



Order Filed on August 8, 2025
by Clerk
U.S. Bankruptcy Court
District of New Jersey

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

PORZIO, BROMBERG & NEWMAN, P.C.
100 Southgate Parkway
P.O. Box 1997
Morristown, New Jersey 07962
(973) 538-4006
(973) 538-5146 Facsimile
Warren J. Martin, Jr., Esq. (wjmartin@pbnlaw.com)
Rachel A. Parisi, Esq. (raparisi@pbnlaw.com)
Christopher P. Mazza, Esq. (cpmazza@pbnlaw.com)

Counsel to Debtor and Debtor-In-Possession

In re:

FLAGSHIP RESORT DEVELOPMENT CORPORATION,¹

Debtor.

Chapter: 11

Case No.: 25-15047 (JNP)

**ORDER AUTHORIZING THE DEBTOR TO AMEND SENIOR SECURED,
DEBTOR-IN-POSSESSION LOAN AND SECURITY AGREEMENT TO (I)
INCREASE BORROWING AND (II) EXTEND MATURITY DATE**

The relief set forth on the following pages, numbered two (2) through four (4) is hereby
ORDERED.

DATED: August 8, 2025

A handwritten signature in black ink, appearing to read "J. Poslusny", is written over a horizontal line.

Honorable Jerrold N. Poslusny, Jr.
United States Bankruptcy Court

¹ The Debtor in this case, along with the last four digits of the Debtor's federal tax identification number is: Flagship Resort Development Corporation, a New Jersey corporation (1067). The location of the Debtor's service address is: 60 North Maine Avenue, Atlantic City, NJ 08401.

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DEBTOR: FLAGSHIP RESORT DEVELOPMENT CORPORATION
CASE NO. 25-15047 (JNP)
CAPTION: ORDER AUTHORIZING THE DEBTOR TO AMEND SENIOR SECURED, DEBTOR-IN-POSSESSION LOAN AND SECURITY AGREEMENT TO (I) INCREASE BORROWING AND (II) EXTEND MATURITY DATE

THIS MATTER, having been presented to this Court by Flagship Resort Development Corporation, chapter 11 debtor and debtor-in-possession (the “Debtor”) upon the *Debtor’s Motion To Amend Senior Secured, Debtor-in-Possession Loan and Security Agreement to (i) Increase Borrowing And (ii) Extend Maturity Date* (the “Motion”),² pursuant to sections 105, 362, 363(b), 363(c), 364(c), 364(d), 364(e), 503, and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101, et. seq. and the applicable Federal Rules of Bankruptcy Procedure and corollary local bankruptcy rules, and the Court finding that (A) it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (B) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A); and (C) notice of the Motion was good and sufficient under the circumstances; and the Court having entered the DIP Orders [ECF Nos. 49, 124]; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtor and its estate; and after due deliberation and sufficient cause appearing therefor,

THIS COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW³:

1. The Motion is **GRANTED** in accordance with the terms of the Order. Any objections to the Motion that have not been withdrawn, waived or settled, and all reservations of rights included therein, are hereby denied and overruled.

2. The Debtor is authorized and directed to enter into and perform pursuant to the terms and conditions of the *Second Amendment to Senior Secured Superpriority, Debtor-in-*

² Capitalized terms used herein shall have the meanings ascribed in the Motion.

³ To the extent, any findings of fact constitute conclusions of law, they are adopted as such, and vice versa, pursuant to Fed. R. Bankr. P. 7052

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Possession Loan and Security Agreement(the “Second Amendment”), attached hereto as **Exhibit**

1.

3. The Debtor is authorized, pursuant to the Second Amendment, to (i) extend the Term of the DIP Facility to September 21, 2025, and (ii) increase the maximum amount of the DIP Facility to \$5,602,000 and incur an additional \$602,000 in obligations, secured by the DIP Liens on the DIP Collateral, in accordance with the Extended Budget attached hereto as **Exhibit**

2.

4. All terms and conditions of the DIP Orders shall remain in full force and effect. For the avoidance of doubt, all of the rights, waivers and protections granted to the DIP Secured Parties and the Prepetition Secured Parties by the DIP Orders shall extend and apply with respect to the New Borrowings, including the granting of (i) the DIP Superpriority Claims, (ii) the DIP Liens (which encumber the DIP Collateral and shall secure the New Borrowing to the same extent and priority as set forth in the Final DIP Order), and (iii) the waivers, protections and other rights or benefits set forth in Paragraphs 19 through 27 of the Final DIP Order; *provided that* failure to specifically reference a specific provision of the DIP Orders herein shall not constitute a waiver of such provision and all provisions of the DIP Orders shall remain in full force and effect unless specifically modified by the Second Amendment.

5. The Debtor, the DIP Secured Parties and the Prepetition Secured Parties are authorized to take all reasonable actions as are necessary or appropriate to implement the terms of the Order.

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6. Notwithstanding Bankruptcy Rule 6004(h), the provisions of this Order shall be immediately effective and enforceable upon entry of the Order.

7. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion, and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

8. This Court shall retain exclusive jurisdiction over any and all matters arising from the interpretation or implementation of this Order.

9. The Debtor shall serve a copy of this order on all parties required to receive such service.

EXHIBIT 1

SECOND AMENDMENT TO LOAN AND SECURITY AGREEMENT

THIS SECOND AMENDMENT TO LOAN AND SECURITY AGREEMENT, dated August [], 2025 (this “Amendment”), is made by and among FLAGSHIP RESORT DEVELOPMENT CORPORATION (“Borrower”), BANC OF CALIFORNIA (“BOC”), COLEBROOK FINANCIAL COMPANY, LLC (together with BOC, each a “Lender” and collectively, the “Lenders”), and BANC OF CALIFORNIA, as agent for itself, as a Lender and for the other Lender (in such capacity, “Agent”).

RECITALS

WHEREAS, the Lenders, the Agent and Borrower are party to that certain Senior Secured Superpriority, Debtor-In-Possession Loan And Security Agreement, dated as of May 21, 2025 (the “Loan Agreement”; all capitalized terms not otherwise defined herein having the meanings ascribed to them in the Amended Loan Agreement (as defined below)); and

WHEREAS, the Lenders, the Agent and Borrower have previously amended the Loan Agreement pursuant to the First Amendment to Loan and Security Agreement dated as of June 20, 2025; and

WHEREAS, the Lenders, the Agent and the Borrower desire to further amend the Loan Agreement pursuant to the terms of this Amendment.

NOW THEREFORE, in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto hereby covenant and agree as follows:

SECTION 1. Amendments.

(a) The Loan Agreement is, effective as of the date hereof, hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Loan Agreement attached hereto as Exhibit A (the Loan Agreement, as amended by the terms of this Amendment and as may be further amended from time to time in accordance with its terms, being referred to as the “Amended Loan Agreement”).

SECTION 2. Conditions to Effectiveness. The effectiveness of this Amendment is conditioned upon (a) entry of the First Amendment Order by the Bankruptcy Court; (b) entry of the 9019 Order; (c) execution and delivery of the Amendment by the Lenders, the Agent and the Borrower, (d) the representations and warranties contained or incorporated herein being true and correct, and (e) Borrower having paid to Lenders all reasonable and documented fees, costs and expenses due and owing to Lenders as of the date hereof (including the reasonable and documented costs of any outside counsel to Lenders) to the extent invoiced prior to the date hereof (otherwise Borrower shall promptly pay any such fees, costs and expenses promptly upon receipt of an invoice therefor).

SECTION 3. No Other Amendments or Waivers; Reaffirmation; Effective Time.

(a) Except as expressly provided herein (i) the Loan Agreement and the other Loan Documents shall be unmodified and shall continue to be in full force and effect in accordance with their terms, (ii) the consents and agreements of the Lender set forth herein shall be limited strictly as written and shall not constitute a consent or agreement to any transaction, amendment or waiver not specifically described in connection with any such consent and/or agreement, and (iii) this Amendment shall not be deemed a waiver of any term or condition of any other Loan Document and shall not be deemed to prejudice any right or rights which the Lender may now have or may have in the future under or in connection with any Loan Document or any of the instruments or agreements referred to therein, as the same may be amended from time to time.

(b) This Amendment shall constitute a Loan Document.

(c) The Borrower hereby confirms and agrees that, notwithstanding the effectiveness of this Amendment, each Loan Document to which the Borrower is a party is, and the obligations of the Borrower contained in the Loan Agreement, this Amendment or in any other Loan Document to which it is a party are, and shall continue to be, in full force and effect and are hereby ratified and confirmed in all respects, in each case as modified by this Amendment.

SECTION 4. Representations and Warranties. To induce Lender to enter into this Amendment, Borrower hereby represents and warrants to Lender as of the date hereof as follows:

- (a) (i) The representations and warranties contained in the Amended Loan Agreement, and each other Loan Document, are true, accurate and complete in all material respects (without duplication of any materiality qualifier therein) as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), (ii) no Default or Event of Default has occurred and is continuing, (iii) Borrower is in good standing under the laws of its jurisdiction of formation, (iv) no amendment, modification or other change has been made to (A) the articles of incorporation (or other applicable charter document), or (B) the bylaws (or other applicable document) of Borrower, other than those disclosed to Lender on or prior to the date hereof, and (v) the execution, delivery and performance of this Amendment has been approved by all necessary corporate action.
- (b) Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Amended Loan Agreement.
- (c) The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Amended Loan Agreement do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on Borrower, except as has already been obtained or made.

- (d) This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms.

SECTION 5. Counterparts; Integration; Effect of Modifications. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. This Amendment represents the agreement of the Borrower, the Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by any party hereto or thereto relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

SECTION 6. **GOVERNING LAW; JURISDICTION; CONSENT TO SERVICE OF PROCESS; WAIVER OF JURY TRIAL.** THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, FEDERAL LAW AND, FOR THE PURPOSES OF EXPORTATION OF INTEREST AND INTEREST FEES UNDER FEDERAL LAW, THE AGENT RELIES ON CALIFORNIA LAW. **SECTION 12.1** OF THE LOAN AGREEMENT IS HEREBY INCORPORATED BY REFERENCE INTO THIS AMENDMENT AS IF SUCH PROVISION WERE SET FORTH IN FULL HEREIN *MUTATIS MUTANDIS* AND SHALL APPLY HERETO.

SECTION 7. Severability. Any provision of this Amendment that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Amendment as of the date first written above.

BORROWER:

**FLAGSHIP RESORT DEVELOPMENT
CORPORATION**

By: _____

Name: _____

Title: _____

AGENT AND LENDER:

BANC OF CALIFORNIA

By: _____
Name: _____
Title: _____

LENDER:

**COLEBROOK FINANCIAL
COMPANY, LLC**

By: _____
Name: _____
Title: _____

EXHIBIT A

Amended Loan Agreement

**SENIOR SECURED SUPERPRIORITY, DEBTOR-IN-POSSESSION LOAN AND
SECURITY AGREEMENT**

THIS SENIOR SECURED SUPERPRIORITY, DEBTOR-IN-POSSESSION LOAN AND SECURITY AGREEMENT (the “Agreement”) dated effective as of May 21, 2025 is entered into by and among FLAGSHIP RESORT DEVELOPMENT CORPORATION, a New Jersey corporation (“Borrower”), each of the financial institutions from time to time party hereto (individually each a “Lender” and collectively the “Lenders”), BANC OF CALIFORNIA, a California state-chartered bank (“BOC”), as agent for itself, as a Lender and for the other Lenders (in such capacity, “Agent”).

RECITALS

WHEREAS, on May 10, 2025 (the “Petition Date”), the Borrower commenced a case under Chapter 11 of the Bankruptcy Code by filing a voluntary petition for relief under Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of New Jersey. The Borrower continues to operate its business and manage its property as debtor and debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code;

WHEREAS, prior to the Petition Date, certain lenders provided financing to the Borrower, which financing is secured by valid, enforceable, properly perfected, and unavoidable liens on and security interests encumbering a portion of the existing and after-acquired assets of the Borrower;

WHEREAS, Borrower has requested, and the Lenders have agreed, on the terms and conditions set forth in this Agreement, to make available to the Borrower a senior secured superpriority debtor-in-possession credit facility in a principal amount of up to five million, six hundred and two thousand dollars and 00/100 (~~\$5,000,000.00~~ 5,602,000.00) in order to fund: (a) post-petition operating expenses; (b) the Carve-Out; (c) fees and expenses in connection with the DIP Facility; (d) professional fees and expenses; (e) certain other costs and expenses of administration of the Chapter 11 Case; and (f) other expenses not accounted for in clauses (a) through (e) but which are specifically included in the Approved Budget;

WHEREAS, the Borrower desires to secure the Obligations for Advances by granting to Agent, for Agent’s benefit and the benefit of the Lenders, a security interest in, and lien on, substantially all of its assets (including prepetition assets, postpetition assets, and assets acquired as debtor and debtor-in-possession), whether now existing or hereafter acquired, in each instance as more fully set forth herein;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and adequacy of which hereby are acknowledged, Borrower, Agent and Lenders hereby agree as follows:

I. DEFINITIONS

1.1 General Terms

For purposes of the Loan Documents and all Annexes thereto, in addition to the definitions above and elsewhere in this Agreement or the other Loan Documents, the terms listed in this Article I shall have the meanings given such terms in this Article I. All capitalized terms used which are not specifically defined shall have the meanings provided in Article 9 of the UCC in effect on the date hereof in the applicable jurisdiction to the extent the same are used or defined therein. Unless otherwise specified herein, this Agreement and any agreement or contract referred to herein shall mean such agreement as modified, amended or supplemented from time to time. Unless otherwise specified, as used in the Loan Documents or in any certificate, report, instrument or other document made or delivered pursuant to any of the Loan Documents, all accounting terms not defined in this Article I or elsewhere in this Agreement shall have the meanings given to such terms in and shall be interpreted in accordance with GAAP.

“9019 Order” shall mean an order of the Bankruptcy Court entered in the Chapter 11 Case in form and substance acceptable to the Agent, which approves a settlement by and among the Agent, the Lenders, the Borrower and the Committee, which, among other things, provides (i) for the expiration of the Challenge Period (as defined in the Final DIP Order) without a Challenge (as defined in the Final DIP Order) being asserted and (ii) the Committee’s agreement to support (a) the sale of substantially all of the Borrower’s assets to the Stalking Horse and (b) the Approved Plan.

“Advance” shall mean any borrowing under and advance of the Loan, including, but not limited to, any Advance made pursuant to Section 2.1 of this Agreement and any Protective Advance. Any amounts paid by Agent to, for or on behalf of Borrower under any Loan Document shall be an Advance for purposes of this Agreement.

“Affiliate” or “affiliate” shall mean, as to any Person, any other Person (a) that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such Person, (b) who is a director or officer (i) of such Person, (ii) of any Subsidiary of such Person, or (iii) of any Person described in clause (a) above with respect to such Person, or (c) which, directly or indirectly through one or more intermediaries, is the beneficial or record owner (as defined in Rule 13d-3 of the Securities Exchange Act of 1934, as amended, as the same is in effect on the date hereof) of five percent (5%) or more of any class of the outstanding voting Equity Interests, securities or other equity or ownership interests of such Person. For purposes of this definition, the term “control” (and the correlative terms, “controlled by” and “under common control with”) shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies, whether through ownership of securities or other interests, by contract or otherwise.

“Affiliated Contracts” shall have the meaning assigned to it in Section 5.28 hereof.

“Colebrook Loan Agreement” shall mean the Seventh Amended and Restated Revolving Loan and Security Agreement by and between the Borrower and Colebrook, as the same may be amended, amended and restated, extended, joined, supplemented and/or otherwise modified from time to time.

“Colebrook Loan Agreement Collateral” shall mean the collateral pledged to Colebrook under the Colebrook Loan Agreement.

“Collateral” shall have the meaning assigned to it in Section 2.9(b).

“Committee” means ~~any statutory committee~~ the Official Committee of Unsecured Creditors appointed in the Chapter 11 Case on May 29, 2025 [Bankruptcy Case at Dkt. No. 86].

“Common Areas” shall mean the common areas and other facilities and amenities of a Resort as defined or provided for in any applicable Declaration, any other Resort Documents or otherwise.

“Contingent Obligations” shall mean, as to any Person, any obligation of such Person guaranteeing or intending to guaranty any Indebtedness, leases, dividends or other obligations (“**primary obligations**”) of any other Person (the “**primary obligor**”) in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (d) otherwise to assure or to hold harmless the owner of such primary obligation against loss in respect thereof, provided, however, that the term “Contingent Obligation” shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

“Contract Rate” shall mean a rate per annum equal to the Applicable Initial Margin plus the then-applicable Term SOFR; provided, however, from and after any date on which Agent selects any Benchmark Replacement pursuant to Section 2.2(c), “Contract Rate” shall be deemed to refer to the Benchmark Replacement plus the Replacement Spread; provided, further, that during any period of Benchmark Temporary Unavailability, “Contract Rate” shall be deemed to refer to the Base Rate plus the Applicable Initial Margin, unless a Benchmark Transition Event or Early Opt-in Election has occurred, in which event “Contract Rate” shall be deemed to refer to the Base Rate plus the Replacement Spread. In no event shall the Contract Rate be less than the Applicable Floor.

“First Amendment Order” means an order of the Bankruptcy Court entered in the Chapter 11 Case after a hearing under Bankruptcy Rule 4001(c)(2) or such other procedures required by the Bankruptcy Court, which order shall be satisfactory in form and substance to the Agent, and which order has not been stayed, which, among other things, approves the Second DIP Amendment and authorizes the Borrower to enter into and perform under the Second DIP Amendment.

“Flagship Resort” shall mean the resort known as “The Flagship, a Condominium” in Atlantic City, New Jersey.

“Funding Account” shall have the meaning assigned to it in Section 2.15 hereof.

“GAAP” shall mean generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

“Governmental Authority” shall mean any federal, state, municipal, national, local or other governmental department, court, commission, board, bureau, agency or instrumentality or political subdivision thereof, or any entity or officer exercising executive, legislative or judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case, whether of the United States or a state, territory or possession thereof, a foreign sovereign entity or country or jurisdiction or the District of Columbia.

“Hazardous Substances” shall mean, without limitation, any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials as defined in or subject to any applicable Environmental Law.

“Holdings” shall mean Fantasea Resorts Group, Inc., a Delaware corporation.

“Indebtedness” of any Person shall mean, without duplication, (a) all items which, in accordance with GAAP, would be included in determining total liabilities as shown on the liability side of the balance sheet of such Person as of the date as of which Indebtedness is to be determined, including any lease which, in accordance with GAAP would constitute Indebtedness, but excluding accounts payable in the ordinary course of business, (b) all indebtedness secured by any mortgage, pledge, security, Lien or conditional sale or other title retention agreement to which any property or asset owned or held by such Person is subject, whether or not the indebtedness secured thereby shall have been assumed, (c) all indebtedness of others which such Person has directly or indirectly guaranteed, endorsed (otherwise than for collection or deposit in the ordinary course of business), discounted or sold with recourse or agreed (contingently or otherwise) to purchase or repurchase or otherwise acquire, or in respect of which such Person has agreed to supply or advance funds (whether by way of loan, Equity

other Obligations, (iii) the effective date of an Approved Plan (as defined herein), and (iv) the last day of the Term.

“Maximum Loan Amount” shall mean \$~~5,000,000.00~~5,602,000.00.

“Maximum Rate” shall mean the highest lawful and non-usurious rate of interest applicable to the Loan, that at any time or from time to time may be contracted for, taken, reserved, charged, or received on the Loan and the Obligations under the laws of the United States and the laws of such states as may be applicable thereto, that are in effect or, to the extent allowed by such laws, that may be hereafter in effect and that allow a higher maximum nonusurious and lawful interest rate than would any Applicable Laws now allow.

“Measuring Period” shall have the meaning assigned to it in Section 6.22(c) hereof.

“Milestone” shall have the meaning assigned to it in Section 6.23 hereof.

“Monthly Reset Date” shall mean the first (1st) day of each calendar month (or, if such first (1st) day is not a Business Day, then the first (1st) Business Day thereafter).

“Mortgage Assignment” means each Collateral Assignment of Pledged Receivables and Timeshare Mortgages in proper form for recording, between Borrower and Agent, in form satisfactory to the Requisite Lenders and substantially in the form attached hereto as Exhibit B, for the benefit of itself and the other Lenders, pursuant to which Borrower collaterally assigns and grants a security interest to Agent in all of Borrower’s right, title and interest in, to and under any Receivable identified in the exhibit or schedule thereto, and the related Timeshare Collateral Documents, together with all accounts, chattel paper and general intangibles related thereto and the cash and non-cash proceeds thereof.

“Net Operating Variance” shall have the meaning assigned to it in Section 6.22(e) hereof.

“New Lending Office” shall have the meaning assigned to it in Section 13.8(g).

“New Money” shall have the meaning assigned to it in Section 2.1(a) hereof.

“Non-Funding Lender” shall have the meaning assigned to it in Section 13.7.

“Non-U.S. Lender” shall have the meaning assigned to it in Section 13.8(f).

“Nonavailability Notice” shall have the meaning given to such term in Section 2.2(f).

“Note(s)” shall mean, individually and collectively, any Notes payable to the order of a Lender executed by Borrower evidencing the Loan and the Advances thereunder, as the same may be amended, modified, divided, split, supplemented and/or restated from time to time.

“Obligations” shall mean, without duplication, all present and future obligations, Indebtedness and liabilities of Borrower to Agent and Lenders at any time and from time to time of every kind, nature and description, direct or indirect, secured or unsecured, joint and several,

“Scheduled Payment” shall mean the scheduled monthly payment of principal and interest by or on behalf of an Obligor on a Receivable.

“Second DIP Amendment” means that certain Second Amendment to Loan and Security Agreement by and among the Agent, the Lenders and the Borrower.

“Security Documents” shall mean, collectively, this Agreement, each Timeshare Mortgage, UCC financing statements, each Mortgage Assignment and all other documents or instruments necessary or desired to create or perfect the Liens in the Collateral, as such may be modified, amended or supplemented from time to time.

“Settlement Date” shall have the meaning assigned to it in Section 13.5(a)(ii) hereof.

“Side Letter” shall mean that certain Flagship Management Company Side Letter dated as of May 21, 2025, by and among BOC, Colebrook, AC Boardwalk Investments, LLC, Boardwalk Management, LLC, Marina Title Corp., BKRP LLC, Fantasea Resorts Management Company, Inc. and First Resorts Management Co., Inc.

“Stalking Horse” shall mean AC Boardwalk Investments, LLC.

“Subsidiary” shall mean, as to any Person, any other Person in which more than fifty percent (50%) of all Equity Interests is owned directly or indirectly by such Person or one or more of its Subsidiaries.

“Taxes” shall have the meaning assigned to it in Section 13.8(a) hereof.

“Term” shall mean the period commencing on the Closing Date and ending on ~~August 26~~September 21, 2025.

“Term Loan” shall have the meaning assigned to it in Section 2.1(a) hereof.

“Term SOFR” shall mean a rate per annum which is identified and normally published by Bloomberg Professional Service page SR1M Index as the offered rate for loans in United States dollars for a one (1) month period, rounded upwards, if necessary, to the nearest 1/100th of one percent (0.01%). Such rate shall be determined monthly and shall be the rate set by the CME Group Benchmark Administration Limited as of 5:00 a.m. (Chicago time) two (2) Business Days prior to commencement of each Interest Period and effective for such Interest Period.

“Termination Date” shall have the meaning assigned to it in Section 11.1 hereof.

“Termination Notice” shall have the meaning assigned to it in Section 2.6(a) hereof.

“Third-Party Asset Purchase Agreement” means an asset purchase agreement by and among the Borrower and a third-party purchaser that provides for the purchase and sale of substantially all of the assets of the Borrower, which third-party purchaser and asset purchase agreement are satisfactory to the Requisite Lenders in their Permitted Discretion.

“UCC” shall mean the Uniform Commercial Code as in effect in the State of New Jersey; provided that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New Jersey, “UCC” shall mean the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

“Unit” shall mean a part of a Resort which is designated for occupancy in connection with a Vacation Ownership Interest.

“Vacation Ownership Interest” shall mean the underlying interest that is the subject of a Receivable, which interest entitles the related Obligor to occupy, exchange, or rent a week or other period in a Unit, such Unit to be determined by Borrower based on availability, at a Resort on a reservation or fixed-week basis.

“Vacation Ownership Interest Regime” shall mean any of the various timeshare, fractional, interval ownership or use-right regimes located at a Resort, each of which is an arrangement established under all Applicable Law.

“Voluntary Termination” shall have the meaning assigned to it in Section 2.6(a) hereof.

“Voluntary Termination Date” shall have the meaning assigned to it in Section 2.6(a) hereof.

“Winning Bidder” means any party selected to acquire some, substantially all, or all of the Borrower’s assets pursuant to the procedures set forth in the Bidding Procedures Motion.

II. LOAN, PAYMENTS, INTEREST AND COLLATERAL

2.1 The Loan

(a) Term Advances of the Loan. Subject to the provisions of this Agreement and the DIP Order, each Lender (severally, not jointly or jointly and severally), shall make a term loan in the aggregate amount of up to five million, six hundred and two thousand dollars and 00/100 (~~\$5,000,000.00~~5,602,000.00) (the “**Term Loan**”) consisting of (i) ~~three~~four million, ~~seven~~three hundred ~~forty-eight~~fifty thousand, four hundred fifty-three dollars and 10/100 (~~\$3,748,453.10~~4,350,453.10) in new money financing (the “**New Money**”), and (ii) one million, two hundred fifty-one thousand, five hundred forty-six dollars and 90/100 (\$1,251,546.90) in funds to be applied against the BOC Debt (the “**Roll-Up**”). The New Money will be funded by the Lenders in accordance with their Proportionate Share, and the Roll-Up will be funded by BOC and Colebrook, which shall be funded by BOC in the amount of nine hundred twenty-one thousand, nine hundred sixty-nine dollars and 16/100 (\$921,969.16) and funded by Colebrook in the amount of three hundred twenty-nine thousand, five hundred seventy-seven dollars and 74/100 (\$329,577.74). Subject to the terms and conditions set forth herein and in the DIP Order, the New Money will be deposited in the hereinafter defined Funding Account, with (a) nine-hundred thousand dollars and 00/100 (\$900,000.00) being deposited into the Funding Account upon entry of the Interim DIP Order; ~~and~~ (b) two million, eight hundred forty-eight

thousand, four hundred fifty-three dollars and 10/100 (\$2,848,453.10) being deposited into the Funding Account upon entry of the Final DIP Order; and (c) six hundred and two thousand and 00/100 (\$602,000.00) being deposited into the Funding Account upon entry of the First Amendment Order and satisfaction of the conditions precedent in the Second DIP Amendment.

The maximum amount of Advances outstanding (or which may be requested to be drawn) on any date of determination shall not exceed the maximum, projected Term Loan balance set forth for such date of determination in the Approved Budget. Each Lender severally agrees to make Advances to Borrower under the Loan from time to time, consistent with (and subject to) the Approved Budget, provided, that the Advances of such Lender at any time outstanding under the Loan shall not exceed such Lender's Proportionate Share of the New Money (such amount being referred to herein as "Availability"). Any determination of Availability for requested Advances shall be made by Agent in its sole discretion and is final and binding upon Borrower, absent manifest error. No more than one (1) Advance may be made in any calendar week, unless otherwise permitted by Agent. Subject to the provisions of this Agreement, Borrower may request one or a series of Advances up to and including the value, in Dollars, of one hundred percent (100%) of Availability. Advances under the Loan automatically shall be made for the payment of any accrued and unpaid interest on the Loan and other Obligations relating to the Loan on the date when due to the extent available and as provided for herein provided, however, other than as expressly set forth herein, the Loan may not be reborrowed. Upon the Closing Date, the Roll-Up shall be deemed borrowed by the Borrower and applied against the Aggregate Prepetition Debt on a dollar-for-dollar basis in accordance with the proportions set forth in this Section 2.1(a).

(b) Notes.

(i) Borrower agrees that upon written notice by Agent to Borrower that a promissory note or other evidence of indebtedness is requested by Lenders to evidence the Loan and other Obligations owing or payable to, or to be made by, Lenders, Borrower shall promptly (and in any event within ten (10) Business Days of any such request) execute and deliver to Agent a promissory note in favor of Agent, for the benefit of Lenders, in the form attached hereto as Exhibit D;

(ii) all references to Note or Notes in the Loan Documents shall mean the Note or Notes, if any, to the extent issued (and not returned to Borrower for cancellation) hereunder, as the same may be amended, modified, divided, supplemented and/or restated from time to time;

(iii) upon Agent's written request, and in any event within ten (10) Business Days of any such request, Borrower shall execute and deliver to Agent new Notes (on substantially the same terms and in substantially the same form) and/or divide the Notes in exchange for then existing Notes in such smaller amounts or denominations as Agent shall specify in its sole discretion; provided that the aggregate principal amount of such new Notes shall not exceed the aggregate principal amount of the Notes outstanding at the time such request is made; and provided, further, that such Notes that are to be replaced shall then be deemed no longer outstanding hereunder and replaced by

Procedures and approving the Stalking Horse as stalking horse bidder (and otherwise in form and substance satisfactory to the Lenders) (the “**Bidding Procedures Order**”);

(e) On or before the date that is one (1) calendar day after the entry of the Bidding Procedures Order, the Borrower shall have served and published notice of the proposed Sale;

(f) On or before the date that is thirty-five (35) calendar days after the Petition Date, the Bankruptcy Court shall have entered (i) the Final DIP Order; and (ii) the Final Receivables Financing Order;

(g) On or before the date that is forty-five (45) calendar days after the Petition Date (the “**Plan Filing Date**”), the Borrower shall have filed a plan of reorganization or liquidation (an “**Approved Plan**”) and related disclosure statement (a “**Disclosure Statement**”), in each case acceptable to the Requisite Lenders;

(h) On or before the date that is ~~forty-five~~forty-eight (45~~48~~) calendar days following the entry of the Bidding Procedures Order, the Borrower shall have received all bids for the Sale (the “**Bid Deadline**”);

(i) On or before the date that is three (3) Business Days following the Bid Deadline, the Borrower shall have commenced an auction (the “**Auction**”) for the Sale;

(j) On or before the date that is ~~seventy-five~~ninety (75~~90~~) calendar days after the Petition Date, the Borrower shall have obtained Bankruptcy Court approval of the Disclosure Statement (the “**DS Approval Date**”);

(k) On or before the date that is three (3) Business Days after the Auction, the Borrower shall have conducted a hearing in Bankruptcy Court requested by the Sale Motion to give final approval of the Sale;

(l) On or before the date that is two (2) calendar days after the hearing on the Sale Motion referred to immediately above in clause (k), an order of the Bankruptcy Court approving the Sale Motion (and otherwise in form and substance satisfactory to the Requisite Lenders) (the “**Sale Order**”) shall have been entered by the Bankruptcy Court;

(m) On or before the date that is five (5) calendar days after the entry of the Sale Order and in any event no later than seventy (70) calendar days after the Petition Date, the Sale shall have been consummated in accordance with the terms of the applicable Third-Party Asset Purchase Agreement and the Sale Order;

(n) On or before the date that is thirty-five (35) calendar days after the DS Approval Date, the Borrower shall have obtained confirmation of the Approved Plan (the “**Confirmation Date**”); and

EXHIBIT 2

Flagship Resort Development Corp. DIP Budget (\$ in 000's) Week Ending	13-Week Cash Flow													13-Week TOTAL
	WK 1 Actual 5/18/25	WK 2 Actual 5/25/25	WK 3 Actual 6/1/25	WK 4 Actual 6/8/25	WK 5 Actual 6/15/25	WK 6 Actual 6/22/25	WK 7 Actual 6/29/25	WK 8 Actual 7/6/25	WK 9 Actual 7/13/25	WK 10 Actual 7/20/25	WK 11 Actual 7/27/25	WK 12 Forecast 8/3/25	WK 13 Forecast 8/10/25	
SALES														
Fundings and Transfers	\$147	\$106	\$142	\$157	\$217	\$115	\$110	\$130	\$117	\$121	\$151	\$150	\$175	\$1,839
Mortgage Collections	9	2	8	23	16	35	26	17	13	18	19	25	25	\$238
Escrow Payments	37	45	(1)	30	18	(1)	(0)	(38)	131	49	(1)	25	25	319
Subtotal Sales	\$194	\$152	\$149	\$210	\$252	\$150	\$135	\$110	\$262	\$187	\$169	\$200	\$225	\$2,396
Other Income														
Boardwalk Management Fee	--	\$50	\$15	--	--	--	--	--	--	\$80	--	--	--	\$145
Package Sales	15	12	17	16	13	10	8	3	11	11	10	13	9	146
Travel Club	1	1	1	1	2	2	2	1	2	2	2	1	1	18
Income F&B / Spa	6	5	5	5	5	5	6	4	6	4	7	9	9	76
Bank CC Fees	(4)	--	(0)	(11)	--	(5)	--	(16)	(0)	(5)	--	--	(12)	(54)
Subtotal Other Income	\$41	\$68	\$80	\$14	\$21	\$32	\$23	(\$8)	\$24	\$99	\$35	\$22	\$6	\$456
TOTAL INFLOW	\$235	\$220	\$229	\$225	\$272	\$181	\$158	\$101	\$286	\$286	\$204	\$222	\$232	\$2,852
Payroll	\$120	\$163	\$139	\$173	\$121	\$188	\$122	\$133	\$132	\$166	\$148	\$131	\$131	\$1,869
Operating Payments														
Benefits	--	\$105	\$0	\$0	\$2	\$121	\$0	\$0	\$2	\$121	--	--	--	\$353
OA Obligation	--	4	--	85	--	--	--	--	--	62	0	--	--	151
Sales Expenses & Closing Costs	8	9	2	15	2	10	10	13	6	4	9	9	9	107
Marketing Expenses	18	25	18	19	25	49	24	25	31	47	38	30	29	378
Marketing Leads	28	26	29	29	36	35	29	18	4	4	18	25	18	299
Marketing Premiums	19	15	61	1	--	26	51	--	58	10	--	26	50	316
Loan Servicing	60	12	--	--	--	--	67	--	--	66	--	--	--	205
Legal, Insurance, Tax Related	43	--	--	3	--	23	4	--	--	23	4	28	21	148
Administrative and Other Operating	21	1	14	12	3	16	32	5	7	10	27	19	14	182
ESOP Trustee, CCRO & Consultant	--	--	--	18	--	25	--	18	--	--	1	65	65	192
Subtotal Operating Payments	\$197	\$196	\$126	\$182	\$69	\$304	\$217	\$79	\$108	\$347	\$97	\$202	\$205	\$2,331
Total Operating Disbursements	\$318	\$359	\$265	\$356	\$190	\$493	\$339	\$211	\$240	\$513	\$245	\$334	\$337	\$4,199
Operating Cash Flow	(\$83)	(\$139)	(\$37)	(\$131)	\$83	(\$312)	(\$181)	(\$110)	\$46	(\$227)	(\$42)	(\$111)	(\$105)	(\$1,347)
Restructuring costs														
Debtor Professionals	--	--	--	--	--	--	--	--	--	--	\$185	--	\$840	\$1,025
UCC Professionals	--	--	--	--	--	--	--	--	--	--	--	--	400	400
Claims Agent	--	--	--	--	33	--	--	--	--	25	--	--	60	119
DIP Interest and Fees	--	9	--	--	--	--	4	--	--	5	3	43	17	80
DIP Lender Professional Fees	--	156	--	--	--	--	--	--	--	186	110	101	--	554
Other Restructuring Costs	--	--	--	--	--	--	--	--	--	--	--	12	35	47
Subtotal Restructuring Costs	--	165	--	--	33	--	4	--	--	217	298	156	1,352	2,225
Net Cash Flow	(\$83)	(\$304)	(\$37)	(\$131)	\$50	(\$312)	(\$184)	(\$110)	\$46	(\$444)	(\$340)	(\$267)	(\$1,457)	(\$3,572)
Beginning Cash Balance	\$39	(\$44)	\$553	\$516	\$385	\$435	\$123	\$288	\$178	\$224	\$317	\$272	\$5	\$39
Net Cash Flow	(83)	(304)	(37)	(131)	50	(312)	(184)	(110)	46	(444)	(340)	(267)	(1,457)	(3,572)
DIP Term Draw / (Repayment)	--	900	--	--	--	--	350	--	--	536	295	--	1,668	3,750
Ending Cash Balance	(\$44)	\$553	\$516	\$385	\$435	\$123	\$288	\$178	\$224	\$317	\$272	\$5	\$217	\$217

Flagship Resort Development Corp. DIP Budget (\$ in 000's) Week Ending	Extended 6-Week Cash Flow						6-Week TOTAL	Combined 19-Week TOTAL	
	WK 14 Forecast 8/17/25	WK 15 Forecast 8/24/25	WK 16 Forecast 8/31/25	WK 17 Forecast 9/7/25	WK 18 Forecast 9/14/25	WK 19 Forecast 9/21/25			
SALES									
Fundings and Transfers	\$175	--	--	--	--	--	\$175	\$2,014	
Mortgage Collections	25	--	--	--	--	--	\$25	\$263	
Escrow Payments	25	--	--	--	--	--	25	345	
Subtotal Sales	\$225	--	--	--	--	--	\$225	\$2,621	
Other Income									
Boardwalk Management Fee	\$84	--	--	--	--	--	\$84	\$229	
Package Sales	9	--	--	--	--	--	9	155	
Travel Club	1	--	--	--	--	--	1	19	
Income F&B / Spa	9	--	--	--	--	--	9	84	
Bank CC Fees	--	--	--	--	--	--	--	(54)	
Subtotal Other Income	\$102	--	--	--	--	--	\$102	\$559	
TOTAL INFLOW	\$328	--	--	--	--	--	\$328	\$3,180	
Payroll	\$131	--	--	--	--	--	\$131	\$2,000	
Operating Payments									
Benefits	\$100	--	--	--	--	--	\$100	\$453	
OA Obligation	105	--	--	--	--	--	105	256	
Sales Expenses & Closing Costs	9	--	--	--	--	--	9	116	
Marketing Expenses	29	--	--	--	--	--	29	407	
Marketing Leads	18	--	--	--	--	--	18	317	
Marketing Premiums	--	--	--	--	--	--	--	316	
Loan Servicing	--	--	--	--	--	--	--	205	
Legal, Insurance, Tax Related	--	--	--	--	--	--	--	148	
Administrative and Other Operating	9	--	--	--	--	--	9	191	
ESOP Trustee, CCRO & Consultant	--	--	--	--	--	--	--	192	
Subtotal Operating Payments	\$269	--	--	--	--	--	\$269	\$2,600	
Total Operating Disbursements	\$401	--	--	--	--	--	\$401	\$4,600	
Operating Cash Flow	(\$73)	--	--	--	--	--	(\$73)	(\$1,420)	
Restructuring costs									
Debtor Professionals	--	--	--	--	--	\$161	\$161	\$1,186	
UCC Professionals	--	--	--	--	--	75	75	475	
Claims Agent	--	--	--	--	--	35	35	154	
DIP Interest and Fees	24	--	--	--	--	--	24	104	
DIP Lender Professional Fees	--	--	--	--	--	107	107	660	
Other Restructuring Costs	--	--	--	--	--	40	40	87	
Subtotal Restructuring Costs	24	--	--	--	--	418	442	2,667	
Net Cash Flow	(\$97)	--	--	--	--	(\$418)	(\$515)	(\$4,087)	
Beginning Cash Balance	\$217	\$720	\$720	\$720	\$720	\$720	\$217	\$39	Resulting DIP Balance
Net Cash Flow	(97)	--	--	--	--	(418)	(515)	(4,087)	DIP Term Draw \$4,350
DIP Term Draw / (Repayment)	600	--	--	--	--	--	600	4,350	DIP Roll Up 1,252
Ending Cash Balance	\$720	\$720	\$720	\$720	\$720	\$302	\$302	\$302	Ending DIP Balance \$5,602