an interim order (the “**Interim Order**”) in substantially the form attached hereto as Exhibit A, and a final order (the “**Final Order**” and, together with the Interim Order, the “**DIP Orders**”), authorizing the Debtors to enter into the DIP Facility; (v) the signing of formal loan documents (following entry of the Final Order, the “**DIP Loan Documents**”) consistent in all material respects with this Term Sheet by the Debtors and DIP Lender in connection with entry of the Final Order; (vi) the Debtors shall have entered into the Stalking Horse Transaction Agreements (as defined herein); and (vii) the Debtors’ agreement to comply with the milestones set forth herein, including with respect to the filing of a chapter 11 plan providing for, to the extent that the Restructuring Transaction (as defined herein) is not consummated under section 363 of the Bankruptcy Code, the consummation of the Restructuring Transaction (such plan, the “**Chapter 11 Plan**”), and a related disclosure statement (the “**Disclosure Statement**”).

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

<u>Debtors</u>	Crown Capital Holdings LLC and the entities identified on <u>Schedule 1</u> hereto (collectively, the “ Debtors ”), as debtors and debtors in possession under title 11 of chapter 11 of the United States Code (the “ Bankruptcy Code ”).
<u>DIP Loan Parties</u>	Debtors
<u>Properties</u>	Each of the properties identified on <u>Schedule 2</u> hereto (collectively, the “ Properties ”)
<u>DIP Facility</u>	The DIP Lender shall extend to the DIP Loan Parties, as joint and several obligors, a secured debtor-in-possession credit facility (the “ DIP Facility ”) in the aggregate principal amount of up to \$21,910,861.29 (the “ DIP Facility Amount ”), comprised of one or more new term loans made by the DIP Lender (such new loans and

	obligations, the “DIP Loan” and commitments with respect to such DIP Loan, the “DIP Commitments”) to be funded as follows: (x) \$6,450,187.23 upon entry of the Interim Order on the Interim Closing Date (as defined herein) (the “Interim DIP Amount”), and (y) \$15,460,674.06 upon entry of the Final Order on the Final Closing Date (as defined herein) (the “Final DIP Amount”). All DIP Loan and other obligations outstanding under the DIP Facility shall become due and payable on the Maturity Date. As used herein, the Interim Order and the Final Order shall each mean an order in form and substance consistent with this Term Sheet and, to the extent not consistent with this Term Sheet, otherwise satisfactory to the DIP Lender in its sole discretion, entered upon an application or motion of the Debtors that is in form and substance consistent with this Term Sheet and the DIP Loan Documents and, to the extent not consistent with this Term Sheet and the DIP Loan Documents, otherwise satisfactory to the DIP Lender, which order: (i) authorizes the Debtors to enter into the transactions contemplated by this Term Sheet, including the authorization to borrow under the DIP Facility on the terms set forth herein, (ii) grants to the DIP Lender superpriority claims and the DIP Facility Liens, (iii) subject to approval of the Final Order, contains provisions prohibiting claims against the collateral of the DIP Lender Released Parties pursuant to section 506(c) of the Bankruptcy Code, a waiver of any “equities of the case” exception under section 552(b) of the Bankruptcy Code, a waiver of the equitable doctrine of marshalling, and provisions extending the DIP Facility Liens to the proceeds of the Debtors’ causes of action under Chapter 5 of the Bankruptcy Code, (iv) approves payment by the Debtors of all of the fees and expenses provided for herein, (v) prohibits the Debtors or any party in interest from seeking to satisfy the DIP Loan in a manner other than in full in cash or as otherwise consented to by the DIP Lender, and (vi) shall not have been stayed, vacated, reversed, or rescinded or, without the prior written consent of the DIP Lender in its sole discretion, amended or modified.
<u>Stalking Horse Transactions</u>	Subject to approval by the Bankruptcy Court, the DIP Lender (the “Group A Stalking Horse Bidder”) shall enter into a stalking horse purchase agreement (the “Group A Stalking Horse Transaction Agreement”) pursuant to which the DIP Lender will credit bid a portion of the outstanding DIP Loan obligations to purchase the Properties identified as Group A on Schedule 2 (the “Group A Properties”) under section 363 of the Bankruptcy Code or pursuant to the Chapter 11 Plan (the “Group A Stalking Horse Transaction”) in exchange for: (i) partial satisfaction of the DIP Loan in the amount of the DIP Lender’s credit bid (and such other additional amounts credit bid as part of any successful bid at an auction for the Group A Properties); and

	(ii) assumption of (A) all liabilities under all executory contracts and unexpired leases assumed by the Debtors and assigned to the Group A Stalking Horse Bidder arising on or after the closing, (B) all cure costs related to such assumed contracts, (C) each administrative claim, priority claim, and secured claim that is senior to the DIP Facility not paid in full in cash by the Group A Stalking Horse Bidder as of the closing date and as otherwise expressly provided in the Group A Stalking Horse Transaction Agreement, (D) prepetition and postpetition real estate taxes that are unpaid as of the closing, and (E) other normal and customary operating expenses of the Group A Properties accrued on a postpetition basis that are unpaid as of the closing and would typically be prorated in connection with the sale of real property. Subject to approval by the Bankruptcy Court, LAGSP, LLC or an affiliate thereof (the “Group B Stalking Horse Bidder”, and together with the Group A Stalking Horse Bidder, collectively, the “Stalking Horse Bidders”) shall enter into a stalking horse purchase agreement (the “Group B Stalking Horse Transaction Agreement”, and together with the Group A Stalking Horse Transaction Agreement, collectively, the “Stalking Horse Transaction Agreements”) with respect to the purchase of the Properties identified as Group B on Schedule 2 (the “Group B Properties”) under section 363 of the Bankruptcy Code or pursuant to the Chapter 11 Plan (the “Group B Stalking Horse Transaction”, and together with the Group A Stalking Horse Transaction, collectively, the “Stalking Horse Transactions”) in exchange for: (i) cash in an amount equal to the amount of DIP Facility proceeds transferred to the Group B Properties under the DIP Facility (including the interest thereon); (ii) assumption of (A) all liabilities under all executory contracts and unexpired leases assumed by the Debtors and assigned to the Group B Stalking Horse Bidder arising on or after the closing, (B) all cure costs related to such assumed contracts, (C) each administrative claim, priority claim, and secured claim that is senior to the DIP Facility not paid in full in cash by the Group B Stalking Horse Bidder as of the closing date and as otherwise expressly provided in the Stalking Horse Transaction Agreement, (D) prepetition and postpetition real estate taxes that are unpaid as of the closing, and (E) other normal and customary operating expenses of the Group B Properties accrued on a postpetition basis that are unpaid as of the closing and would typically be prorated in connection with the sale of real property; (iii) payment of cash in an amount to be agreed among the Debtors and the Group B Stalking Horse Bidder; and
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	(iv) provision of consideration to the Ad Hoc Group of Holders of Crown Capital Notes in an amount and form acceptable to the Group B Stalking Horse Bidder and the Debtors. Each Stalking Horse Transaction shall be subject to higher and better offers in a competitive auction process pursuant to bidding and auction procedures approved by the Bankruptcy Court. In connection with entry into each of the Stalking Horse Transaction Agreements, the Debtors will seek approval of a stalking horse break-up fee of 3% of each purchase price, which fee shall be payable subject to approval of the Bankruptcy Court to the respective Stalking Horse Bidder to compensate the Stalking Horse Bidder for its stalking horse commitment to purchase the Properties and an expense reimbursement of up to \$250,000 for each Stalking Horse Bidder for the out-of-pocket due diligence and professional expenses, among other costs, in connection with the purchase of the Properties. To the extent that the Debtors determine that the Stalking Horse Transactions are the prevailing bids following the bid deadline, the Stalking Horse Transactions shall constitute the Restructuring Transaction for purposes of this Term Sheet and the DIP Facility.
<u>NOLA DIP Credit Agreement Amendment and Waiver</u>	Upon execution of this Term Sheet, (1) DH1 Holdings LLC (“DH1”), CKD Funding LLC (“CKD Funding”) and CKD Investor Penn LLC (“CKD Penn”, and together with DH1 and CKD Funding, collectively, the “NOLA DIP Lender”) (i.e., affiliates of the DIP Lender) shall be deemed to agree, to the extent that the Bankruptcy Court does not enter the Interim Order as provided in this Term Sheet, to amend the budget approved in connection with that certain Superpriority Secured Promissory Note and Security Agreement, dated as of July 1, 2025 (the “NOLA DIP Credit Agreement”), to permit Crown Capital Holdings LLC to use \$175,000 (the “Intercompany Funding Amount”) of the funding allocated to capital expenditures of the NOLA Properties (as defined in the NOLA DIP Credit Agreement) in furtherance of the transactions contemplated by this Term Sheet, including transferring such funds to the Escrow Account (as defined in the NOLA DIP Credit Agreement); and (2) the Carve-Out under the <i>Final Order (I) Authorizing The Debtors To Obtain Postpetition Financing, (II) Granting Liens And Superpriority Expenses Claims, (III) Modifying The Automatic Stay, and (IV) Granting Related Relief</i> [Doc. No. 251] in these Chapter 11 Cases (the “NOLA Final DIP Order”) shall be amended to the extent necessary to increase the Carve-Out by \$350,000 (the “Supplemental Carve-Out Amount”). To the extent the Supplemental Carve-Out Amount is not paid in full in cash prior to the closing of the transactions contemplated by the NOLA APA (as defined herein), the Supplemental Carve-Out Amount shall be reduced on a dollar-by-dollar basis by (1) a credit of \$175,000 against the final amount due to the NOLA DIP Lender at payoff of the NOLA DIP Facility, (2) the payment of the Additional NOLA Buyer Cash Amount (as defined below), and (3) the application of any cash that is not cash held by any non-Debtor subsidiary of Crown that it not

	a Debtor borrower under the DIP Facility, which cash the Debtors shall use commercially reasonable efforts to apply to such amount as soon as practicable following the Petition Date. The NOLA DIP Lender's obligations under this provision entitled NOLA DIP Credit Agreement Amendment and Waiver shall survive termination of this Term Sheet and shall not require, nor be deemed to require, approval of the DIP Loan Documents. Notwithstanding anything to the contrary in this Term Sheet, the NOLA DIP Lender shall have no obligations under this provision entitled NOLA DIP Credit Agreement Amendment and Waiver to consent to the Intercompany Funding Amount or amend the Carve-Out under the NOLA DIP Order to the extent that the Bankruptcy Court enters the Interim Order as provided in this Term Sheet.
<u>Assumption of Certain Liabilities by NOLA Buyer</u>	Upon execution of this Term Sheet, Lynd Acquisitions Group LLC (the "NOLA Buyer"), in its capacity as buyer under the Purchase and Sale Agreement, dated September 12, 2025 (the "NOLA APA"), shall be deemed to agree, to the extent that the Bankruptcy Court does not enter the Interim Order as provided in this Term Sheet, (1) to increase the cash purchase price under the NOLA APA from \$26,125,000 to \$26,300,000 (the "Additional NOLA Buyer Cash Amount") and (2) that pending the closing of the transactions contemplated by the NOLA APA that \$175,000 of the funding allocated to capital expenditures of the NOLA Properties (as defined in the NOLA DIP Credit Agreement) shall be utilized in furtherance of the transactions contemplated by this Term Sheet, including transferring such funds to the Escrow Account (as defined in the NOLA DIP Credit Agreement). The NOLA Buyer obligations under this provision entitled Assumption of Certain Liabilities by NOLA Buyer shall survive termination of this Term Sheet. Notwithstanding anything to the contrary in this Term Sheet, the NOLA Buyer shall have no obligations under this provision entitled Assumption of Certain Liabilities by NOLA Buyer to consent to the Additional NOLA Buyer Cash Amount or otherwise amend, waive, or modify the NOLA APA to the extent that the Bankruptcy Court enters the Interim Order as provided in this Term Sheet.
<u>Governance</u>	The DIP Orders and any other similar order shall provide that Elizabeth A. LaPuma, as independent fiduciary, has the full authority to act on behalf of, and legally bind, each Debtor.
<u>Escrow Account and Initial Draw</u>	The Debtors shall be limited to one (1) draw request per month. All draws shall be subject to the DIP Lender's customary and standard disbursement practices and procedures including, but not limited to, no pending defaults and such funds being disbursed pursuant to the Approved Budget. The Debtors shall, following entry of the Interim Order, draw \$6,450,187.23 from the DIP Facility (the "Initial Draw"). At such time, the DIP Lender shall transfer \$1,775,000 of the Initial Draw into an escrow account (the "Escrow Account") established for the benefit of Elizabeth A. LaPuma as independent fiduciary, the Debtors' counsel,

	the Debtors' financial advisor, and the Debtors' notice and claims agent. All prepetition liens that are not Permitted Liens and are secured by the Collateral shall be paid and discharged in full in cash prior to or as part of the Initial Draw as provided in the Approved Budget. "Permitted Liens" means any (i) mechanics', carriers', workmen's, repairmen's or other like liens arising or incurred in the ordinary course of business for amounts not yet due or payable or, if due and payable, are not delinquent or the validity of which are being contested in good faith and for which appropriate reserves have been established in accordance with GAAP, and which are included in the calculation of working capital, and liens of third-party lessors over assets owned by them and leased to a third party, (ii) liens for taxes, assessments or other governmental charges that are not due and payable or that may be paid without penalty, or that are being contested in good faith by appropriate proceedings, and which appropriate reserves have been established in accordance with GAAP, and which are included in the calculation of working capital, and (iii) easements, covenants, conditions, rights-of-way, leases, restrictions, encroachments and other similar charges and encumbrances or other minor non-monetary title defects that, individually and in aggregate, have not and would not reasonably be expected to materially interfere with the ordinary conduct of the Debtors' operation of the real property assets to which they relate and would not materially detract from the value of, impair the use of, or interfere with the real estate as currently used by the Debtors' business operations. The applicable beneficiary shall be entitled to receive payment from the Escrow Account subject to: (1) the Bankruptcy Court entering orders authorizing the Debtors to retain such counsel and financial advisor, as applicable; (2) approval by the Bankruptcy Court of any fees, expenses, and costs of the Debtors' counsel and financial advisor, as applicable; and (3) the presentment by the applicable beneficiary or its designee of a draw notice that certifies the satisfaction of each of the preceding conditions and that the fees requested by the applicable beneficiary is consistent with the Approved Budget. Notwithstanding anything to the contrary in this paragraph, Ms. LaPuma shall be entitled to payment from the Escrow Account as provided in that certain letter agreement dated September 26, 2024. If an Event of Default occurs after the funding of the Initial Draw or if the DIP Facility is terminated after the funding of the Initial Draw, then, the DIP Lender shall be entitled to all funds remaining in the Escrow Account after an amount equal to the fees, costs, and expenses of the Debtors' counsel, the Debtors' financial advisor, the Debtors' notice and claims agent, and Ms. LaPuma as independent fiduciary as of the date of any such Event of Default or termination of the DIP Facility, as applicable, to the extent provided in the Approved Budget. The DIP Lender shall be a beneficiary and party to the Escrow Account's escrow agreement to permit the DIP Lender to enforce its
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	right to the residual funds, subject to the terms of this Term Sheet and the Interim Order.
<u>Separate Cash Accounts</u>	Other than the proceeds of the DIP Facility transferred to the Escrow Account, the proceeds of the DIP Facility and all other cash from operation of the Debtors and the Properties during the period in which the DIP Facility is in place shall be maintained in one or more segregated accounts over which the DIP Lender shall have a lien as described below. Following entry of the Interim Order, Debtors shall establish (restricted lockbox accounts at a bank acceptable to and for the benefit of DIP Lender whereby all revenue generated from the Properties shall be paid directly (the “Clearing Account”) (for the avoidance of doubt, any prepetition unpaid U.S. Department of Housing and Urban Development (“HUD”) rent monies owed to the Debtors shall be deposited into the Clearing Account and subject to the superpriority liens of the DIP Lender and remain collateral of the DIP Lender). To the extent Debtors utilize a rent processing vendor for rent collections, the Debtors will ensure that all rent monies are directed first to the Clearing Accounts for the Properties by either (A) facilitating an agreement directly with such vendor or (B) (i) confirming (by a screenshot) that the rent processor has, in fact, been directed to remit all revenue directly to the Clearing Account and (ii) executing a side-letter agreement/covenant of the Debtors that they will not change the direction given to the rent processor. All funds swept from the Clearing Accounts into the Debtor’s operating/cash management account shall be applied to payments of debt service, required reserves, approved operating expenses and other items required under the Approved Budget. All Debtor accounts shall be collaterally assigned to the DIP Lender and the respective bank shall deliver a deposit account control agreement with respect to each Clearing Account, with each such agreement to be in form and substance reasonably acceptable to the DIP Lender.
<u>Payments</u>	All interest shall compound monthly and be calculated on an actual/360 basis. The accrual period shall run from the first day of the month preceding the payment date through and including the last day of the month in which the payment date occurs. The monthly payment shall be payable on the first day of the month. The DIP Loan (and all amounts due thereon) shall be due and payable in full on the Maturity Date.
<u>Interest Rate</u>	Interest shall accrue on the outstanding principal balance at a per annum fixed rate of 18%, which shall be paid as follows: (a) 12% paid in cash; <i>plus</i> (b) 6% paid in kind.
<u>Default Rate</u>	Maximum allowed by applicable law, or as otherwise set by the Loan Documents.

<u>Origination Fee</u>	3% of the DIP Facility, which fee is deemed fully earned, due and payable at Closing.
<u>Servicer</u>	The DIP Lender shall have the right to appoint an agent or a servicer, which may be an affiliate of the DIP Lender, of the DIP Facility. The servicer's fee (the " Servicing Fee ") shall be not greater than \$1,000 per month and shall be payable by the Debtors to the DIP Lender monthly in equal installments.
<u>Maturity Date</u>	The maturity date (" Maturity Date ") shall be the earliest to occur of (i) January 5, 2026; (ii) the closing date following entry of one or more final orders approving the Restructuring Transaction; (iii) the acceleration of any outstanding DIP Loan following the occurrence of an Event of Default; (iv) the filing of a plan which is inconsistent with terms of this Term Sheet of the DIP Loan Documents; or (v) entry of an order by the Bankruptcy Court in the Chapter 11 Cases either (a) dismissing the Chapter 11 Cases or converting one or more Chapter 11 Cases to Chapter 7 of the Bankruptcy Code, (b) the Bankruptcy Court does not authorize or approve the DIP Facility Liens, or (c) appointing a Chapter 11 trustee or an examiner with enlarged powers relating to the operation of the business of the Debtors (<i>i.e.</i> , powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code), in each case without the consent of the DIP Lender; <i>provided, however</i> , that to the extent that the Debtors effectuate the Restructuring Transaction as a sale under section 363 of the Bankruptcy Code, rather than under the Chapter 11 Plan, the Maturity Date shall be abated pending confirmation of the Chapter 11 Plan and consummation of the Chapter 11 Plan. All amounts outstanding under the DIP Facility shall be due and payable in full, and the DIP Commitments thereunder shall terminate on the Maturity Date.
<u>Anticipated Closing Dates</u>	Subject to the Conditions Precedent to Closing and other terms set forth in this Term Sheet or the DIP Loan Documents, the parties shall use their commercially reasonable efforts to facilitate the closing under the Interim Order for the Interim DIP Facility Amount to occur on or prior to 3 business day after the entry of the Interim Order (the " Interim Closing Date "), and the closing under the Final Order for the Additional Final DIP Facility Amount to occur on the first business day the Final Order has been in full force and effect for at least fifteen (15) days, and not have been or be subject to being appealed, reversed, modified, amended, stayed, vacated or subject to a stay, in the case of any modification, amendment or stay pending appeal, in a manner, or relating to a matter, that is or may be materially adverse to the interests of the DIP Lender, <i>provided however</i> , in the event of a waiver of the stay period set forth in Federal Bankruptcy Rule 8002(a)(1), the DIP Lender, may, in their sole discretion, agree to close prior to the fifteenth day following entry of the Final Order (such applicable date, the " Final Closing Date ", together with the Interim Closing Date, the " Closing Dates ", and each a " Closing Date ").

<u>Use of DIP Loan Proceeds</u>	The Debtors will use the proceeds of the Interim DIP Amount and the Final DIP Amount in accordance with Exhibit B (the “Sources and Uses”) and the Approved Budget. As detailed on the Sources and Uses, the Debtors will use the Interim DIP Amount to fund amounts for rehabilitation, capital expenditures, ordinary course operating expenses (including any expenses related to bring units back online and critical/life safety issues at the property), including, without limitation, any payments authorized to be made under “first day” or “second day” orders, and payments related to the working capital and other general corporate purposes of the Debtors, including the payment of professional fees and expenses, and, in each case, consistent with, subject to, and within the categories and limitations contained in, the Approved Budget (collectively, the “Permitted Uses”). No portion of the proceeds under the DIP Facility or any cash collateral subject to the liens of the DIP Lender may be utilized for the payment of professional fees and disbursements incurred in connection with any litigation or investigation that is commenced to challenge (i) the amount, extent, priority, validity, perfection or enforcement of the indebtedness of the Debtors owing to the DIP Lender (including, without limitation, the amount, extent, priority, validity, perfection or enforcement of any prepetition indebtedness owed to a DIP Lender) , or (ii) liens or security interests in the collateral securing such indebtedness, including challenges to the perfection, priority or validity of the liens granted in favor of the DIP Lender with respect thereto (including, without limitation, the perfection, priority or validity of any prepetition liens granted in favor of a DIP Lender). The DIP Orders shall provide that each Debtor shall not knowingly transfer any of such Debtor’s property and/or cash or other proceeds of the DIP Facility to Mark Silber (“Silber”); Frederick Schulman (“Schulman”); any professional, attorney, representative, or other agent of Silber, Schulman, or any “relative” (as such term is defined under section 101(45) of the Bankruptcy Code) of either Silber or Schulman; or any “entity” (as such term is defined under section 101(15) of the Bankruptcy Code) that is owned or controlled by Silber, Schulman, or any affiliate ” (as such term is defined under section 101(2) of the Bankruptcy Code) of either Silber or Schulman. As soon as reasonably practicable following entry of the DIP Orders, the Debtors shall cause counsel and other advisors engaged by or on behalf of the Debtors to provide any information reasonably requested by the United States of America regarding: (a) the projected uses of the DIP Facility (including any payments or other transfer to any Debtor or any non-Debtor affiliate); or (b) any potential violation of federal criminal law involving Silber or Schulman. Notwithstanding anything to the contrary in the DIP Orders, or the DIP Loan Documents, the foregoing shall not prohibit, restrict, or otherwise affect (or be deemed to prohibit, restrict, or otherwise affect) the Debtors from making any payment or other transfer contemplated by the Approved Budget or that is otherwise approved by the Bankruptcy
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	Court after notice and a hearing (in all cases subject to DIP Lender’s consent and the limitations provide in the Approved Budget), including, without limitation: (a) any payment or other transfer by the Debtors to or on behalf of any professional person retained by (or proposed to be retained by the Debtors or any non-debtor affiliate), including, without limitation, White & Case LLP (in its capacity as counsel to the Debtors and certain non-debtor affiliates), IslandDundon (in its capacity as financial advisor to the Debtors an certain non-debtor affiliates), or Verita Global (in its capacity as noticing and claims agent to the Debtors); (b) Elizabeth A. LaPuma (in her capacity as independent fiduciary); (c) the United States Trustee; or (d) the DIP Lender or any affiliate thereof, including counsel to the DIP Lender.
<u>Approved Budget</u>	“Approved Budget” shall mean the rolling consolidated 13-week cash flow and financial projections of the Debtors covering the period ending on January 5, 2026, and itemizing on a weekly basis all uses, and anticipated uses, of the DIP Facility, revenues or other payments projected to be received and all expenditures proposed to be made during such period, which shall at all times be in form and substance reasonably satisfactory to the DIP Lender, which Approved Budget may be amended only with the consent of the DIP Lender. The Approved Budget shall be (i) agreed by the DIP Lender and DIP Loan Parties, in a form consistent with the Sources and Uses appended as <u>Exhibit B</u> of this Term Sheet and (ii) a condition precedent to any lending commitment of the DIP Lender.
<u>Budget – Permitted Variance</u>	The Debtors shall not make or commit to make any payments other than those identified in the Approved Budget. The Debtors shall not permit aggregate expenditures under the Approved Budget to exceed one hundred and fifteen percent (115%) of the total budgeted expenses or aggregate cash receipts under the Approved Budget to be less than eighty-five percent (85%) of the total budgeted cash receipts, in each case calculated on a rolling two-week basis commencing as of the Petition Date, with the first such testing to begin two weeks after the Petition Date; <i>provided</i> that the cash disbursements considered for determining compliance with this covenant shall exclude disbursements in respect of (x) the DIP Lender’s expenses and professional fees and (y) payments made to vendors that qualify as “Critical Vendors” and are approved by the DIP Lender and interest due under the existing mortgage.
<u>Reporting and Information</u>	After entry of the Interim Order, the Debtors shall: (i) beginning on the first Friday following the Interim Order, and thereafter every other Friday following such date (i.e., every two weeks thereafter) provide to the DIP Lender, as soon as available but no later than 5:00 p.m. Eastern Time on the last Friday of the rolling two-week period, a budget variance and reconciliation report setting forth: (i) a comparative reconciliation, on a line-by-line basis, of actual cash receipts and disbursements against the cash receipts and

	disbursements forecast in the Approved Budget, and (ii) the percentage variance of the aggregate receipts and aggregate disbursements, for (A) the rolling two-week period ended on (and including) the last Sunday of the two-week reporting period and (B) the cumulative period to date, (iii) projections for the following nine weeks, including a rolling cash receipts and disbursements forecast for such period and (iv) such other information requested from time to time by the DIP Lender; (ii) provide to the DIP Lender or its counsel or advisors (i) (a) usual and customary financial reporting based on the Debtors' prior practice, taking into account the debtor-in-possession status of the Debtors, (b) prompt delivery (email shall suffice) to the DIP Lender, and in any event within 5 business days after receipt thereof by any Debtor, copies of each notice or other correspondence received from any federal or state authority or agency of the United States (or comparable state authority or agency in any applicable non-U.S. jurisdiction) concerning the Properties, any investigation or possible investigation or other inquiry by such department or agency regarding financial or other operational results or activities of any Debtor, and (c) upon request of the DIP Lender, prompt delivery (email shall suffice) of copies of any detailed audit reports, management letters, or recommendations submitted to the independent director of any Debtor by independent accountants in connection with the books or accounts of any Debtor; and (iii) weekly updates on the uses of capital expenditures on the Properties and any sale process (including, without limitation, full copies of any preliminary and final bids received).
<u>Treatment of Existing Service Agreements</u>	The Debtors shall seek to assume the existing property management and asset management agreements related to the Properties (the "Service Agreements") between the Debtors and the Group B Stalking Horse Bidder and, to the extent practicable and consistent with the funding obligations of the DIP Facility, the Debtors shall seek to assume all other Service Agreements.
<u>Bankruptcy Milestones</u>	The DIP Facility shall include the following milestones: • The Debtors shall have entered into the Stalking Horse Transaction Agreement no later than October 13, 2025; • The Bankruptcy Court shall have entered the Interim Order no later than October 13, 2025; • The Bankruptcy Court shall have entered an order approving bidding and auction procedures with respect to the proposed sale of the Properties no later than October 13, 2025;

	• The Debtors shall have filed the Chapter 11 Plan and the Disclosure Statement no later than 21 days after the Petition Date (<i>i.e.</i>, October 27, 2025); • The Bankruptcy Court shall have entered the Final Order no later than November 10, 2025; • The Bankruptcy Court shall have entered an order approving the Disclosure Statement no later than 35 days after the Petition Date (<i>i.e.</i>, November 10, 2025); • The deadline by which parties must submit an offer with respect to the proposed sale of the Properties shall be no later than December 5, 2025; • The Debtors shall conduct an auction (if any) with respect to the proposed sale of the Properties no later than December 12, 2025; • The Bankruptcy Court shall have entered an order approving the Restructuring Transaction no later than 75 days after the Petition Date (<i>i.e.</i>, December 20, 2025), if consummated under section 363 of the Bankruptcy Code; • The Bankruptcy Court shall have entered an order confirming the Chapter 11 Plan no later than 90 days after the Petition Date (<i>i.e.</i>, January 4, 2026); and • The effective date of the Chapter 11 Plan shall have occurred within 15 days of confirmation of the Chapter 11 Plan. Notwithstanding anything to the contrary herein, the Debtors shall have the right to solicit proposals for the Debtors' assets and, subject to approval by the Bankruptcy Court, to sell the Debtors' assets to a potential acquirer other than the Stalking Horse Bidders, <i>provided</i> that the Debtors shall be required to satisfy the DIP Facility in full in cash as provided herein unless the DIP Lender otherwise agrees in writing.
<u>Rights to Credit Bid</u>	The DIP Lender shall have the right to credit bid up to the full amount of the DIP Loan in any sale under section 363 of the Bankruptcy Code or the Chapter 11 Plan and can submit and allocate separate credit bids in any amount for any of the Properties or any group of Properties. To the extent that the DIP Lender credit bid less than the full outstanding amount of the DIP in one or more sales under section 363 of the Bankruptcy Code or the Chapter 11 Plan for the Properties, then any deficiency claim remaining after use of the credit bid(s) for the purchase of such Properties shall be treated as a superpriority claim (a "Credit Bid Deficiency Claim"); <i>provided</i> that, in the event the Debtors establish for the DIP Lender, or, to the extent necessary, the Bankruptcy Court, that the Debtors and their estates would be rendered administratively insolvent by satisfying the Credit Bid Deficiency Claim in full then the Debtors and/or their estates will only be required to satisfy that portion of the Credit Bid Deficiency Claim that the Debtors and/or their estates are capable of satisfying in order to avoid

	administrative insolvency, and the remaining portion of the Credit Bid Deficiency Claim shall be treated as a prepetition general unsecured claim.
<u>Restructuring Transaction</u>	In connection with the Chapter 11 Cases, the Debtors shall seek to sell the assets of, capitalize, or reorganize the Debtors (the “Restructuring Transaction”). As a condition precedent to the execution of this Term Sheet, the Debtors shall have entered into the Stalking Horse Transaction Agreements, which agreements and the transactions contemplated thereby shall be subject to higher and better offers in a competitive auction process. To the extent that the Debtors determine that the Stalking Horse Transactions are the prevailing bids following the bid deadline, the Stalking Horse Transactions shall constitute the Restructuring Transaction for purposes of this Term Sheet and the DIP Facility. The Debtors may seek to effectuate the Restructuring Transaction under section 363 of the Bankruptcy Code or under the Chapter 11 Plan. In such a sale, the DIP Lender shall have the right, exercisable in its sole discretion, to assign its right to credit bid the obligations under the DIP Facility to a designee, including an affiliate of the DIP Lender, in each case, on terms acceptable to the Debtors and the DIP Lender and subject to approval by the Bankruptcy Court. To the extent that the Restructuring Transaction does not occur prior to confirmation of the Chapter 11 Plan, the Debtors may, with the DIP Lender’s consent, effectuate a Restructuring Transaction under the Chapter 11 Plan. To the extent that the DIP Lender sponsors the Restructuring Transaction (as an asset acquirer, plan sponsor, or other similar capacity), the Debtors may, subject to approval by the Bankruptcy Court as part of confirmation of the Chapter 11 Plan or otherwise, provide, as part of the Restructuring Transaction for the option, exercisable at the DIP Lender’s sole discretion, to convert all or a portion of the outstanding principal amount of the DIP Loan, including any accrued but unpaid interest, into shares of a newly created series of preferred equity in any applicable Debtor, in a manner acceptable to the Debtors and the DIP Lender. In the event any portion of the DIP Lender’s debt is converted into any form of equity of a Debtor or non-Debtor affiliate under the Chapter 11 Plan (<i>i.e.</i>, common shares or preferred shares), the Debtors, subject to approval by the Bankruptcy Court, shall identify the DIP Lender as the general partner/managing member of such entity.
<u>Prepayments</u>	Notwithstanding any prepayment of the DIP Loan, the Debtors shall be obligated to pay a minimum amount of standard interest (<i>i.e.</i>, non-default interest or fees) equal to three (3) months of interest on the full principal amount of the DIP Loan (the “Minimum Interest”). If the DIP Loan is repaid in whole or in part prior to the date that is three (3) months from the Interim Closing Date, the Debtor shall, on the date of such repayment, pay to the DIP Lender the amount of standard interest

	that would have accrued on the amount repaid through the end of such three-month period, less any interest previously paid with respect to such amount.
<u>Mandatory Prepayments</u>	Except as otherwise provided in the Approved Budget, mandatory repayments of any draws under the DIP Facility shall be required in an amount equal to (i) 100% of the net sale proceeds from non-ordinary course asset sales of the Collateral (including, without limitation, a sale of all or substantially all of the Debtors' assets), (ii) 100% of the proceeds of the incurrence of any indebtedness other than in the ordinary course of business, (iii) 100% of the proceeds of Estate Litigation Assets, (iv) 100% of insurance proceeds received by the Debtors (only in the event that such receipt is an extraordinary receipt that exceeds \$250,000), and (v) any condemnation proceeds received by the Debtors.
<u>Security/Priority</u>	Subject to the Carve-Out, all amounts owing by the DIP Loan Parties to the DIP Lender under the DIP Facility shall be joint and several as to each DIP Loan Party and (a) will be entitled to superpriority claim status pursuant to section 364(c)(1) of the Bankruptcy Code with priority over any or all administrative expense claims of every kind and nature whatsoever, and (b) will be secured by perfected senior security interests. The relative priority of all amounts owed under the DIP Facility will be subject only to a carve-out for (collectively, the "Carve-Out"): (i) the costs and administrative expenses permitted to be incurred by any Chapter 7 trustee under section 726(b) of the Bankruptcy Code pursuant to an order of the Bankruptcy Court following any conversion of the Chapter 11 Cases pursuant to section 1112 of the Bankruptcy Code in an amount not to exceed \$25,000; (ii) the amount equal to: (a) the cash held in the Escrow Account with respect to any fees and expenses incurred by the Debtors' independent fiduciary, the Debtors' counsel, and the Debtors' financial advisor prior to an Event of Default in an amount not to exceed the amount set forth in the Approved Budget, whether or not such fees, expenses, and costs have been approved by the Bankruptcy Court as of such date, <i>plus</i> (b) up to \$150,000 in the aggregate to pay any allowed fees, expenses, and costs incurred by the Debtors' independent fiduciary, counsel, financial adviser, and notice and claims agent following occurrence of an Event of Default; and (iii) the payment of fees pursuant to 28 U.S.C. § 1930. Nothing herein shall be construed as impairing the ability of any party in interest to object to any fees and expenses of a professional in the Chapter 11 Cases.

	All of the liens described herein shall be effective and perfected as of the entry of any DIP Order and without the necessity of the execution of mortgages, security agreements, pledge agreements, financing statements or other agreements.
<u>Collateral</u>	Subject to the Carve-Out, all amounts owing by the DIP Loan Parties under the DIP Facility in respect thereof will be secured by a first priority perfected security interest in and lien on (the “ DIP Facility Liens ”) all assets (tangible, intangible, real, personal and mixed) of the DIP Loan Parties, whether now owned or hereafter acquired, including, without limitation, deposit and other accounts, inventory, equipment, receivables, capital stock or other ownership interest in subsidiaries, investment property, instruments, chattel paper, real estate, leasehold interests, contracts, patents, copyrights, trademarks, and other general intangibles, and all products and proceeds thereof (collectively, the “ Collateral ”).
<u>Creditor Recovery Trust Matters</u>	“Estate Litigation Assets” means any claims or causes of action, including claims or causes of action under chapter 5 of the Bankruptcy Code or applicable non-bankruptcy law, held by the Debtors or their estates and the proceeds thereof, other than any such claims or causes of action against any DIP Lender Released Party. For the avoidance of any doubt, the Estate Litigation Assets shall include any claim or cause of action, including any claim or cause of action under chapter 5 of the Bankruptcy Code or applicable non-bankruptcy law, held by the Debtors or their estates and the proceeds thereof against Moshe (Mark) Silber, Frederick Schulman, Piper Sandler & Co., and any other current or former insiders of the Debtors.¹ The Debtors may either retain or transfer the Estate Litigation Assets to the Creditor Recovery Trust established under the <i>Amended Joint Chapter 11 Plan of CBRM Realty Inc. and Certain of Its Debtor Affiliates (With Technical Modifications)</i>. The DIP Lender shall have no right to receive any recovery or other distribution from the Creditor Recovery Trust, which shall be established for the benefit of the Debtors’ general unsecured creditors. Notwithstanding anything in this Term Sheet to the contrary, and for the avoidance of any doubt, as material consideration for the DIP Lender’s commitment to provide the DIP Facility as provided under this Term Sheet, the Debtors and the DIP Lender agree that: the Debtors will transfer the Estate Litigation Assets to the Creditor Recovery Trust;

¹ For the avoidance of doubt, so long as the DIP Facility remains outstanding, the Estate Litigation Assets shall not include any claims or causes of action against the DIP Lender (or any related parties), Elizabeth A. LaPuma, in her capacity as the Debtors’ independent fiduciary, the Debtors’ counsel, the Debtors’ financial advisor, or the Debtors’ notice and claims agent.

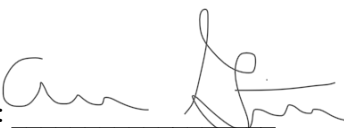
	- the Estate Litigation Assets shall not include any DIP Lender Released Claims; - the Debtors shall not transfer or seek to transfer any DIP Lender Released Claims to the Creditor Recovery Trust; and - the DIP Lender Released Claims shall constitute and remain the DIP Lender's Collateral for purposes of the DIP Facility until the DIP Lender Released Claims are fully released.
<u>Release by the Debtors of the DIP Lender Released Parties</u>	Pursuant to the Final Order and the Chapter 11 Plan, the Debtors and their estates will (subject to a customary challenge period) make customary stipulations as to the extent of the amount, validity, and priority of the DIP Facility and fully release any and all claims or causes of action, including claims or causes of action under chapter 5 of the Bankruptcy Code or applicable non-bankruptcy law, held by the Debtors or their estates against any DIP Lender Released Party, including any successors or assigns and related parties (the "DIP Lender Released Claims"); <i>provided, however</i>, that the Debtors and their estates shall not release, nor be deemed to release, any DIP Lender Released Party, with respect to any losses, claims, damages, liabilities or expenses that a court of competent jurisdiction determined by a final, non-appealable order to have resulted from the gross negligence, bad faith or willful misconduct of such DIP Lender Released Party.
<u>Conditions Precedent to the Closing</u>	The obligations of the DIP Lender to consummate the transactions contemplated herein and to make the DIP Facility available to the Debtors are subject to the satisfaction, in each case in the sole judgment of the DIP Lender, of the following: - The Debtors shall have entered into the Stalking Horse Transaction Agreements. - The Debtors shall have paid all fees and expenses (including reasonable fees and out-of-pocket expenses of counsel) of the DIP Lender on or before each of the Closing Dates; - For any advance after the Initial Draw, the Debtors shall have caused the Bankruptcy Court to enter the Final Order.; - For the Interim Closing Date, the Interim Order shall be in full force and effect, and shall not have been appealed, reversed, modified, amended, stayed for a period of three (3) business days or longer, vacated or subject to a stay pending appeal, in the case of any modification, amendment or stay pending appeal, in a manner, or relating to a matter, that is or may be materially adverse to the interests of the DIP Lender; - For the Final Closing Date, the Final Order shall be in full force and effect for at least fifteen (15) days, and shall not have been or be subject to being appealed, reversed, modified, amended, stayed, vacated or subject to a stay, in the case of any modification, amendment or stay pending appeal, in a manner, or relating to a matter, that is or may be materially

	adverse to the interests of the DIP Lender. If the Debtors seek and obtain a waiver of the fourteen-day stay period set forth in Federal Bankruptcy Rule 8002(a)(1), the DIP Lender, in its sole discretion, may proceed to close prior to the fifteenth day period set forth in the prior sentence; • The DIP Lender shall have received and approved the Approved Budget; and • The United States of America does not object to, or the Bankruptcy Court overrules an objection to, approval of the DIP Facility.
<u>Representations and Warranties</u>	The DIP Loan Documents will contain customary representations and warranties, including, but not limited to, corporate existence and good standing, authority to enter into and enforceability of loan documentation, validity of Interim Order, the Final Order, governmental approvals, non-violation of other material agreements (other than as a result of the commencement of the Chapter 11 Cases), financial statements, litigation, compliance with certain laws, taxes, and insurance.
<u>Affirmative, Negative and Financial Covenants</u>	The DIP Orders and DIP Loan Documents will include certain covenants, including, without limitation: (a) approval over the Approved Budget, (b) approval over all brokerage and management agreements, (c) approval of all leases that do not satisfy the approved leasing parameters set forth in the Loan Documents, (d) approval over the sale of any Collateral, and (d) single purpose entity restrictions. The DIP Orders and DIP Loan Documents will additionally covenant that the DIP Loan Parties will (a) not seek any additional debtor-in-possession, on a priming, pari-passu-or junior basis, without the prior consent of the DIP Lender, and (b) oppose attempt by the United States of America to seize any Collateral.
<u>Events of Default</u>	The DIP Orders will include events of default for (a) failure to make debt-service or other payments when due pursuant to the DIP Orders; (b) failure by the Debtors to make deposits into the reserves; (c) any action by the U.S. Department of Justice to initiate forfeiture proceedings against any asset owned either partially or entirely by any Debtor; (d) failure by the Debtors to make payments consistent with the Approved Budget; (e) failure by the Debtors to file and confirm the Chapter 11 Plan in accordance with the milestones set forth herein; (f) the confirmation of a chapter 11 plan inconsistent with this Term Sheet; and (g) filing a motion for the sale under section 363 of the Bankruptcy Code of the Properties that is inconsistent with this Term Sheet.
<u>Bankruptcy Court Filings</u>	As soon as practicable in advance of filing with the Bankruptcy Court, Debtors shall furnish to the DIP Lender (i) the motion seeking approval of and proposed form of the DIP Orders, which motion shall be in form and substance reasonably satisfactory to the DIP Lender; (ii) as

	applicable, any motions seeking approval of bidding procedures and any section 363 sale, and the proposed forms of orders related thereto, which shall be in form and substance reasonably satisfactory to the DIP Lender; and (iii) any motion and proposed form of order filed with the Bankruptcy Court relating to any management equity plan, incentive, retention or severance plan, and/or the assumption, rejection, modification or amendment of any material contract (each of which must be in form and substance reasonably satisfactory to the DIP Lender).
<u>Indemnification and Release</u>	The Debtors hereby agree to protect, defend, indemnify, release and hold harmless the DIP Lender and the DIP Lender's affiliates, principals, affiliates, officers, employees, agents and other representatives (collectively, " DIP Lender Released Parties ") for, from and against any and all claims, suits, liabilities, losses, costs, expenses (including reasonable, out-of-pocket attorneys' fees and costs) imposed upon or incurred by or asserted against any DIP Lender Released Party arising out of or relating to the Debtors (and any subsidiaries or affiliates), prior loans, mortgages, all avoidance actions under Title 11 of the U.S.C., this Term Sheet or the transactions contemplated thereby, except for those arising out of the willful misconduct or gross negligence of the DIP Lender as determined by a non-appealable court order. The foregoing indemnity shall include, without limitation, any costs and expenses incurred in the enforcement of any binding provisions of this Term Sheet.
<u>Fiduciary Duties</u>	No term of this Term Sheet to the contrary, the Debtors shall have the right to take any action (or to refuse to take any action) to the extent that the Debtors determine that taking any such action (or declining to take any such action) is consistent with the Debtors' fiduciary duties.
<u>Confidentiality</u>	Until the filing of the DIP motion (to which this Term Sheet will be attached), the Debtors will keep, and will instruct and cause their agents, advisors and legal counsel to keep, this Term Sheet and all negotiations with the DIP Lender strictly confidential and not disclose same to any third party, except as required by law, by the Bankruptcy Court or consented to by the DIP Lender; <i>provided</i> that the Debtors shall be permitted to disclose this Term Sheet to the Ad Hoc Group of Holders of Crown Capital Notes represented by Faegre Drinker Biddle & Reath LLP. Debtors will disclose to the DIP Lender the names of any agents, advisors and legal counsel to whom this Term Sheet is provided, if any, and Debtors agree that it shall only disclose this Term Sheet only to those agents, advisors or legal counsel who have a need to know the contents hereof and who shall in each case be informed of the confidential nature of this document.
<u>Miscellaneous</u>	This Term Sheet shall be governed, construed and interpreted in accordance with the laws of the State of New York and any action brought regarding this Term Sheet must be brought in a state or federal court in New York, New York.

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

NEXUS DIP FINANCING LLC:

By: 
Name: Aron Gittleson
Title: Authorized Representative

DEBTORS:

CROWN CAPITAL HOLDINGS LLC,
a Delaware limited liability company (on behalf of itself
and the entities listed on Schedule 1)

By: _____
Elizabeth LaPuma, Authorized Signatory

LYND ACQUISITIONS GROUP LLC (solely with
respect to the provisions entitled Stalking Horse
Transactions and Assumption of Certain Liabilities by
NOLA Buyer):

By: _____
Name: Justin Utz
Title: Authorized Representative

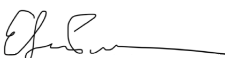
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NEXUS DIP FINANCING LLC:

By: _____
Name: Aron Gittleson
Title: Authorized Representative

DEBTORS:

CROWN CAPITAL HOLDINGS LLC,
a Delaware limited liability company (on behalf of itself
and the entities listed on Schedule 1)

By:  _____
Elizabeth LaPuma, Authorized Signatory

LYND ACQUISITIONS GROUP LLC (solely with
respect to the provisions entitled Stalking Horse
Transactions and Assumption of Certain Liabilities by
NOLA Buyer):

By:  _____
Name: Justin Utz
Title: Authorized Representative

EXHIBIT A

Interim Order

SLIP SHEET

The Interim Order is attached to the Motion as Exhibit B.

EXHIBIT B

Sources and Uses

INTERIM	
Restructuring Costs	\$ 1,775,000.00
Origination FEE	\$ 193,505.62
Interest Reserve	\$ 129,003.74
Net Operating Cash Flow, Deficit	\$ 370,000.00
Debt Payments (IO)	\$ 1,259,899.70
Accounts Payable (Critical Vendors)	\$ 1,250,000.00
Capital Improvement and Rehab Expenditures	\$ 1,372,778.17
Contingency	\$ 100,000.00
	\$ 6,450,187.23

FINAL	
Restructuring Costs	\$ 5,325,000.00
Origination FEE	\$ 463,820.22
Interest Reserve	\$ 463,820.22
Net Operating Cash Flow, Deficit	\$ 1,110,000.00
Debt Payments (IO)	\$ 3,779,699.10
Accounts Payable (Critical Vendors)	\$ -
Capital Improvement and Rehab Expenditures	\$ 4,168,334.51
Contingency	\$ 150,000.00
	\$ 15,460,674.06

COMBINED INTERIM/FINAL	
Restructuring Costs	\$ 7,100,000.00
Origination FEE	\$ 657,325.84
Interest Reserve	\$ 592,823.97
Net Operating Cash Flow, Deficit	\$ 1,480,000.00
Debt Payments (IO)	\$ 5,039,598.81
Accounts Payable (Critical Vendors)	\$ 1,250,000.00
Capital Improvement and Rehab Expenditures	\$ 5,541,112.68
Contingency	\$ 250,000.00

SCHEDULE 1

Alta Sita Apts LLC
Ashland Manor Apts MM LLC
Bellefield Dwellings Apts LLC
Bergenfield Investors LLC
Campus Heights Apts LLC
Campus Heights Apts MM LLC
Campus Heights Apts Owner LLC
Carriage House Apts LLC
Country Club Manor Apts LLC
Creekwood Apartments LLC
Creekwood Apartments MM LLC
Crown Capital Holdings LLC
Crown Capital Holdings SPV LLC
Crown Capital Partners LLC
Evergreen Apts LLC
Evergreen Apts Partner LLC
Evergreen Regency Townhomes Ltd
Forrester Apartments LLC
Forrester Apartments MM LLC
Gallatin Apts LLC
Gallatin Apts MM LLC
Geneva House Apts LLC
Geneva House Apts MM LLC
Green Meadow Apts LLC
Homewood House Apts Investor LLC
Homewood House Apts Investor MM LLC
Homewood House Apts LLC
Lucas Urban Holdings LLC
Mon View Apts LLC

Mon View Apts MM LLC

Palisades Apts LLC

Palisades Apts MM LLC

RAYLBNT LLC

RNBF Holdings LLC

RSBRM Apts LLC

Slidell Apartments LLC

Stonebridge Partner LLC

Sycamore Meadows Apartments Ltd

Sycamore Meadows Apts Partner LLC

Valley Royal Court Apts LLC

Valley Royal Court Apts MM LLC

Woodside Village Investor LLC

Woodside Village Owner LLC

SCHEDULE 2

Group A Property	Address
Campus Heights	12 Carriage Hill Dr and 115 Carriage Hill Drive, Athens, OH 45701
Alta Sita	3408 Converse Ave, East St. Louis, IL 62207
Ashland Manor	2030 Ashland Avenue, Toledo, OH 43620
Slidell / Taylor Lake	2201 W Carpenter Rd., Flint, MI 48505
Bellefield Dwellings	4400 Centre Avenue, Pittsburgh, PA 15213
Country Club Manor	1930 Woodslea Drive, Flint, MI 48507
Homewood House	7130 Frankstown Ave, Pittsburgh, PA 15208
Midway Square	3102 Fox Circle, Flint, MI 48507
Mon View	1 Midway Drive, Mifflin, PA 15122
Orwood Creek	10151 Curran Boulevard, New Orleans, LA 70127
Sycamore Meadows	1273 Stamford Court, Ypsilanti, MI 48198

Group B Property	Address
Woodside Village	1321 Piney Forest Rd, Danville, VA 24520
Creekwood Village	1750 40th Avenue, Tuscaloosa, AL 35401
Forrester Gardens	1350 James I Harrison Junior Parkway, Tuscaloosa, AL 35405
Valley Royal	1113 5th Ave, New Kensington, PA 15068
Gallatin	43 E Main Street, Uniontown, PA 15401
Geneva House	323 Adams Ave, Scranton, PA 18503
Palisades	5 Palisades Plaza, Rankin, PA 15104
The Grove	1610 Edgewood Drive, East Saint Louis, IL 62207

Exhibit B

Interim Order

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

In re:

CROWN CAPITAL HOLDINGS LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 25-15351 (MBK)
(Joint Administration Requested)

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

The relief set forth on the following pages, numbered 2 through 47, is ORDERED.

¹ The lead debtor in these chapter 11 cases, along with the last four digits of the debtor's federal tax identification number, is Crown Capital Holdings LLC (1411). A complete list of each of the debtors in these chapter 11 cases and their service address for purposes of these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://omniagentsolutions.com/CrownCapital>.

(Page 2)

Debtors: CROWN CAPITAL HOLDINGS LLC, *et al.*

Case No. 25-15351 (MBK)

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

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

- i. authorizing Crown Capital Holdings LLC (“**Crown**”) and each of the other Debtors (the “**Additional Debtors**”) identified on Schedule 1 to that certain financing term sheet attached to the Motion as **Exhibit A** (the “**DIP Term Sheet**”) in their capacity as borrowers and as joint and several obligors (collectively, the “**Debtor Borrowers**,” and each individually, a “**Debtor Borrower**”), to obtain postpetition financing under a superpriority senior secured debtor in possession multiple draw term loan credit facility (the “**DIP Facility**”), with an aggregate principal amount of up to \$21,910,861.29 (the “**DIP Facility Amount**”), comprised of one or more new term loans (such loans and obligations, the “**DIP Loan**” and commitments with respect to such DIP Loan, the “**DIP Commitments**”) to be made effective and available as follows: (x) \$6,450,187.23 upon entry of the Interim Order on the Interim Closing Date (the “**Interim DIP Facility Amount**”), and (y) \$15,460,674.06 upon entry of the order granting the Motion on a final basis (the “**Final Order**”) on the Final Closing Date (the “**Final DIP Amount**”). Such funds made available as part of the DIP Loan shall be provided subject to the terms and conditions of this Interim Order, the Final Order, and the DIP Term Sheet among the Debtor Borrowers and Nexus DIP Financing LLC (the “**DIP Lender**”);
- ii. authorizing the Debtor Borrowers to use the proceeds of the DIP Facility (a) to pay costs, fees and expenses of the DIP Lender, as provided for in the DIP Term Sheet and this Interim Order, as well as all scheduled payments of interest and principal

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion or DIP Term Sheet, as applicable.

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Debtors: CROWN CAPITAL HOLDINGS LLC, *et al.*

Case No. 25-15351 (MBK)

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pursuant to the DIP Term Sheet to the extent permissible under the Bankruptcy Code, (b) to provide working capital and for other general corporate purposes of the Debtor Borrowers, and (c) to satisfy the administrative expenses of these Chapter 11 Cases and other claims or amounts allowed by this Court;

- iii. granting valid, enforceable, binding, non-avoidable, and fully perfected superpriority liens on and security interests in substantially all of the property, assets, and other interests in property and assets of the Debtor Borrowers as set forth herein, whether such property is presently owned or after-acquired, and each Debtor Borrower's estate as created by section 541 of the Bankruptcy Code, of any kind or nature whatsoever, real or personal, tangible, intangible, or mixed, now existing or hereafter acquired or created, whether existing prior to or arising after the Petition Date (as defined below), subject only to the Carve-Out;
- iv. granting adequate protection to each of the lenders included on **Exhibit 2** of this Interim Order with existing prepetition liens on Prepetition Collateral (as defined below) of the Debtor Borrowers (each, a "**Prepetition Lender**" and collectively, the "**Prepetition Lenders**") to the extent of any postpetition Diminution in Value (as defined below) of such parties' respective valid, binding, perfected and enforceable prepetition security interest in and liens on the Debtor Borrowers' assets (the "**Prepetition Collateral**");
- v. granting superpriority administrative expense claims against each of the Debtor Borrowers' estates to the DIP Lender with respect to the DIP Obligations (as defined below) over any and all administrative expenses and other claims of any kind or nature subject and subordinate only to the payment of the Carve-Out on the terms and conditions set forth herein and in the DIP Term Sheet;
- vi. in each case, with respect to clause (iii) and (v) above, granting superpriority liens on and security interests in substantially all of the property, assets, and other interests in property and assets of the Debtor Borrowers and superpriority administrative expense claims against each of the Debtor Borrowers' estates to the DIP Lender with respect to the DIP Obligations in an amount equal to the sum of (1) the aggregate amount funded to each DIP Loan Party under the DIP Facility for the costs to administer the Chapter 11 Cases (including on account of any professional fees, costs, and expenses), plus (2) the amount funded to the applicable DIP Loan Party under the DIP Loan Party on account of operational expenditures, capital expenditures, other operational payments (including funding for critical vendors and commercial creditors).
- vii. effective as of the Petition Date but subject to and effective upon entry of the Final

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Order granting such relief and to the extent set forth therein, waiving the Debtor Borrowers' and their estates' right to surcharge against the DIP Collateral (as defined below) pursuant to section 506(c) of the Bankruptcy Code;

- viii. effective as of the Petition Date but subject to and effective upon entry of the Final Order granting such relief and to the extent set forth therein, waiving the "equities of the case" exception under section 552(b) of the Bankruptcy Code with respect to the DIP Collateral and the proceeds, products, offspring, or profits thereof;
- ix. effective as of the Petition Date but subject to entry of the Final Order and the terms thereof, the DIP Lender shall not be subject to the equitable doctrine of "marshaling" or any other similar doctrine with respect to any of the DIP Collateral, and the proceeds of the DIP Collateral shall be received and applied pursuant to this Interim Order and the DIP Term Sheet; *provided, however*, that the DIP Lender shall use commercially reasonable efforts to satisfy the DIP Loans *first* with all proceeds from the DIP Collateral except proceeds derived from Avoidance Actions and *second* with proceeds from Avoidance Actions;
- x. scheduling a final hearing (the "**Final Hearing**") to consider the relief requested in the Motion and the entry of a final order (the "**Final Order**", and together with this Interim Order, collectively, the "**DIP Orders**"), and approving the form of notice with respect to the Final Hearing;
- xi. vacating and modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of the DIP Facility, the DIP Term Sheet, and this Interim Order;
- xii. waiving any applicable stay (including under Bankruptcy Rule 6004) with respect to the effectiveness and enforceability of this Interim Order and providing for immediate effectiveness of this Interim Order; and
- xiii. granting related relief.

This Court having considered the Motion, the exhibits thereto, the *Declaration of Matthew Dundon, in Support of the Debtors' Chapter 11 Petitions and First Day Pleadings* [Docket No. ____] and the other evidence submitted or adduced and the arguments of counsel made at the interim hearing held pursuant to Bankruptcy Rule 4001(b)(2) on October [], 2025; and this Court

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having heard and resolved or overruled any objections, reservations of rights, or other statements with respect to the relief requested in the Motion; and the Court having noted the appearances of all parties in interest; and it appearing that approval of the interim relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtor Borrowers and their estates pending the Final Hearing, and otherwise is fair and reasonable and is essential for the continued operation of the Debtor Borrowers' businesses and the preservation of the value of the Debtor Borrowers' assets; and it appearing that the Debtor Borrowers' entry into the DIP Term Sheet is a sound and prudent exercise of the Debtor Borrowers' business judgment; and the Debtor Borrowers having provided notice of the Motion as set forth in the Motion, and it appearing that no other or further notice of the Motion need be given; and after due deliberation and consideration, and for good and sufficient cause appearing therefor,

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

A. Petition Date. On May 19, 2025 (the "**Initial Petition Date**"), the Initial Debtors filed voluntary petitions under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of New Jersey, commencing each of their Chapter 11 Cases.⁴ On October 5, 2025 (the "**Second Petition Date**," and together with the Initial Petition Date, each a "**Petition**

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

⁴ The Initial Petition Date for Initial Debtor Laguna Reserve Apts Investor LLC is August 17, 2025.

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Date” with respect to such applicable Debtor), each of the Additional Debtors filed petitions under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of New Jersey, commencing each of the Additional Debtors’ Chapter 11 Cases.

B. Debtors in Possession. The Debtors continue to manage and operate their businesses and properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these Chapter 11 Cases. Elizabeth A. LaPuma, as the independent fiduciary and authorized representative for each of the Debtors (the “**Independent Fiduciary**”), has full corporate authority to act on behalf of, and legally bind, each of the Debtors in the DIP Term Sheet and other DIP Loan Documents.

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

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

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E. No Control. The DIP Lender by virtue of making the DIP loans does not control the Debtors or their properties or operations, or have authority to determine the manner in which any of the Debtors' operations are conducted, or is a control person, insider (as defined in the Bankruptcy Code), "responsible person," or managing agent of the Debtors or any of their affiliates by virtue of any of the actions taken with respect to, in connection with, related to, or arising from this Interim Order, the DIP Facility, the DIP Liens (as defined below), the DIP Obligations (as defined below), the DIP Loan Documents or the transactions contemplated by each.

F. Prepetition Transactions. Subject to and effective upon the entry of the Final Order granting such relief, the Debtors and their estates have no claims, objections, challenges, causes of actions, recoupments, counterclaims, cross-claims, setoff rights, and/or choses in action, including "lender liability" causes of action or avoidance claims under chapter 5 of the Bankruptcy Code, whether arising under applicable state law or federal law (including any recharacterization, subordination, avoidance, disgorgement, recovery, or other claims arising under or pursuant to sections 105, 510, or 542 through 553 of the Bankruptcy Code), against the DIP Lender or any of its affiliates, agents, representatives, attorneys, advisors, professionals, officers, directors, and employees arising out of, based upon, or related to any prepetition transactions with the Debtors.

G. Indemnification. The DIP Lender has agreed to provide the DIP Facility, subject to the conditions set forth herein and in the DIP Loan Documents, including indemnification of the DIP Lender and each of its respective successors, participants, and assigns, and their present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers,

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attorneys, employees, and other representatives (and all such other parties being hereinafter referred to collectively as the “**Releasees**”) and the provisions of this Interim Order assuring that the DIP Liens and the various claims, Superpriority Claims and other protections granted pursuant to this Interim Order and the DIP Loan Documents will not be affected, except as otherwise provided herein, by any subsequent reversal or modification of this Interim Order or any other order, as provided in section 364(e) of the Bankruptcy Code, which is applicable to the DIP Facility. The DIP Lender has acted in good faith in consenting to and in agreeing to provide the DIP Facility. The reliance of the DIP Lender on the assurances referred to above is in good faith.

H. Releases. The DIP Lender has agreed to provide the DIP Facility, subject to the conditions set forth herein, the DIP Term Sheet, and in the DIP Loan Documents, including the absolute, unconditional and irrevocable release and forever discharge of any and all claims, demands, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages, and any and all other claims, counterclaims, cross claims, defenses, rights of set-off, demands, and liabilities whatsoever (individually, a “**Released Claim**” and collectively, the “**Released Claims**”) of every kind, name, nature and description, known or unknown, foreseen or unforeseen, matured or contingent, liquidated or unliquidated, primary or secondary, suspected or unsuspected, both at law and in equity.

I. Cash Collateral. Substantially all of the Debtor Borrowers’ cash, including any amounts generated by the collection of accounts receivable, all cash proceeds of the Debtor Borrowers’ assets, including Prepetition Collateral, and the Debtor Borrowers’ banking, checking,

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or other deposit accounts with financial institutions as of the Petition Date or deposited into the Debtor Borrowers' banking, checking, or other deposit accounts with financial institutions after the Petition Date constitutes "cash collateral" of the DIP Lender within the meaning of Bankruptcy Code section 363(a) (the "**Cash Collateral**").

J. *Adequate Protection.* Each Prepetition Lender is entitled, pursuant to sections 105, 361, 362 and 363(c) of the Bankruptcy Code, to adequate protection of their respective interests in the Prepetition Collateral for any postpetition diminution in the value thereof.

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

L. *Purpose and Necessity of Financing.* The Debtors require the financing described in the Motion and as expressly provided in the DIP Term Sheet, this Interim Order, and certain formal loan documents to be entered into in connection with and upon entry of the Final Order (the "**DIP Loan Documents**") to: (i) pay costs, fees and expenses of the DIP Lender, as provided for in the DIP Term Sheet and this Interim Order, as well as all scheduled payments of interest and principal thereunder to the extent permissible under the Bankruptcy Code, (ii) provide working capital and for other general corporate purposes of the Debtor Borrowers, and (iii) satisfy the administrative expenses of the Debtor Borrowers' Chapter 11 Cases and other claims or amounts allowed by this Court. If the Debtor Borrowers do not obtain authorization to borrow under the DIP Term Sheet and this Interim Order is not entered, the Debtor Borrowers will suffer immediate

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and irreparable harm. The Debtor Borrowers are unable to obtain financing on more favorable terms from sources other than the DIP Lender under the DIP Term Sheet and are unable to obtain adequate unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense. The Debtor Borrowers also are unable to obtain secured credit allowable under sections 364(c)(1), 364(c)(2), and 364(c)(3) of the Bankruptcy Code for the purposes set forth in the DIP Term Sheet without granting the DIP Lender superpriority claims, liens, and security interests, pursuant to section 364(d) of the Bankruptcy Code, as provided in this Interim Order. After considering all alternatives, the Debtor Borrowers concluded, in the exercise of their prudent business judgment, that the loan facility provided under the DIP Term Sheet and this Interim Order represents the best working capital financing available to them at this time. The DIP Facility is the best loan available to the Debtor Borrowers and the Debtor Borrowers have been unsuccessful in their attempts to find any alternative financing on superior terms. Additionally, the terms of the DIP Facility are fair and reasonable and reflect the Debtor Borrowers' exercise of prudent business judgment.

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

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Good cause has, therefore, been shown for the relief sought in the Motion.

N. *Good Faith.* The DIP Facility, the DIP Term Sheet, and this Interim Order have been negotiated in good faith and at arm's length among the Debtor Borrowers and the DIP Lender, and all of the obligations and indebtedness arising under, in respect of or in connection with the DIP Facility, the DIP Term Sheet, and this Interim Order, including without limitation, all loans made to the Debtor Borrowers pursuant to the DIP Term Sheet and this Interim Order, and any other obligations under the DIP Term Sheet and this Interim Order (all of the foregoing, collectively, the "**DIP Obligations**"), shall be deemed to have been extended by the DIP Lender and its affiliates in good faith, as that term is used in section 364(e) of the Bankruptcy Code and in express reliance upon the protections offered by section 364(e) of the Bankruptcy Code, and the DIP Obligations, the DIP Liens (as defined below), and the Superpriority Claims (as defined below), shall be entitled to the full protection of section 364(e) of the Bankruptcy Code and the terms, conditions, benefits, and privileges of this Interim Order regardless of whether this Interim Order is subsequently reversed, vacated, modified, or otherwise is no longer in full force and effect or the Chapter 11 Cases are subsequently converted or dismissed.

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

P. *Immediate Entry of Interim Order.* The Debtors have requested immediate entry of this Interim Order pursuant to Bankruptcy Rule 4001. The permission granted herein to enter

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into the DIP Facility and to obtain funds thereunder is necessary to avoid immediate and irreparable harm to the Debtor Borrowers. This Court concludes that entry of this Interim Order will, among other things, allow for the continued operation of the Debtor Borrowers' existing businesses and further enhance the Debtor Borrowers' prospects for a successful restructuring.

Q. Notice. Upon the record presented to this Court at the Hearing, and under the exigent circumstances set forth therein, notice of the Motion and the emergency relief requested thereby and granted in this Interim Order has been provided in accordance with Bankruptcy Rules 4001(b) and 4001(c)(1) and Local Rule 9013-5 on (a) the DIP Lender; (b) the Ad Hoc Group of Holders of Crown Capital Notes; (c) the Prepetition Lenders; (d) the Office of the United States Trustee for the District of New Jersey (the "**U.S. Trustee**"); (e) counsel to the Official Committee (if any), (f) the holders of the thirty (30) largest unsecured claims against the Debtor Borrowers' estates (on a consolidated basis); (g) the United States Attorney's Office for the District of New Jersey; (h) the attorneys general in the states in which the Debtor Borrowers conduct their business; (i) the United States Department of Justice; (j) the Internal Revenue Service; (k) HUD; and (l) any party filing a request for service under Bankruptcy Rule 2002 in these cases, which notice was appropriate under the circumstances and sufficient for the Motion. No other or further notice of the Motion or entry of this Interim Order is required.

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

IT IS HEREBY ORDERED:

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1. **DIP Facility Approved.** The Motion is granted on an interim basis as set forth herein, the financing described herein is authorized and approved, and the use of Cash Collateral and provision of adequate protection on an interim basis is authorized, subject to the terms of this Interim Order and the DIP Term Sheet and subject to paragraph [34].

2. **Objections Overruled.** Any objections, reservations of rights, or other statements with respect to entry of the Interim Order and the relief requested in the Interim Order, to the extent not withdrawn, waived, settled or otherwise resolved, are overruled on the merits. This Interim Order shall become effective immediately upon its entry. The rights of all parties in interest to object to the entry of a Final Order are reserved.

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

a. The Debtor Borrowers are hereby authorized to enter into the DIP Facility and the DIP Term Sheet, the terms of which are incorporated herein by reference. Prior to entry of the Final Order, the DIP Term Sheet and this Interim Order shall govern the financial and credit accommodations to be provided to the Debtor Borrowers by the DIP Lender in respect of the Interim DIP Facility Amount. Following entry of the Final Order, the financial and credit accommodations to be provided to the Debtor Borrowers by the DIP Lender in respect of the DIP Facility (including the Interim DIP Facility Amount) shall be governed by the DIP Term Sheet, the DIP Loan Documents and the Final Order.

b. The Debtor Borrowers are hereby authorized to borrow money pursuant to the DIP Term Sheet and this Interim Order, up to an aggregate principal amount of \$21,910,861.29

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(of which only the Interim DIP Facility Amount may be drawn by the Debtor Borrowers prior to entry of the Final Order), plus interest, costs, fees, and other expenses and amounts provided for in the DIP Term Sheet and this Interim Order, in accordance with the terms of the DIP Term Sheet and this Interim Order, which shall be used solely as expressly provided in the DIP Term Sheet, this Interim Order and the Approved Budget to: (i) pay costs, fees, and expenses of the DIP Lender and the scheduled payments of principal and interest under the DIP Facility to the extent permissible under the Bankruptcy Code, (ii) provide working capital and for other general corporate purposes of the Debtor Borrowers, and (iii) satisfy the administrative expenses of the Debtor Borrowers' Chapter 11 Cases and other claims or amounts allowed by this Court. The Debtor Borrowers shall not make or advance any intercompany loans or transfers to any other Debtors or non-debtor affiliates without the prior written consent of the DIP Lenders, and to the extent any such intercompany transfer or loan is approved by the DIP Lenders and made or advanced by a Debtor Borrower, the DIP Liens (as defined below) shall immediately attach to the resulting intercompany receivable arising from or related to such transfer or loan. The Debtors shall comply with any interim and final cash management orders entered in these cases concerning any such approved intercompany transfers. For purposes of the Interim Order, any fees including the origination fee shall be prorated based on the amount to be used before the final hearing.

c. In furtherance of the foregoing and without further approval of this Court, each Debtor Borrower is authorized and directed to perform all acts, to make, execute and deliver all instruments and documents (including, without limitation, the execution or recordation of

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security agreements, mortgages and financing statements), and to pay all fees, that may be required or necessary for the Debtor Borrowers' performance of their obligations under the DIP Facility, including, without limitation:

- i. the execution, delivery and performance of the DIP Term Sheet, including, without limitation, any guarantees, any security and pledge agreements, and any mortgages contemplated thereby;
- ii. the payment of the fees referred to in the DIP Term Sheet and this Interim Order and costs and expenses as may be due in accordance with the DIP Term Sheet and this Interim Order, and
- iii. the performance of all other acts required under or in connection with the DIP Term Sheet and this Interim Order.

d. The DIP Term Sheet and this Interim Order constitute valid, binding and non-avoidable obligations of the Debtors enforceable against each person or entity party thereto in accordance with their respective terms for all purposes during the Chapter 11 Cases, any subsequently converted case of any Debtor Borrower under chapter 7 of the Bankruptcy Code, or after the dismissal of any case. No obligation, payment, transfer, or grant of security under the DIP Term Sheet or this Interim Order shall be stayed, restrained, voidable, avoidable, or recoverable under the Bankruptcy Code or under any applicable law (including without limitation, under sections 502(d), 547, 548 or 549 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or similar statute or

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common law), or subject to any avoidance, reduction, setoff, recoupment, offset, recharacterization, subordination (whether equitable, contractual, or otherwise), counterclaims, cross-claims, defenses, disallowance, impairment, or any Challenge under the Bankruptcy Code or any other applicable foreign or domestic law or regulation by any person or entity.

4. **Carve-Out.**

a. **Amount of Carve-Out.** The relative priority of all amounts owed under the DIP Facility will be subject only to a “**Carve-Out**” in an amount equal to, without duplication: (a) the costs and administrative expenses permitted to be incurred by any Chapter 7 trustee under section 726(b) of the Bankruptcy Code pursuant to an order of the Bankruptcy Court following any conversion of the Chapter 11 Cases pursuant to section 1112 of the Bankruptcy Code in an amount not to exceed \$25,000; (b) the amount equal to: (i) all fees and expenses incurred by the Independent Fiduciary, White & Case LLP, Cole Schotz P.C., the Debtors’ financial advisor, the Debtors’ notice and claims agent, and any professionals retained by the Official Committee prior to an Event of Default, whether or not cash in an amount equal to such fees and expenses is held in the Escrow Account, in an amount, solely with respect to the DIP Facility, not to exceed the amount set forth in the Approved Budget, whether or not such fees, expenses, and costs have been approved by the Bankruptcy Court as of such date and whether or not the retention of the Debtors’ professionals and any professionals retained by the Official Committee have been authorized as of such date, plus (ii) up to \$150,000 in the aggregate to pay any allowed fees, expenses, and costs incurred by the Independent Fiduciary, the Debtors’ counsel, the Debtors’ financial advisor, the

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

Debtors' notice and claims agent, and any professionals retained by the Official Committee following the occurrence of an Event of Default, whether or not such fees, expenses, and costs have been approved by the Bankruptcy Court as of such date and whether or not the retention of the Debtors' professionals and any professionals retained by the Official Committee have been authorized as of such date; and (c) statutory fees payable to the U.S. Trustee pursuant to 28 U.S.C. § 1930(a)(6), together with the statutory rate of interest, which shall not be limited by any Budget ("Statutory Fees"). All claims and liens granted by the Interim Order are subject to the Carve-Out.

b. Payment of Allowed Professional Fees Prior to Event of Default. Any payment or reimbursement made prior to the occurrence of an Event of Default in respect of any allowed fees, expenses, and costs incurred by the Independent Fiduciary, the Debtor Borrowers' counsel, the Debtor Borrowers' financial advisor, the Debtor Borrowers' notice and claims agent, and any professionals retained by the Official Committee shall not reduce the Carve-Out.

c. Payment of Allowed Professional Fees After Event of Default. Any payment or reimbursement made on or after the occurrence of an Event of Default in respect of any allowed fees, expenses, and costs incurred by the Independent Fiduciary, the Debtor Borrowers' counsel, the Debtor Borrowers' financial advisor, and the Debtor Borrowers' notice and claims agent, and any professionals retained by the Official Committee shall permanently reduce the Carve-Out on a dollar-for-dollar basis.

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

a. The Debtor Borrowers are hereby authorized and directed to pay upon demand, all other fees, costs, expenses and other amounts payable under the terms of the DIP Term Sheet (and/or the DIP Loan Documents) and this Interim Order and all other fees and out-of-pocket costs and expenses of the DIP Lender in accordance with the terms of the DIP Term Sheet (and/or the DIP Loan Documents) and this Interim Order, including, without limitation, all documented fees and out-of-pocket costs and expenses of Polsinelli PC as counsel to the DIP Lender (the “**DIP Professional Fees and Expenses**”), subject to receiving a written invoice therefor. None of such fees, costs, expenses or other amounts shall be subject to further application to or approval of this Court, and shall not be subject to allowance or review by this Court or subject to the U.S. Trustee’s fee guidelines, and no attorney or advisor to the DIP Lender shall be required to file an application seeking compensation for services or reimbursement of expenses with this Court; *provided, however*, that copies of any such invoices shall be provided contemporaneously to the U.S. Trustee and counsel to any Official Committee (if one exists) (together with the Debtor Borrowers, the “**Review Parties**”) and such invoices shall include a general description of the nature of the matters worked on, a list of professionals who worked on the matter, their hourly rate (if such professionals bill at an hourly rate), the number of hours each professional billed and, with respect to the invoices of law firms, the year of law school graduation for each attorney; *provided, however*, that the U.S. Trustee reserves the right to seek copies of invoices containing the detailed time entries of any professional; *provided further, however*, that such invoices may be redacted or modified to the

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extent necessary to delete any information subject to the attorney-client privilege, any information constituting attorney work product, or any other confidential information, and the provision of such invoices shall not constitute a waiver of the attorney-client privilege or any benefits of the attorney work product doctrine (the U.S. Trustee shall be provided with unredacted copies of such invoices upon request). Any objections raised by any Review Party with respect to such invoices must be in writing and state with particularity the grounds therefor and must be submitted to the affected professional within ten (10) calendar days after delivery of such invoices to the Review Parties (such ten (10) day calendar period, the “**Review Period**”). If no written objection is received prior to the expiration of the Review Period from the Review Parties, the Debtor Borrowers shall pay such invoices within five (5) calendar days following the expiration of the Review Period. If an objection is received within the Review Period, the Debtor Borrowers shall promptly pay the undisputed amount of the invoice within five (5) calendar days, and the disputed portion of such invoice shall not be paid until such dispute is resolved by agreement between the affected professional and the objecting party or by order of this Court. Any hearing to consider such an objection to the payment of any fees, costs or expenses set forth in a professional fee invoice hereunder shall be limited to the reasonableness of the fees, costs and expenses that are the subject of such objection. All such unpaid fees, costs, expenses and other amounts owed or payable to the DIP Lender shall be secured by the DIP Collateral and afforded all of the priorities and protections afforded to the DIP Obligations under the DIP Term Sheet (and/or the DIP Loan Documents) and this Interim Order.

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b. Notwithstanding anything to the contrary herein, the fees, costs and expenses of the DIP Lender under the terms of the DIP Term Sheet, whether incurred prior to or after the Petition Date shall be deemed fully earned, non-refundable, irrevocable, and non-avoidable subject to and effective upon entry of the Final Order granting such relief, and the Debtor Borrowers are authorized and directed to pay in full in cash all unpaid DIP Professional Fees and Expenses arising through and including the draw of the Interim DIP Facility Amount, without the need for any professional engaged by or on behalf of the DIP Lender to first deliver a copy of its invoice to any of the Review Parties (other than Debtor Borrowers). All unpaid fees, costs, and expenses shall be included and constitute part of the principal amount of the DIP Obligations and be secured by the DIP Liens.

c. Notwithstanding anything contained in this Interim Order to the contrary, subject to and effective upon entry of the Final Order granting such relief, any and all payments, premiums, fees, costs, expenses, and other amounts paid at any time by any of the Debtor Borrowers to the DIP Lender pursuant to the requirements of this Interim Order or the DIP Term Sheet (and/or the DIP Loan Documents) shall be non-refundable and irrevocable, are hereby approved, and shall not be subject to any challenge, objection, defense, claim or cause of action of any kind or nature whatsoever, including, without limitation, avoidance (whether under chapter 5 of the Bankruptcy Code or under applicable law (including any applicable state law Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law)), reduction, setoff, offset, recoupment, recharacterization, subordination (whether equitable,

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contractual, or otherwise), reclassification, disgorgement, disallowance, impairment, marshaling, surcharge, or recovery or any other cause of action, whether arising under the Bankruptcy Code, applicable non-bankruptcy law or otherwise, by any person or entity (subject, solely in the case of the DIP Professional Fees and Expenses, to paragraph 5(a) of this Interim Order).

6. **Superpriority Claims.** The DIP Lender is hereby granted an allowed superpriority administrative expense claim (the “**Superpriority Claim**”) pursuant to sections 364(c)(1) of the Bankruptcy Code for all DIP Obligations, having priority over any and all other claims against the Debtor Borrowers and their estates, now existing or hereafter arising, of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, including, to the extent allowed under the Bankruptcy Code, any and all administrative expenses or other claims arising under sections 105(a), 328, 330, 331, 503(b), 506(c) (subject to and effective upon entry of the Final Order granting such relief), 507(a) (other than section 507(a)(1)), 507(b), 546(c), 1113, and 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other nonconsensual lien, levy or attachment, which Superpriority Claim shall be payable from and have recourse to all prepetition and postpetition property of the Debtor Borrowers and their estates and all proceeds thereof. The Superpriority Claim granted in this paragraph shall be subject and subordinate in priority of payment only to (i) the Carve-Out as provided herein, and (ii) until such claim is fully satisfied, the superpriority claim of DH1 Holdings LLC (“**DH1**”), CKD Funding LLC (“**CKD Funding**”) and CKD Investor Penn LLC (“**CKD Penn**”, and together with DH1 and CKD Funding, collectively, the “**NOLA DIP Lender**”) against Crown in these Chapter

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7. **DIP Liens.**

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

Lender:

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

(ii) a first priority, perfected security interest in, and lien, under section 364(d) of the Bankruptcy Code upon all property and assets (including Cash Collateral) of each Debtor Borrower and of each Debtor Borrower's estate that is, as of the Petition Date, subject to valid, perfected, and non-avoidable liens in favor of the DIP Lenders.

(b) The liens created as described in clauses (i) and (ii) above (the "**DIP Liens**") shall cover all property and assets (including Cash Collateral) of the Debtor Borrowers and their estates, including all "Collateral" as defined in the DIP Term Sheet (now or hereafter acquired and all proceeds thereof), except (i) as otherwise agreed to by the DIP Lender; and (ii) subject to and effective upon entry of the Final Order granting such relief, all proceeds of any claims or causes

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of action held by the Debtors or their estates (such claims or causes of action, the “**Estate Litigation Assets**”),⁵ including claims or causes of action under sections 502(d), 544, 545, 547, 548, and 550 of the Bankruptcy Code, or any other avoidance actions under the Bankruptcy Code or other federal law or applicable state law (such claims or causes of action, the “**Avoidance Actions**”), other than any such claims or causes of action against any Releasee (as defined in, and subject to the terms of, paragraph 25) (collectively, the “**DIP Collateral**”, and together with the Prepetition Collateral, collectively, “**Collateral**”).

(c) The DIP Liens shall be effective immediately upon the entry of this Interim Order and subject only to (i) the Carve-Out, and (ii) until fully satisfied, the NOLA DIP Lender’s superpriority security interest in and liens on Crown.

(d) Except as provided in this Interim Order, the DIP Liens shall not at any time be (i) made subject or subordinated to, or made *pari passu* with, any other lien or security interest existing as of the Petition Date, or created under sections 363 or 364(d) of the Bankruptcy Code or otherwise, or (ii) subject to any lien or security interest that is avoided and preserved for the benefit of the Debtor Borrowers’ estates under section 551 of the Bankruptcy Code.

(e) The DIP Liens shall be and hereby are fully perfected liens and security interests, effective and perfected upon the date of this Interim Order without the necessity of execution by the Debtors of mortgages, security agreements, pledge agreements, financing

⁵ For the avoidance of any doubt, the Estate Litigation Assets shall include any claim or cause of action, including any Avoidance Action, held by the Debtors or their estates and the proceeds thereof against Moshe (Mark) Silber, Frederick Schulman, Piper Sandler & Co., and any other current or former insiders of the Debtors.

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agreements, financing statements or other agreements, such that no additional steps need be taken by the DIP Lender to perfect such interests. Any provision of any lease, loan document, easement, use agreement, proffer, covenant, license, contract, organizational document, or other instrument or agreement that requires the consent or approval of one or more landlords, licensors, or other parties, or requires the payment of any fees or obligations to any governmental entity, non-governmental entity or any other person, in order for any of the Debtor Borrowers to pledge, grant, mortgage, sell, assign, or otherwise transfer any fee or leasehold interest or the proceeds thereof or other collateral, shall have no force or effect with respect to the transactions granting in favor of the DIP Lender a priority security interest in such fee, leasehold or other interest or other collateral or the proceeds of any assignment, sale or other transfer thereof, by any of the Debtor Borrowers in favor of the DIP Lender, in accordance with the terms of the DIP Term Sheet and this Interim Order.

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

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8. **Adequate Protection for Prepetition Lenders.** Subject only to the payment of the Carve-Out and the terms of this Interim Order, pursuant to sections 361, 363(e), and 364 of the Bankruptcy Code, as adequate protection of the Prepetition Lenders' interests in the Prepetition Collateral, for any postpetition diminution in value of such interests (each such postpetition diminution, a "**Diminution in Value**"), resulting from, among other things, the imposition of the priming DIP Liens on the Prepetition Collateral, the Carve-Out, the Debtor Borrowers' use of the Prepetition Collateral, and the imposition of the automatic stay, the Prepetition Lenders are hereby granted the following:

a. **Adequate Protection Liens.** As security for any Diminution in Value, continuing valid, binding, enforceable, non-avoidable, and effective and automatically perfected postpetition security interests in and liens as of the date of this Interim Order (together, the "**Prepetition Lender Adequate Protection Liens**"), whether certificated or uncertificated and without the necessity of the execution by the Debtor Borrowers (or recordation or other filing), of security agreements, pledge agreements, financing statements, mortgages, or other similar documents, on the Prepetition Collateral of each Prepetition Lender. Subject to the terms of this Interim Order, the Prepetition Lender Adequate Protection Liens shall be subordinate only to the (i) Carve-Out, (ii) the DIP Liens, and (iii) any other valid, perfected and enforceable prepetition liens (if any) which are senior to the Prepetition Lenders' security interests as of the Petition Date or to valid and unavoidable liens in existence immediately prior to the Petition Date that are perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code,

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and that are senior to the liens or security interests of the Prepetition Lenders as of the Petition Date (such liens, the “**Permitted Prior Liens**”). The Prepetition Lender Adequate Protection Liens shall otherwise be senior to all other security interests in, liens on, or claims against any of the DIP Collateral (including, for the avoidance of doubt, any lien or security interest that is avoided and preserved for the benefit of the Debtor Borrowers and their estates under section 551 of the Bankruptcy Code).

b. Adequate Protection Superpriority Claims. As further adequate protection, as and to the extent provided by section 507(b) of the Bankruptcy Code, allowed administrative expense claims in each of the Debtor Borrowers’ Chapter 11 Cases ahead of and senior to any and all other administrative expense claims in each of the Debtor Borrowers’ Chapter 11 Cases to the extent of any postpetition Diminution in Value (the “**Prepetition Lender Adequate Protection Superpriority Claims**”), but junior to the Carve-Out and the Superpriority Claims (and, until fully satisfied, the NOLA DIP Lender’s superpriority claims against Crown). Subject to the Carve-Out and the Superpriority Claims in all respects, the Prepetition Lender Adequate Protection Superpriority Claims will not be junior to any claims and shall have priority over all administrative expense claims against each of the Debtor Borrowers, now existing or hereafter arising, of the kind specified in section 507(b) of the Bankruptcy Code, including, to the extent allowed under the Bankruptcy Code, any and all other administrative expenses or other claims arising under sections 105, 328, 330, 331, 365, 503(a), 503(b), 506(c) (subject to and effective upon entry of the Final

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Order granting such relief), 507(a) (other than section 507(a)(1), 507(b), 546(d), 1113 and 1114 of the Bankruptcy Code.

c. Interest. As further adequate protection, (i) upon the entry of this Interim Order, provided that a Prepetition Lender does not object to entry of the Interim Order, payment in full in cash at the end of each quarter (i.e., on December 31, 2025) all accrued and unpaid interest under the applicable prepetition loan agreement (each, a “**Prepetition Loan Agreement**”) in respect of unpaid principal outstanding thereunder (whether accrued prior to or after the Petition Date); provided, however, that all interest due hereunder to the Prepetition Lenders shall (1) be calculated at the non-default rates under the applicable Prepetition Loan Agreement, (2) shall exclude interest attributable to fees, costs, or expenses (including the fees, costs, or expenses of any counsel, financial adviser, consultant, or other professional) of the applicable Prepetition Lender, and (3) shall exclude any amortization, principal, or similar payments under the applicable Prepetition Loan Agreement; provided, further, however, that to the extent that any interest obligations under any Prepetition Loan Agreement are determined by the Bankruptcy Court under a final, non-appealable order to not be allowed as secured claims under section 502 of the Bankruptcy Code, any payments made under this Interim Order shall be treated as a payment on account of principal under the applicable Prepetition Loan Agreement.

d. Right to Seek Additional Adequate Protection. This Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the rights of the Prepetition Lenders to request further or alternative forms of adequate protection at any time or

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the rights of the Debtor Borrowers or any other party to contest such request. Nothing herein shall impair or modify the application of section 507(b) of the Bankruptcy Code in the event that the adequate protection provided to the Prepetition Lender is insufficient to compensate for any Diminution in Value of their interests in the Prepetition Collateral during the Chapter 11 Cases. Nothing contained herein shall be deemed a finding by the Court, or an acknowledgment by any of the Prepetition Lenders that the adequate protection granted herein does in fact adequately protect any of the Prepetition Lenders against any Diminution in Value of their respective interests in the Prepetition Collateral (including the Cash Collateral). For all adequate protection purposes throughout the Chapter 11 Cases, each of the Prepetition Lenders shall be deemed to have requested relief from the automatic stay and adequate protection for any Diminution in Value from and after the Petition Date. For the avoidance of doubt, such request will survive termination of this Interim Order.

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

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

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

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

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

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

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

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

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

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

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

d. All obligations under the DIP Term Sheet and this Interim Order shall constitute valid and binding obligations of each of the Debtor Borrowers enforceable against each of them, and each of their successors and assigns, in accordance with their terms and the terms of this Interim Order. No obligation, payment, transfer, or grant of a security interest under the DIP Term Sheet or this Interim Order shall be stayed, restrained, voidable, or recoverable under the Bankruptcy Code or under any applicable law or subject to avoidance, reduction, setoff,

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recoupment, offset, recharacterization, subordination (whether equitable, contractual, or otherwise), counterclaims, cross-claims, defenses, disallowance, impairment, or any Challenge.

13. **Amendments, Consents, Waivers, and Modifications.** The Debtor Borrowers, with the express written consent of the DIP Lender, may enter into any amendments, consents, waivers, supplements, or modifications to the DIP Term Sheet without the need for further notice and hearing or any order of this Court, provided that such amendments, consents, waivers, or modifications do not shorten the Maturity Date (as defined below), increase commitments or the rate of interest payable under the DIP Term Sheet and this Interim Order, require the payment of a fee, change any Event of Default, add any covenants, or amend the covenants in the DIP Term Sheet and this Interim Order to be materially more restrictive; *provided, however*, that the Debtors shall provide notice (which shall be provided through electronic mail) to counsel to the Official Committee (if appointed), the U.S. Trustee, and counsel to the Ad Hoc Group of Holders of Crown Capital Notes (collectively, the “**Amendment Notice Parties**”), each of whom shall have five (5) business days from the date of such notice to object in writing to such amendment, consent, waiver, supplement, or other modification. If all Amendment Notice Parties indicate that they have no objection to the amendment, modification or supplement (or if no objections are timely received), the Debtors may proceed to execute the amendment, modification or supplement, which shall become effective immediately upon execution. If an Amendment Notice Party timely objects to such amendment, modification or supplement, approval of the Court (which may be sought on an expedited basis) will be necessary to effectuate the amendment, modification or supplement;

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

provided that such amendment, modification or supplement shall be without prejudice to the right of any party in interest to be heard. Any modification, amendment, or supplement that becomes effective in accordance with this paragraph shall be filed with the Court.

14. **Budget; Use of Proceeds.** All expenditures of the Debtor Borrowers shall be made subject to the Approved Budget, attached as **Exhibit 1** to this Interim Order. The Debtor Borrowers shall not permit aggregate expenditures under the Approved Budget to exceed one hundred and fifteen percent (115%) of the total budgeted expenses or aggregate cash receipts under the Approved Budget to be less than eighty-five percent (85%) of the total budgeted cash receipts, in each case calculated on a rolling two-week basis commencing as of the Petition Date, with the first such testing to begin two weeks after the Petition Date; *provided, however*, that the cash disbursements considered for determining compliance with this covenant shall exclude disbursements in respect of (x) the DIP Lender's expenses and professional fees and (y) payments made to vendors that qualify as "Critical Vendors" and are approved by the DIP Lender and interest due under any existing mortgage. The Approved Budget may be amended only with the consent of the DIP Lender. Any material modifications to the Approved Budget must be filed with the Court on notice to parties-in-interest, and any non-material modifications to the Approved Budget shall be sent to the U.S. Trustee and counsel to the Official Committee (if any). Notwithstanding anything to the contrary in this Interim Order, the DIP Term Sheet, or the Approved Budget, pending entry of the Final Order, the Debtor Borrowers shall fund the Escrow Account with cash in an amount equal to not more than the projected fees, costs, and expenses of the Independent

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Fiduciary, the Debtor Borrowers' counsel, the Debtor Borrowers' financial advisor, and the Debtors' noticing and claims agent through [], 2026.

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

a. beginning on the first Friday following the Interim Order, and thereafter every other Friday following such date (i.e., every two weeks thereafter) provide to the DIP Lender, counsel to the Official Committee (if any), and counsel to the Ad Hoc Group of Holders of Crown Capital Notes, as soon as available but no later than 5:00 p.m. Eastern Time on the last Friday of the rolling two-week period, a budget variance and reconciliation report setting forth, separately for each of the Additional Debtors: (i) a comparative reconciliation, on a line-by-line basis, of actual cash receipts and disbursements against the cash receipts and disbursements forecast in the Approved Budget, and (ii) the percentage variance of the aggregate receipts and aggregate disbursements, for (A) the rolling two-week period ended on (and including) the last Sunday of the two-week reporting period and (B) the cumulative period to date, (iii) projections for the following nine weeks, including a rolling cash receipts and disbursements forecast for such period, and (iv) such other information requested from time to time by the DIP Lender in accordance with the terms of the DIP Term Sheet and any other DIP Loan Documents;

b. provide to the DIP Lender, counsel to the Official Committee (if any), and counsel to the Ad Hoc Group of Holders of Crown Capital Notes, (i) (a) usual and customary financial reporting based on the Debtor Borrowers' prior practice, taking into account the debtor-in-possession status of the Debtor Borrowers, (b) prompt delivery (email shall suffice), and in any

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event within 5 business days after receipt thereof by any Debtor Borrower, copies of each notice or other correspondence received from any federal or state authority or agency of the United States (or comparable state authority or agency in any applicable non-U.S. jurisdiction) concerning the Properties (as defined in the DIP Term Sheet), any investigation or possible investigation or other inquiry by such department or agency regarding financial or other operational results or activities of any Debtor Borrower, and (c) upon request of the DIP Lender, prompt delivery (email shall suffice) of copies of any detailed audit reports, management letters, or recommendations submitted to the independent director or CRO of any Debtor Borrower by independent accountants in connection with the books or accounts of any Debtor Borrower; and

c. provide the DIP Lender with weekly updates on the uses of capital expenditures on the Properties and any sale process (including, without limitation, full copies of any preliminary and final bids received).

16. **Reservation of Rights of the DIP Lender.** Subject only to the Carve-Out, notwithstanding any other provision in this Interim Order, the DIP Term Sheet, or the other DIP Loan Documents to the contrary, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, or otherwise impair: (a) any of the rights of any of the DIP Lender to seek any other or supplemental relief in respect of the Debtor Borrowers; (b) any of the rights of the DIP Lender under the DIP Term Sheet, the DIP Loan Documents, any intercreditor agreement, or the Bankruptcy Code or under non-bankruptcy law (as applicable), including, without limitation, the right of the DIP Lender to (i) request modification of the

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automatic stay of section 362 of the Bankruptcy Code, (ii) request dismissal of any of the Chapter 11 Cases, conversion of any of the Chapter 11 Cases to cases under chapter 7, or appointment of a chapter 11 trustee or examiner with expanded powers in any of the Cases, or (iii) seek to propose, subject to the provisions of section 1121 of the Bankruptcy Code, a chapter 11 plan or plans; or (c) any other rights, claims, or privileges (whether legal, equitable, or otherwise) of the DIP Lender. The delay in or failure of the DIP Lender to seek relief or otherwise exercise its rights and remedies shall not constitute a waiver of any of the DIP Lender's rights and remedies.

17. **Maturity Date.** Consistent with the DIP Term Sheet, the DIP Facility's maturity date ("**Maturity Date**") shall be the earliest to occur of (i) January 5, 2026; (ii) the closing date following entry of one or more final orders approving the Restructuring Transaction (as defined in the DIP Term Sheet); (iii) the acceleration of any outstanding DIP Loan following the occurrence of an Event of Default; (iv) the filing of a plan which is inconsistent with terms of the DIP Term Sheet or the DIP Loan Documents; or (v) entry of an order by the Bankruptcy Court in the Chapter 11 Cases either (a) dismissing the Chapter 11 Cases or converting one or more Chapter 11 Cases to Chapter 7 of the Bankruptcy Code, (b) declining to authorize or approve the DIP Liens, or (c) appointing a Chapter 11 trustee or an examiner with enlarged powers relating to the operation of the business of the Debtor Borrowers (*i.e.*, powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code), in each case without the consent of the DIP Lender; *provided, however*, that to the extent that the Debtor Borrowers effectuate a Restructuring Transaction as a sale under section 363 of the Bankruptcy Code, rather than under the Chapter 11 Plan, the Maturity

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Date shall be abated pending confirmation of the Chapter 11 Plan and consummation of the Chapter 11 Plan. All amounts outstanding under the DIP Facility shall be due and payable in full, and the DIP Commitments thereunder shall terminate, on the Maturity Date.

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

a. the Debtor Borrowers’ failure to make debt-service or other payments when due hereunder;

b. the Debtor Borrowers’ failure to make deposits into the reserves established under the DIP Term Sheet;

c. the Debtor Borrowers’ failure to satisfy any material obligations set forth in the DIP Term Sheet and/or any related DIP Loan Documents;

d. any action by the U.S. Department of Justice to initiate forfeiture proceedings against any asset owned either partially or entirely by any Debtor Borrower;

e. failure by the Debtor Borrowers to make payments consistent with the DIP Term Sheet and Approved Budget, subject to permitted variances;

f. failure by the Debtor Borrowers to file and confirm a chapter 11 plan in accordance with the applicable milestones;

g. the confirmation of a chapter 11 plan inconsistent with the DIP Term Sheet;
and

h. the filing of a motion for the sale under section 363 of the Bankruptcy Code

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of the Properties that is inconsistent with the DIP Term Sheet.

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

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the Court.

20. **Automatic Stay Modified.** The automatic stay provisions of section 362 of the Bankruptcy Code hereby are, to the extent applicable, vacated, and modified to the extent necessary without the need for any further order of this Court, to permit: (a) the Debtor Borrowers to grant the DIP Liens and the Superpriority Claims, and to perform such acts as the DIP Lender may request to assure the perfection and priority of the DIP Liens; (b) the Debtor Borrowers to incur all liabilities and obligations, including all of the DIP Obligations, to the DIP Lender as contemplated under this Interim Order and the DIP Term Sheet; (c) the Debtor Borrowers to grant the Prepetition Lender Adequate Protection Liens; (d) the Debtor Borrowers to pay all amounts required hereunder and under the DIP Term Sheet; (e) the DIP Lender to retain and apply payments made in accordance with the terms of this Interim Order and the DIP Term Sheet; (f) subject to paragraph [20] of this Interim Order and the Remedies Notice Period, the DIP Lender to exercise, upon the occurrence and during the continuance of any Event of Default, all rights and remedies provided for in this Interim Order, the DIP Term Sheet, or applicable law; (g) to perform under this Interim Order and the DIP Term Sheet, and to take any and all other actions that may be required, necessary, or desirable for the performance by the Debtor Borrowers under this Interim Order and the DIP Term Sheet and the implementation of the transactions contemplated hereunder and thereunder, and (h) the implementation of all of the terms, rights, benefits, privileges, remedies, and provisions of this Interim Order and the DIP Term Sheet.

21. **Subsequent Reversal or Modification.** This Interim Order is entered pursuant to

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section 364 of the Bankruptcy Code, and Bankruptcy Rules 4001(b) and (c), granting the DIP Lender all protections afforded by section 364(e) of the Bankruptcy Code. The reversal or modification on appeal of an authorization under this section to obtain credit or incur debt, or of a grant under this section of a priority or a lien, does not affect the validity of any debt so incurred, or any priority or lien so granted, to an entity that extended such credit in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and the incurring of such debt, or the granting of such priority or lien, were stayed pending appeal.

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

23. **Release and Indemnity.**

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a. In consideration of and as a condition to the DIP Lenders making the DIP Loan available under the DIP Term Sheet and DIP Loan Documents and providing other credit and financial accommodations to the Debtor Borrowers pursuant to the provisions of this Interim Order, the DIP Term Sheet, and the DIP Loan Documents (including the Carve-Out provisions), each Debtor, on behalf of itself, its estate, and successors and assigns (collectively, the **“Releasors”**), hereby absolutely releases and forever discharges and acquits the Releasees of and from any and all Released Claims of every kind, name, nature and description, known or unknown, foreseen or unforeseen, matured or contingent, liquidated or unliquidated, primary or secondary, suspected or unsuspected, both at law and in equity, including, without limitation, any so-called “lender liability” claims or defenses, that any Releasor may now or hereafter own, hold, have, or claim to have against the Releasees, or any of them for, upon, or by reason of any nature, cause, or thing whatsoever that arose or may have arisen at any time on or prior to the date of this Interim Order, arising out of, relating to, or in connection with, the DIP Facility, the DIP Term Sheet, the DIP Loan Documents or the DIP Obligations. In addition, upon the indefeasible payment and satisfaction in full of all DIP Obligations owed to the DIP Lender by the Debtor Borrowers, and termination of the rights and obligations arising under this Interim Order, the Final Order, the DIP Term Sheet and the DIP Loan Documents (which payment and termination shall be on terms and conditions acceptable to the DIP Lender), the DIP Lender shall be automatically deemed to be absolutely and forever released and discharged from any and all obligations, liabilities, actions, duties, responsibilities, commitments, claims, and causes of action arising, occurring in connection

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with, or related to the DIP Term Sheet and DIP Loan Documents, this Interim Order, or the Final Order (whether known or unknown, direct or indirect, matured or contingent, foreseen or unforeseen, due or not due, primary or secondary, liquidated or unliquidated).

b. Subject to and effective upon entry of the Final Order granting such relief, the Debtors hereby absolutely, unconditionally, and irrevocably covenants and agrees with each Releasee that it will not sue (at law, in equity, in any regulatory proceeding, or otherwise) any Releasee on the basis of any Released Claim that has been released and discharged by such Debtor. If any Debtor violates the foregoing covenant, the Debtor agrees to pay, in addition to such other damages as any Releasee may sustain as a result of such violation, all attorneys' fees and costs incurred by any Releasee as a result of such violation.

c. Subject to entry of the Final Order, the Debtors hereby agree to protect, defend, indemnify, and hold harmless the Releasees for, from and against any and all claims, suits, liabilities, losses, costs, expenses (including reasonable, out-of-pocket attorneys' fees and costs) imposed upon or incurred by or asserted against any Releasee arising out of or relating to the Debtor (and any subsidiaries or affiliates), prior loans, mortgages, all Avoidance Actions, the DIP Term Sheet, the DIP Loan Documents or the transactions contemplated thereby, except for those arising out of the willful misconduct or gross negligence of the Releasees as determined by a non-appealable court order.

d. Notwithstanding anything to the contrary herein, Moshe (Mark) Silber, Frederick Schulman, or any relative of either Moshe (Mark) Silber or Frederick Schulman, or any

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entity that is directly or indirectly owned or controlled by Moshe (Mark) Silber or Frederick Schulman, or any relative or affiliate of Moshe (Mark) Silber or Frederick Schulman, shall not be released or indemnified under this Interim Order, and no claims or causes of action against such parties shall be Released Claims under this Interim Order or otherwise without further order of the Court.

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

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

26. **Limitation on Charging Expenses Against DIP Collateral.** Effective as of the Petition Date but subject to and effective upon entry of the Final Order granting such relief and the terms thereof, no expenses of administration of the Chapter 11 Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the DIP Collateral (except to the extent of the Carve-Out) or the DIP Lender, pursuant to sections 105(a) or 506(c) of the Bankruptcy Code or any similar principle of law or equity, without the prior written consent of the

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DIP Lender, and no such consent shall be implied from any other action, inaction, or acquiescence by the DIP Lender.

27. **No Marshaling.** Effective as of the Petition Date but subject to and effective upon entry of the Final Order granting such relief and the terms thereof, the DIP Lender shall not be subject to the equitable doctrine of “marshaling” or any other similar doctrine with respect to any of the DIP Collateral, and the proceeds of the DIP Collateral shall be received and applied pursuant to this Interim Order and the DIP Term Sheet; *provided, however*, that the DIP Lender shall use commercially reasonable efforts to satisfy the DIP Loans *first* with all proceeds from the DIP Collateral except proceeds derived from Avoidance Actions and *second* with proceeds from Avoidance Actions.

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

29. **Conversion Option.** Notwithstanding anything in the DIP Term Sheet to the contrary, subject to approval by the Court (at a hearing to confirm the Chapter 11 Plan or otherwise) after notice and a hearing and subject to the rights of parties in interest to object, the Debtor Borrowers may seek to effectuate a sale, recapitalization, reorganization, or other

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transaction (whether in a single transaction or a series of transactions) related to the Debtor Borrowers and their real estate assets and related operating assets (the “**Restructuring Transaction**”) under section 363 of the Bankruptcy Code or under the Chapter 11 Plan. To the extent that a Restructuring Transaction is not approved by the Court under section 363 of the Bankruptcy Code prior to confirmation of the Chapter 11 Plan, the Debtor Borrowers may, subject to approval by the Court (at a hearing to confirm the Chapter 11 Plan or otherwise) after notice and a hearing and subject to the rights of parties in interest to object, with the DIP Lender’s consent, effectuate a Restructuring Transaction under the Chapter 11 Plan. To the extent that the DIP Lender sponsors the Restructuring Transaction (as an asset acquirer, plan sponsor, or other similar capacity), the Debtor Borrowers may, subject to approval by the Court as part of confirmation of the Chapter 11 Plan, implement such transaction through the Chapter 11 Plan. In connection with the Restructuring Transaction, the DIP Lender shall have the option, exercisable at its sole discretion, to convert all or a portion of the outstanding principal amount of the DIP Loan, including any accrued but unpaid interest, into shares of a newly created series of preferred equity in the Debtors or other Debtor Borrowers, or any reorganized Debtor Borrower (the “**Preferred Equity**”), in a manner acceptable to the Debtor Borrowers and the DIP Lender. In the event any portion of DIP Lender’s debt is converted into any form of equity (i.e., common shares or preferred shares), the DIP Lender or an affiliated entity shall be the general partner/managing member of such newly formed ownership entity.

30. **Final Hearing.** The Final Hearing on the Motion shall be held on [], 2025, at

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[.m.], prevailing Eastern time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Eastern time, on [], 2025, and shall be served on: (a) the Debtors; (b) counsel to the Initial Debtors and proposed counsel to the Additional Debtors, White & Case LLP, 111 S. Wacker Dr., Chicago, IL 60606, Attn: Gregory F. Pesce (gregory.pesce@whitecase.com) and Barrett Lingle (barrett.lingle@whitecase.com); (c) proposed co-counsel to the Additional Debtors, Cole Schotz P.C., 25 Main Street, Hackensack, NJ 07601, Attn: Warren Usatine (wusatine@coleschotz.com) and Justin Alberto (jalberto@coleschotz.com); (d) counsel to LAGSP, LLC, Lippes Mathias LLP, 54 State Street, Suite 1001, Albany, New York 12207, Attn: Leigh A. Hoffman (lhoffman@lippes.com); (e) counsel to the DIP Lender, Polsinelli PC, 600 Third Avenue, 42nd Floor, New York, NY 10016, Attn: Brett D. Goodman (bgoodman@polsinelli.com); (f) counsel to the Ad Hoc Group of Holders of Crown Capital Notes, Faegre Drinker Biddle & Reath LLP, 1177 Avenue of the Americas, 41st Floor, New York, New York 10036, Attn: James H. Millar (james.millar@faegredrinker.com) and Michael P. Pompeo (michael.pompeo@faegredrinker.com); (g) the United States Trustee, One Newark Center, Suite 2100 Newark, New Jersey 07102, Attn: Jeffrey M. Sponder (jeffrey.m.sponder@usdoj.gov) and Lauren Bielskie (lauren.bielskie@usdoj.gov); (h) counsel to any Official Committee (if any); and (i) any party filing a request for service under Bankruptcy Rule 2002 in these cases. In the event no objections to entry of the Final Order on the Motion are timely received, this Court may enter such Final Order without need for the Final Hearing.

31. **Headings.** Section headings used herein are for convenience only and are not to

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affect the construction of or to be taken into consideration in interpreting this Interim Order.

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

33. **Effect of this Interim Order.** This Interim Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and shall take effect and be enforceable immediately upon execution hereof, notwithstanding Bankruptcy Rules 6003 or 6004 or any other statute, rule, or provision to the contrary.

34. **Rights Reserved to Move for Modification Under Local Rules.** Any party may move for modification of this Interim Order in accordance with Local Rule 9013-5(e).

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

Exhibit 1

Approved Budget

SLIP SHEET

To come.

Exhibit 2

Prepetition Lenders

PREPETITION LENDERS

Capital One, National Association¹

Capital Funding, LLC

Cleveland International Fund - AG Crocker Park

EB-5 Children's LLC²

M&T Realty Capital Corporation

Merchants Bank of Indiana

Walker & Dunlop, LLC³

X-Caliber Funding LLC

¹ Upon information and belief, the Debtors believe that Capital One, National Association has assigned its prepetition interests to the Federal National Mortgage Association.

² Upon information and belief, the Debtors believe that EB-5 Children's LLC has assigned its prepetition interests to Echo Canyon Developments LLC.

³ Upon information and belief, the Debtors believe that Walker & Dunlop, LLC has assigned its prepetition interests to WD CVFG Holdco, LLC.