UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: BY HOTEL SPE-3 LLC, a Delaware Limited Liability Company, 1101 WABASH DEVELOPMENT MEZZ, LLC, a Delaware Limited Liability Company, WABASH 11TH MEZZ LLC, a Delaware Limited Liability Company, PACIFIC TAI MEZZ LLC, a Delaware Limited Liability Company, 1101 WABASH DEVELOPMENT SPE LLC, a Delaware Limited Liability Company, WABASH 11TH LLC, an Illinois Limited Liability Company, 1101 WABASH DEVELOPMENT LLC, an Illinois Limited Liability Company, PACIFIC TAI, LLC, an Illinois Limited Liability Company, SB YEN'S MANAGEMENT GROUP, INC, an Illinois Corporation, **Debtors.**[1]	Chapter 11 Case No. 26-10324 (JKS) (Joint Administration Requested)

EMERGENCY MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS UNDER BANKRUPTCY CODE SECTION 364(c)(3) AUTHORIZING THE DEBTORS TO OBTAIN JUNIOR SECURED POSTPETITION FINANCING AND REQUEST FOR INTERIM AND FINAL HEARINGS

The above-captioned debtors and debtors-in possession (each a "Debtor" and collectively the "Debtors"), moves the Court for entry of an interim order in the form attached hereto as **Exhibit A** (the "Interim Order"), pursuant to sections 105 and 364(c)(3) of Title 11 of the United States Code. 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code"), Rules 2002, 4001, 6003, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rules 2002-1(b), 4001-2, 9006-1, and 9013-1(m) of the Local Rules for the United States

[1] The Debtors in these chapter 11 cases and the last four digits of their respective identification numbers are By Hotel SPE-3 LLC (3619); 1101 Wabash Development Mezz, LLC (9294); Wabash 11th Mezz LLC (4278); Pacific Tai Mezz LLC (3717); 1101 Wabash Development SPE LLC (9201); Wabash 11th LLC (3098); 1101 Wabash Development LLC (3365); Pacific Tai, LLC (9675); and SB Yen's Management Group, Inc. (1132). The location of the Debtors' corporate headquarters and the Debtors' service address is 806 N York Rd., Hinsdale, IL 60521.

Bankruptcy Court for the District of Delaware (the "Local Rules"): (a) authorizing the Debtors to obtain a single-draw, junior secured postpetition credit facility in the amount of $1,000,000.00 (the "DIP Facility") from SBY DeKalb Inn, LTD, an Illinois company (and any other lender that may join in the financing) (the "DIP Lenders"); (b) scheduling, pursuant to Bankruptcy Rule 4001(d), a final hearing to consider entry of an order granting the relief requested in this Motion on a final basis (a "Final Order," and together with the Interim Order, the "DIP Orders"); and (c) granting related relief. In support of this Motion, the Debtors respectfully state as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334, and the Amended Standing Order of Reference from the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and the Court may enter a final order consistent with Article III of the United States Constitution.

2. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief requested herein are sections 105 and 364(c)(3) of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6003, 6004 and 9014, and Local Rules 2002-1(b), 4001-2, 9006-1 and 9013-1(m).

4. The Court has not yet appointed a Trustee or Examiner, nor has an official committee been established in this Chapter 11 Proceeding

BACKGROUND

A. General Background

5. On March 8, 2026, each of the Debtors filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. Concurrently with this Motion, the Debtors jointly filed motions or applications seeking certain typical "first day" orders, including an order to have these cases jointly administered.

6. The Debtors are authorized and have continued to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

7. Additional information regarding the Debtors' businesses, capital structure, and the circumstances leading to the filing of these chapter 11 cases is set forth in the *Declaration of Ted Mandigo in Support of Debtors' Cash Collateral and Debtor in Possession Financing Motions* (the "Mandigo Declaration"), the *Declaration of Su-Mei Yen in Support of Debtors' First Day, Cash Collateral, and Debtor in Possession Financing Motions* (the "First Day Declaration," and together with the Mandigo Declaration, the "Declarations"), and the Debtors' *Emergency Motion for Authority to Use Cash Collateral Pursuant to Sections 105, 361, 362, and 363 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 4001(B) and Request for Interim and Final Hearings*, each filed contemporaneously herewith.

B. Capital Structure of the Debtors

i. Senior Obligations

8. Debtors Wabash 11th LLC, 1101 Wabash Development LLC, and Pacific Tai, LLC are parties to that certain Loan Agreement dated August 30, 2019 (as amended, supplemented, or modified, the "Credit Agreement"), with lender Delpha CRE Funding LLC (and other lenders from time to time) (collectively, the "Senior Lenders") and Acore Capital Mortgage, LP as administrative agent ("Agent," and together with the Senior Lenders, the "Senior Creditors"). The Senior Loan Agreement evidences a loan in the original principal amount of $146,737,500.00 (the "Senior Obligations") with a variable interest rate ranging from 2.25% plus LIBOR on amounts "evidenced by Note A" as described in the Senior Loan Agreement, and 6.375% plus LIBOR on amounts "evidenced by Note B" as described in the Senior Loan Agreement. The Senior Obligations are secured by a mortgage also dated August 30, 2019 (the "Senior Mortgage,"

and together with the Credit Agreement, the "Loan Documents") on two properties: (1) 1101 South Wabash Avenue, Chicago, Illinois 60605 (the "Hilton Property"); and (2) 1100 South Michigan Avenue, Chicago, Illinois 60605 (the "Best Western Property").

9. As of the Petition Date, the Debtors were liable under the Loan Documents in an aggregate principal amount of not less than $146,737,500.00, plus additional potential pre-petition interest, fees, expenses, and other amounts arising in respect of such obligations immediately prior to the Petition Date. As of the Petition Date, the Debtors were in default of the Credit Agreement and/or other Loan Documents.

ii. Unsecured Claims and Obligations

a. Mezzanine Obligations

10. Debtors Wabash 11th LLC, 1101 Wabash Development LLC, and Pacific Tai, LLC are parties to that certain Mezzanine Loan Agreement dated August 30, 2019 with the Senior Creditors (as amended, supplemented, or modified, the "Mezzanine Loan Agreement") in the original principal amount of $3,762,500.00. The Mezzanine Loan Agreement is not secured by the Senior Mortgage, and bears an interest rate of 6.375% plus LIBOR.

11. As of the Petition Date, the Debtors were liable under the Mezzanine Loan Agreement in an aggregate principal amount of not less than $3,762,500.00, plus additional potential pre-petition interest, fees, expenses, and other amounts arising in respect of such obligations immediately prior to the Petition Date. As of the Petition Date, the Debtors were in default of the Mezzanine Loan Agreement.

12. In the ordinary course of operating their business, the Debtors utilize goods and services from dozens of trade vendors, including food vendors, laundry vendors, and others. Many of these vendors will have a prepetition claim against the Debtors due to the commencement of these

chapter 11 cases. The Debtor will also have obligations to the franchisors for the Hilton Property and the Best Western Property.

RELIEF REQUESTED

13. By this Motion, the Debtors request that the Court enter the Interim Order: (a) authorizing the Debtors to enter into the DIP Facility, subject to the term and conditions set forth therein; (b) scheduling the Final Hearing within approximately thirty days of the commencement of these chapter 11 cases to consider approval of this Motion on a final basis; and (c) granting related relief.

14. Specifically, the Debtor seeks authorization to enter into the DIP Facility to meet the ordinary cash needs of the Debtors, and for such other purposes as may be approved in writing by secured creditors, for the payment of:

a. Reasonable and necessary operating expenses incurred in the ordinary course of business;

b. Maintenance and preservation of the property of the estate;

c. Payroll and related tax obligations;

d. Property taxes and insurance premiums; and

e. Payment of expenses associate with this Chapter 11 case, including professional expenses incurred in the administration of the bankruptcy case.

THE DEBTORS' IMMEDIATE NEED TO ENTER INTO THE DIP FACILITY

15. As set forth in the Declarations, the Debtors require immediate access to the DIP Facility to ensure they are able to continue the operation of their businesses, as the DIP Facility (and the use of cash collateral) are the Debtors' sole sources of funding for their operations and the costs of administering the chapter 11 process. Absent authority to immediately enter into the DIP Facility, the Debtors, their creditors, and the estates would suffer irreparable harm because the Debtors would immediately cease operations, which, in turn, would cause and immediate and pronounced deterioration in the value of the Debtors' businesses. Thus, the Debtors' access to the

DIP Facility is necessary to preserve and maximize value for the benefit of all the Debtors' stakeholders.

16. As further set forth herein and in the Interim Order, the Interim Order provides the DIP Lenders with junior liens in certain collateral of the Debtors, namely the Hilton Property and the Best Western Property (including the proceeds of their operations). The Debtors propose to make monthly payments of $50,000.00 under the DIP Facility, with a reservation of rights (but no obligation) to seek that any remaining debt converted to equity upon the Debtors' emergence from the chapter 11 process.

17. Access to the DIP Facility on an interim basis will provide the Debtors with the liquidity necessary to ensure that the Debtors have sufficient working capital and liquidity to operate their businesses, and thus preserve and maintain the value of the Debtors' estates. Without such access to liquidity, the Debtors' ability to navigate through the chapter 11 process will be jeopardized, to the detriment of the Debtors' stakeholders. As a result, the Debtors have an immediate need to access the DIP Facility to ensure sufficient liquidity throughout the pendency of these chapter 11 cases.

18. The Debtors exercised their business judgment in the selection and negotiation of the DIP Facility. No third party lenders were prepared to offer debtor in possession financing to the Debtors, particularly on a junior basis to the existing Senior Obligations. The Debtors therefore engaged in good faith, arms-length negotiations with the DIP Lenders regarding the proposed terms of the DIP Facility.

19. The proposed DIP Facility as offered by the DIP Lenders is the best financing option that the Debtors could obtain under the circumstances. Fully unsecured postpetition financing was not available to the Debtors, as the DIP Lenders required junior (albeit convertible) security to address the risk associated with their further investment in the Debtors.

20. The Debtors believe that it is essential to the success of their chapter 11 cases, and the culmination of their sale process, that the Debtors receive immediate authority to access the DIP Facility.

CONCISE STATEMENT OF THE MATERIAL TERMS OF THE INTERIM ORDER

21. The following chart (the "Summary of Material Terms Chart") contains a summary of the material terms of the Interim Order, in accordance with Bankruptcy Rule 4001(b)(1) and Local Rule 4001-2(a)(ii). A full description of the loan terms is contained in the Debtor in Possession Credit Agreement (attached to the proposed Interim Order as Exhibit 1) (the "DIP Credit Agreement"), which shall also serve as the final credit agreement between the parties should the Court grant this Motion on a final basis.[2]

Material Terms	Summary of Material Terms	Paragraphs of DIP Credit Agreement
Borrowers:	Each of the Debtors	Opening paragraph
DIP Lenders:	SBY DeKalb Inn, LTD and any other lender that may join in the financing	Opening paragraph
DIP Facility:	$1,000,000.00 available as a single draw upon entry of the Interim Order, which amount shall be subject to partial disgorgement based on failure to meet certain milestones.	1.4
Fees and Expenses, Indemnities:	Customary indemnities. No prepayment fees or prepaid points.	3.3
Interest Rate:	10% Simple Fixed Interest	3.2
Use of Proceeds:	For general business and restructuring purposes, including payment of vendors, attorneys, and expenses	3.4
Maturity Date:	"Maturity Date" means the earliest to occur of (a) May 31, 2027, (b) the effective date of a confirmed chapter 11 plan for any Debtor, (c) consummation of a sale of substantially all assets of any Debtor, (d) conversion or dismissal of any Chapter 11 Case, or (e) an Event of Default (as defined herein).	Art. II
DIP Collateral:	The Hilton Property, the Best Western Property, and the proceeds thereof (the "DIP Collateral")	Art. II, 4.1
Subordination:	The junior liens under the DIP Facility are expressly subordinate to existing and perfected security interests.	4.1

[2] The Summary of Material Terms Chart and any other description of the Interim Order and DIP Credit Agreement provided in this Motion is qualified in its entirety by the actual terms of the Interim Order and the DIP Credit Agreement. The actual terms of the Interim Order control in the event of any inconsistency between this Motion (including the Summary of Material Terms Chart), the DIP Credit Agreement, and the Interim Order.

Material Terms	**Summary of Material Terms**	**Paragraphs of DIP Credit Agreement**
Events of Default:	a. Failure of Debtors to abide by the terms, covenants, and conditions of the Interim Order; b. Failure of Debtors to timely pay fees of the U.S. Trustee; c. Appointment of a Chapter 11 trustee or the appointment of an examiner with expanded powers; d. Termination of Debtors' franchise agreements with Hilton or Best Western; e. Conversion of the Chapter 11 cases to cases under Chapter 7 of the Bankruptcy Code; f. The Chapter 11 Cases are dismissed; or g. The entry of an order of this or any other Court (other than the Final Order) reversing, staying, vacating or otherwise modifying in any material respect the terms of the Interim Order. h. the failure of the Debtors to meet any of the following milestones: 1. Final Order entered by May 5, 2026. 2. The Debtors' filing of a chapter 11 plan and disclosure statement on or prior to the date that is 12 months after the Petition Date. 3. Extension of plan exclusivity on or before its expiration. 4. Confirmation of a chapter 11 plan prior to the date that is 18 months following the Petition Date. the failure of the Debtors to meet any of the foregoing milestones will result in a partial disgorgement of the funds provided by the DIP Facility calculated on a *per diem* basis. The amount of disgorgement will be measured by multiplying the sum of $1,828.15 per day (*i.e.*, $1,000,000 divided by 547, representing 18 months), with the number of days calculated as the difference between (i) the number of days between the date that is 18 months from the Petition Date and the Petition Date, and (ii) the number of days elapsed between the Petition Date and the date that the milestone was missed (and/or rendered impossible).	8.1, 8.2, 8.3
Amendments and Waivers:	Amendments may be made by mutual agreement between the Debtors and the DIP Lenders, subject to Court approval in the case of material amendments.	11.3

Material Terms	Summary of Material Terms	Paragraphs of DIP Credit Agreement
Other:	The Debtors reserve the right (but not the obligation) to seek to convert the debt under the DIP Facility to equity upon the emergence of the Debtors from chapter 11, subject to Court approval and the chapter 11 plan process. The Interim Order contains language specifying that nothing in the Interim Order or related DIP documents shall require the Debtors or their directors, officers, attorneys, or agents to take any action inconsistent with their fiduciary duties or applicable law.	3.2, Interim Order para. 10.

HIGHLIGHTED PROVISIONS PURSUANT TO LOCAL RULE 4001-2(a)(i)

22. Local Rule 4001-2(a)(i) requires a debtor to: (a) recite whether the proposed form of the financing order contains certain provisions of the type enumerated therein; (b) identify the location of such provisions in the proposed order; and (c) justify the inclusion of such provisions in the proposed order. *See* Del. Bankr. L.R. 4001-2(a)(i). As further set out in the provisions discussed above in the Summary of Material Terms Chart, the Debtors hereby disclose the below provisions (collectively, the "Highlighted Provisions") in accordance with Local Rule 4001-2(a)(i):

a. **Provisions that grant cross collateralization (Local Rule 4001-2(a)(i)(A)).** There are no provisions that grant cross-collateralization protection.

b. **Provisions or findings of fact that bind the estate or other parties in interest with respect to the validity, perfection, or amount of the secured creditor's prepetition lien (Local Rule 4001-2(a)(i)(B)).** No such provisions are in the Interim Order.

c. **506(c) rights (Local Rule 4001-2(a)(i)(C)).** The Interim Order does not include a 506(c) waiver.

d. **Provisions that immediately grant the prepetition secured creditor liens on the Debtors' claims and causes of action arising under 11 U.S.C. §§ 544, 545, 548, and 549 (Local Rule 4001-2(a)(i)(D)).** The Interim Order does not grant the DIP Lenders liens on the Debtors' claims and causes of action arising under 11 U.S.C. §§ 544, 545, 548, and 549.

e. **Provisions deeming prepetition debt to be postpetition debt (Local Rule 4001-2(a)(i)(E).** The Interim Order does not deem prepetition secured debt to the postpetition debt.

f. **Carve-Out (Local Rule 4001-2(a)(i)(F)).** There is no Carve-Out for the DIP Financing in the Interim Order.

g. **Non-consensual priming (Local Rule 4001-2(a)(i)(G)).** The Interim Order does not provide for non-consensual priming of any secured lien.

h. **552(b)(1) rights (Local Rule 4001-2(a)(i)(H)).** The Interim Order does not include any provision affecting 552(b)(1) rights.

i. **Termination (Local Rule 4001-2(a)(ii)).** Section 8.1 of the DIP Credit Agreement identifies a number of termination events. Notably, there are certain milestones set forth in section 8.2 of the DIP Credit Agreement that the Debtors must achieve or disgorgement of amounts paid under the DIP Facility may occur. In particular, the Final Order must be entered by May 5, 2026, the Debtors' filing of a chapter 11 plan and disclosure statement must occur on or prior to the date that is 12 months after the Petition Date, plan exclusivity must be extended on or before it elapses, and confirmation of a chapter 11 plan must occur prior to the date that is 18 months following the Petition Date. The failure of the Debtors to meet any of the foregoing milestones will result in a partial disgorgement of the funds provided by the DIP Facility calculated on a *per diem* basis. The amount of disgorgement will be measured by multiplying the sum of $1,828.15 per day (*i.e.*, $1,000,000 divided by 547, representing 18 months), with the number of days calculated as the difference between (i) the number of days between the date that is 18 months from the Petition Date and the Petition Date, and (ii) the number of days elapsed between the Petition Date and the date that the milestone was missed (and/or rendered impossible).

j. **Releases (Local Rule 4001-2(a)(ii)).** There are no releases in the Interim Order.

BASIS FOR RELIEF

I. The Debtors' Request to Enter Into the DIP Facility is Appropriate

23. Section 364(c) of the Bankruptcy Code requires a finding, made after notice and a hearing, that the debtor seeking postpetition financing on a secured basis cannot "obtain unsecured credit allowable under section 503(b)(l) of this title as an administrative expense." 11 U.S.C. § 364(c).

24. In evaluating proposed postpetition financing under section 364(c) of the Bankruptcy Code, courts perform a qualitative analysis and generally consider similar factors, including whether:

a. unencumbered credit or alternative financing without superpriority status is available to the debtor;

b. the credit transactions are necessary to preserve assets of the estate;

c. the terms of the credit agreement are fair, reasonable, and adequate;

d. the proposed financing agreement was negotiated in good faith and at arm's length, and entry thereto is an exercise of sound and reasonable business judgment and in the best interests of the debtors' estate and its creditors; and

e. the proposed financing agreement adequately protects the lender.

See, e.g., *In re Aqua Assocs.*, 123 B.R. 192 (Bankr. E.D. Pa. 1991) (applying the first three factors in making a determination under section 364(c)).

25. For the reasons discussed below, the Debtors satisfy the standards required to obtain postpetition financing in these chapter 11 cases on a junior secured basis as to the DIP Collateral under section 364(c)(3) of the Bankruptcy Code.

II. <u>The Debtors are Unable to Obtain Financing on More Favorable Terms</u>

27. As described herein and in the Declarations, the Debtors have carefully considered their financing options, and no alternative higher or better viable financing offers are available. The Debtors have thus determined that the DIP Facility provides the Debtors with the best postpetition financing option available and should be approved.

28. The Debtors respectfully submit that their efforts to obtain postpetition financing satisfy the standard required under section 364(c) of the Bankruptcy Code. *See, e.g.*, *In re Sky Valley, Inc.*, 100 B.R. 107, 113 (Bankr. N.D. Ga. 1988) (finding that, where few lenders can or will extend the necessary credit to a debtor, "it would be unrealistic and unnecessary to require [the debtor] to conduct such an exhaustive search for financing").

III. <u>The Proposed DIP Facility is Necessary to Maximize the Value of the Debtors' Estates</u>

29. The Debtors seek to use the DIP Facility for general working capital purposes, ordinary business expenses such as payroll, and bankruptcy-related costs and expenses to

maximize value through an orderly sale process. The DIP Facility represents the best economic alternative for a new debtor-in-possession lending arrangement.

30. Without immediate access to DIP Facility, the Debtors cannot continue to operate their business, which would irreparably damage the Debtors' efforts to effectuate a sale for the benefit of all constituents. Accordingly, the Debtors request authority to access the DIP Facility on the terms contemplated herein.

IV. <u>The Terms of the Proposed DIP Facility Are Fair, Reasonable, and Appropriate</u>

31. 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 potentiallender. *In re Farmland Indus., Inc.*, 294 B.R. 855, 886 (Bankr. W.D. Mo. 2003); *see also Unsecured Creditors' Comm. Mobil Oil Corp. v. First Nat'l Bank & Trust Co. (In re Ellingsen MacLean Oil Co.)*, 65 B.R. 358, 365 (W.D. Mich. 1986) (stating that debtors may have to enter into hard bargains to acquire funds).

32. The terms of the DIP Facility were negotiated in good faith and at arm's length between the Debtors and the DIP Lenders, resulting in an agreement that is designed to permit the Debtors to maximize the value of their assets. The Debtors submit that the proposed terms of the DIP Facility are fair, reasonable, and appropriate under the circumstances. *See, e.g.*, *Bray v. Shenandoah Fed. Sav. and Loan Ass'n (In re Snowshoe Co.)*, 789 F.2d 1085, 1088 (4th Cir. 1986) (stating that section 364(d) of the Bankruptcy Code imposes no duty to seek credit from every possible lender); *In re W. Pac. Airlines, Inc.*, 223 B.R. 567 (Bankr. D. Colo. 1997) (authorizing postpetition financing that would preserve the value of the debtor's assets). Further, the DIP Lenders consent to the DIP Facility on the terms set forth in the Interim Order.

32. As to the proposed junior security proposed through the DIP Facility, the Debtors submit that such security is fair, equitable, and in the best interests of the Debtors' estates and should be approved through the proposed DIP Orders. The Debtors' acceptance of the junior security interest is a necessary component of the DIP Facility and is a sound exercise of the Debtors' business judgment.

33. For the Debtors to obtain the benefits of the DIP Facility, the Debtors and the DIP Lenders agreed to the terms of the junior security interests as incorporated into the DIP Facility. The DIP Lenders would not otherwise extend credit to the Debtors without such junior security provisions. Accordingly, the proposed junior security interest is an appropriate exercise of the Debtors' business judgment and should be approved.

V. <u>**Failure to Obtain Immediate Interim Access to the DIP Facility Would Cause Immediate and Irreparable Harm to the Debtors and their Estates**</u>

26. Bankruptcy Rule 4001(c) provides that a final hearing on a motion to access postpetition financing pursuant to section 364 of the Bankruptcy Code may not be commenced earlier than fourteen days after the service of such motion. The Court, however, is authorized to conduct a preliminary expedited hearing on the Motion and authorize the Debtors' proposed access to the DIP Facility to the extent necessary to avoid immediate and irreparable harm to a debtor's estate. *See* Fed. R. Bankr. P. 4001(c)(2)(A).

27. The Debtors have an immediate postpetition need to access 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 use cash to, among other things, continue operating their business and satisfy other working capital needs during these chapter 11 cases. The Debtors will therefore be unable to proceed with operating their businesses without the ability to access the DIP Facility, and will suffer immediate and irreparable harm to the detriment of all creditors and other parties

in interest. In short, the Debtors' ability to finance their business operations, and the availability of sufficient working capital and liquidity to the Debtors through access to the DIP Facility is vital to the preservation and maintenance of the value of the Debtors' estates and the successful prosecution of these chapter 11 cases.

28. The Debtors therefore, seek immediate authority to access the DIP Facility on an interim basis, 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 Rule 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 DIP Facility availability on an interim basis.

VI. Modification of the Automatic Stay is Appropriate

29. The Interim Order contemplates a modification of the automatic stay, to the extent applicable, as necessary to, among other things, permit the Debtors to: (a) grant the junior security liens described above, and to perform such acts as may be requested to assure the perfection and priority of such security interests and liens; and (b) authorize the Debtors to make certain payments in accordance with the terms of the Interim Order. Stay modification provisions of this kind are ordinary and standard terms of postpetition use by debtors-in-possession of prepetition collateral, and, in the Debtors' business judgment, are reasonable under the present circumstances. Accordingly, the Debtors respectfully request that the Court authorize the modification of the automatic stay in accordance with the terms set forth in the DIP Orders.

REQUEST FOR FINAL HEARING

30. Pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2), the Debtors request that the Court set a date for the Final Hearing within 30 days of the Petition Date, and fix the date and time prior to the Final Hearing for parties to file objections to the relief requested by this Motion.

NOTICE

31. Notice of this Motion has been provided to: (i) the Office of the United States Trustee for the District of Delaware; (ii) the Office of the United States Attorney for the District of Delaware; (iii) the Internal Revenue Service; (iv) the Debtors' twenty largest unsecured creditors, excluding insiders; (v) counsel for Agent and the Senior Creditors; and (vi) all parties that have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002. Notice of this Motion and any order entered hereon will be served in accordance with Local Rule 9013-1(m). In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

CONCLUSION

WHEREFORE, the Debtors request that the Court: (a) enter the DIP Orders (i) authorizing the Debtors to access the DIP Facility on an interim and final basis subject to the terms and conditions set forth therein, (ii) granting adequate protection to the extent set forth in the DIP Orders, (iii) scheduling the Final Hearing within approximately thirty days of the commencement of these chapter 11 cases to consider approval of this Motion on a final basis, and (iv) granting related relief; and (b) grant the Debtors such other and further relief as is just and proper.

Dated: March 8, 2026
Wilmington, Delaware

LEWIS BRISBOIS
BISGAARD & SMITH LLP

By: */s/ Rafael X. Zahralddin-Aravena*
Rafael X. Zahralddin-Aravena(No. 004166)
Minyao Wang (*pro hac vice* pending)

500 Delaware Avenue, Suite 700
Wilmington, Delaware 19801
302.985.6000
Rafael.Zahralddin@lewisbrisbois.com
Minyao.Wang@lewisbrisbois.com

Proposed Attorneys for the Debtors and the Debtors in Posession

EXHIBIT A

(Proposed form of Order)

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: BY HOTEL SPE-3 LLC, a Delaware Limited Liability Company, 1101 WABASH DEVELOPMENT MEZZ, LLC, a Delaware Limited Liability Company, WABASH 11TH MEZZ LLC, a Delaware Limited Liability Company, PACIFIC TAI MEZZ LLC, a Delaware Limited Liability Company, 1101 WABASH DEVELOPMENT SPE LLC, a Delaware Limited Liability Company, WABASH 11TH LLC, an Illinois Limited Liability Company, 1101 WABASH DEVELOPMENT LLC, an Illinois Limited Liability Company, PACIFIC TAI, LLC, an Illinois Limited Liability Company, SB YEN'S MANAGEMENT GROUP, INC, an Illinois Corporation, **Debtors.**[1]	Chapter 11 Case No. 26-10324 (JKS) (Joint Administration Requested)

INTERIM ORDER (A) AUTHORIZING THE DEBTORS TO OBTAIN JUNIOR SECURED POSTPETITION FINANCING, (B) SCHEDULING A FINAL HEARING PURSUANT TO BANKRUPTCY RULE 4001(c), AND (C) GRANTING RELATED RELIEF

The above-captioned debtors and debtors-in-possession (collectively, the "Debtors"), having filed a motion (the "Motion")[2] for entry of an interim order (the "Interim Order") and final order (the "Final Order") pursuant to section 105 and 364 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (as amended, the "Bankruptcy Code"), the Court having considered the Motion, the Declarations of Ted Mandigo and Su-Mei Yen, and the evidence submitted at the

[1] The Debtors in these chapter 11 cases and the last four digits of their respective identification numbers are By Hotel SPE-3 LLC (3619); 1101 Wabash Development Mezz, LLC (9294); Wabash 11th Mezz LLC (4278); Pacific Tai Mezz LLC (3717); 1101 Wabash Development SPE LLC (9201); Wabash 11th LLC (3098); 1101 Wabash Development LLC (3365); Pacific Tai, LLC (9675); and SB Yen's Management Group, Inc. (1132). The location of the Debtors' corporate headquarters and the Debtors' service address is 806 N York Rd., Hinsdale, IL 60521.

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

interim hearing held before the Court on March ___, 2026 to consider entry of this Interim Order, it appearing that approval of the interim relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors pending the Final Hearing and is otherwise fair and reasonable and in the best interests of the Debtors, their creditors and their estates pending the Final Hearing, and essential for the continued operation of Debtors' businesses, and after due deliberation and consideration, and good and sufficient cause appearing therefor:

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

A. On March 8, 2026, (the "Petition Date"), the Debtors filed petitions for relief under Chapter 11 of the United States Bankruptcy Code (the "Chapter 11 Cases"). The Debtors are in possession of their property and continue to operate and manage their businesses as debtors-in-possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee or examiner. As of the date hereof, no official committee of unsecured creditors (together with any other statutory committee, a "Committee") has been appointed in these Chapter 11 Cases.

B. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. The Court further finds that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and the Court may enter a final order hereon consistent with Article III of the U.S. Constitution. The Court further finds that venue of this proceeding is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

C. The statutory bases for the relief requested herein are sections 105(a) and 364(c)(3) of the Bankruptcy Code, and Rule 4001 of the Federal Rules of Bankruptcy Procedure (as amended, the "Bankruptcy Rules"), and Rule 4001-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (as amended, the "Local Rules").

D. Notice of the Interim Hearing and the relief requested in the Motion has been given in accordance with the provisions of Local Rule 9013-1(m) to (i) the Office of the United States Trustee (ii) Acore Capital Mortgage, LP in its capacity as Administrative Agent ("Agent") under the Credit Agreement (as defined below), and (iii) the creditors holding the twenty largest unsecured claims against the Debtors. Under the circumstances, such notice of the Interim Hearing and the relief requested in the Motion complies with all relevant provisions of the Bankruptcy Rules and Local Rules and no other or further notice need be provided.

E. As of the Petition Date, Debtors Wabash 11th LLC, 1101 Wabash Development LLC, and Pacific Tai, LLC were parties to that certain Loan Agreement dated August 30, 2019 (as amended, modified, restated, or supplemented, the "Credit Agreement" and together with all other documents, instruments, and agreements delivered in connection with the Credit Agreement, as amended modified, restated, or supplemented, collectively, the "Loan Documents") by and among Borrower, Agent, and the Lenders (as defined in the Credit Agreement, collectively, the "Senior Lenders" and together with Agent, collectively, the "Senior Creditors"). Amounts due under the Loan Documents, if any, shall be referred to as the "Obligations". The Obligations are purportedly secured by liens (the "Pre-Petition Liens") on assets of the Debtors as set forth in the Loan Documents (the "Collateral") pursuant to a mortgage dated August 30, 2019.

F. The Debtors have a pressing need for the immediate access to a single-draw, junior secured postpetition credit facility in the amount of $1,000,000.00 (the "DIP Facility") from SBY DeKalb Inn, LTD, an Illinois company, and any other lender that may join the financing (the "DIP Lenders") to continue operating as a going concern (including funding their day-to-day operations which includes payroll, vendors, and the costs of these Chapter 11 Cases), minimize disruption, rebut any skepticism regarding the Debtors' ability to operate as a going-concern and stabilize business operations in response to these Chapter 11 Cases. In the absence of the immediate use of the DIP Facility, serious and irreparable harm to the Debtors and their respective estates will occur and impair the Debtors' efforts to reorganize.

G. The Debtors reasonably and in good faith believe that access to the DIP Facility (and approval of the use of Cash Collateral, through separate motion and order) is sufficient to fund all projected, legitimate, and allowable expenses of this chapter 11 case;

H. Based on the record presented to the Court by the Debtors at the Interim Hearing, the terms of the DIP Facility as set forth herein are fair and reasonable, reflect the Debtors' exercise of their prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and fair consideration.

I. The Debtors have requested immediate entry of this Interim Order pursuant to Bankruptcy Rules 4001(b)(2) and 4001(d). The permission granted herein to access the DIP Facility is necessary to avoid immediate and irreparable harm to the Debtors. This Court concludes that entry of this Interim Order is in the best interest of the Debtors' estates and their creditors.

IT IS THEREFORE ORDERED THAT:

1. The Motion is hereby GRANTED to the extent set forth in this Interim Order. Any objections to the Motion with respect to entry of this Interim Order to the extent not withdrawn, waived or otherwise resolved, and all reservation of rights included therein, are hereby denied and overruled.

2. The Debtors are authorized to access the DIP Facility as set forth in this Interim Order and the Debtor in Possession Credit Agreement attached to this Interim Order as Exhibit 1 (the "DIP

Credit Agreement"). The DIP Credit Agreement constitutes the final loan agreement between the parties.

3. In accordance with the DIP Credit Agreement and in consideration of the risk associated with the DIP Facility, the DIP Lenders are hereby granted a junior security interest in, and lien (collectively, the "DIP Liens"), effective as of the Petition Date without the necessity of the DIP Lenders taking any further action, upon the right, title, and interest in the following property of the Debtor:

a. The real properties commonly known as 1101 South Wabash Avenue, Chicago, Illinois 60605 and 1100 South Michigan Avenue, Chicago, Illinois 60605, including all proceeds, profits, rents, and products thereof.

4. The DIP Liens provided herein shall be deemed automatically valid and perfected with such priority as provided in this Interim Order, without any further notice or act by any party that may otherwise be required under any other law. Notwithstanding the foregoing, the Debtors shall, upon request of the DIP Lenders, execute and deliver such documents as may be reasonably requested by the DIP Lenders to create and perfect the security interests and liens described herein under applicable non-bankruptcy law and the DIP Lenders shall be authorized to file and record such documents and take such other actions as may be necessary to perfect such security interests and liens under all such laws and to correctly describe the collateral subject thereto. For the avoidance of doubt, the DIP Liens are expressly junior to the Pre-Petition Liens to the extent that the Pre-Petition Liens constitute valid, enforceable, and perfected security interests.

5. The DIP Lenders shall have the full protection of section 363(m) of the Bankruptcy Code with respect to the debts, obligations, liens, and security interests created or authorized by this

Interim Order in the event that this Interim Order or any other authority contained or created herein is vacated, reversed, or modified on appeal or otherwise by any court.

6. The Debtor shall timely file all required reports and make all required payments due to the U.S. Trustee during the pendency of the Chapter 11 Cases.

7. Each of the following shall constitute a "Termination Event" under this Interim Order:

a. Failure of Debtors to abide by the terms, covenants, and conditions of this Interim Order;

b. Failure of Debtors to timely pay fees of the U.S. Trustee;

c. Appointment of a Chapter 11 trustee or the appointment of an examiner with expanded powers;

d. Termination of Debtors' franchise agreements with Hilton or Best Western;

e. Conversion of the Chapter 11 cases to cases under Chapter 7 of the Bankruptcy Code;

f. The Chapter 11 Cases are dismissed; or

g. The entry of an order of this or any other Court (other than the Final Order) reversing, staying, vacating or otherwise modifying in any material respect the terms of this Interim Order.

h. the failure of the Debtors to meet any of the following milestones:

   i. Final Order entered by May 5, 2026.

   ii. The Debtors' filing of a chapter 11 plan and disclosure statement on or prior to the date that is 12 months after the Petition Date.

iii. The extension of the Debtors' exclusive periods for filing and soliciting a plan of reorganization prior to their expiration (unless a plan is already filed and/or solicited, as applicable).

iv. Confirmation of a chapter 11 plan prior to the date that is 18 months following the Petition Date.

8. Upon Debtors' receipt of notice of the occurrence of a Termination Event, Debtors are prohibited from using the proceeds of the DIP Facility until further order of this Court other than as set forth in this Interim Order.

9. The Debtors' use of the DIP Facility is conditioned on entry of the Final Order, and amounts disbursed under this Interim Order may be subject to reduction or disgorgement if the Debtors fail to meet the milestones set forth in paragraph 7(h) *supra*. The failure of the Debtors to meet any such milestones will result in a partial disgorgement of the funds provided by the DIP Facility calculated on a *per diem* basis. The amount of disgorgement will be measured by multiplying the sum of $1,828.15 per day (*i.e.*, $1,000,000 divided by 547, representing 18 months), with the number of days calculated as the difference between (i) the number of days between the date that is 18 months from the Petition Date and the Petition Date, and (ii) the number of days elapsed between the Petition Date and the date that the milestone was missed (and/or rendered impossible).

10. Notwithstanding anything to the contrary in this Interim Order, nothing in this Interim Order or any of the documents relating to the DIP Facility shall require any Debtor or the board of directors, board of managers, or similar governing body of any Debtor, or their respective counsel or advisors (the aforementioned parties collectively as to the Debtors, "Fiduciaries"), in each case, acting in their capacity as such, to take any action or to refrain from taking any action

to the extent such Fiduciary determines, after consulting with counsel, that taking or failing to take such action would be inconsistent with applicable Law or its fiduciary obligations under applicable Law; provided that counsel to the Debtors shall give notice not later than two (2) business days following such determination (with email being sufficient), to counsel to the DIP Lenders following a determination made in accordance with this paragraph to take or not take action, in each case in a manner that would result in a breach of this Interim Order or any documents relating to the DIP Facility.

11. Where required, notice shall be provided to Debtors' counsel via email, facsimile, U.S. Mail or overnight delivery service as follows, and shall be effective when deposited or transmitted:

Lewis Brisbois Bisgaard & Smith LLP
500 Delaware Avenue Suite 700
Wilmington, DE 19801
Attention: Rafael Zahralddin
Minyao Wang
Email: rafael.zahralddin@lewisbrisbois.com
minyao.wang@lewisbrisbois.com

12. If any or all of the provisions of this Interim Order are modified, vacated, or stayed by subsequent order of this or any other Court, such stay, modification, or vacation shall not affect the validity and enforceability of any security interest or lien granted or authorized by this Interim Order prior to such stay, modification, or vacation. The reversal or modification on appeal of any or all of the provisions of this Interim Order shall not affect the validity or enforceability of any security interest or lien granted or authorized by this Interim Order.

13. Any post-petition payments made by Debtors to the DIP Lenders shall be applied to the indebtedness in accordance with the Loan Documents, subject to reapplication or redirection of such funds in a manner directed by the Court in accordance with the Bankruptcy Code.

14. Notwithstanding Bankruptcy Rule 4001(a)(1), this Interim Order is not stayed and shall be effective upon the date of its entry on the docket.

15. The automatic stay of section 362 of the Bankruptcy Code is hereby modified to permit the performance of each and every right and obligation set forth in this Interim Order.

16. Debtors are authorized, and hereby ordered, to pay quarterly fees to the United States Trustee.

17. The Debtors reserve the right (but not the obligation) to convert debt incurred under the DIP Facility to equity in compliance with the chapter 11 plan process and further approval of the Court. This is a reservation of rights—Court approval of such conversion is not sought at this time.

18. This Interim Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and shall take effect immediately, notwithstanding anything to the contrary proscribed by applicable law.

19. The Court has and will retain jurisdiction to enforce this Interim Order according to its terms.

20. The Final Hearing will be held on __________________, 2026 at ______, prevailing Eastern Time. The Debtors shall, on or before March 13, 2026, mail copies of a notice of the entry of this Interim Order, together with a copy of this Interim Order and a copy of the Motion, to the parties having been given notice of the Interim Hearing, to any party that has filed prior to such date a request for notices with this Court and to counsel for the Committee (if any) and any other statutory committee of unsecured creditors appointed pursuant to Bankruptcy Code section 1102. The notice of entry of this Interim Order shall state that any party in interest objecting to the entry of the Final Order authorizing access to the DIP Facility shall file written objections with

the United States Bankruptcy Court Clerk for the District of Delaware no later than 4:00 p.m. (ET) on March 27, 2026, and objections shall be served so that the same are received on or before such date to: (a) LEWIS BRISBOIS BISGAARD & SMITH LLP, Attn: Rafael Zahlarddin and Minyao Wang, 500 Delaware Avenue, Suite 700, Wilmington, DE 19801, proposed counsel for the Debtors; (b) counsel to the Agent, if any; (c) the DIP Lenders at 806 N. York Road, Hinsdale, IL 60521; (d) THE OFFICE OF THE UNITED STATES TRUSTEE, Attn: Joseph McMahon, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801; and (e) counsel for the Committee, if any.

Dated: __________________, 2026
Wilmington, Delaware

____
The Honorable J. Kate Stickles

EXHIBIT 1

DEBTOR-IN-POSSESSION CREDIT AGREEMENT (Second-Lien)

This DEBTOR-IN-POSSESSION CREDIT AGREEMENT (this "Agreement") is entered into as of March 8, 2026, by and among each of the following debtors and debtors-in-possession under Chapter 11 of Title 11 of the United States Code (collectively, the "Debtors", and each, a "Debtor"): By Hotel SPE-3 LLC; 1101 Wabash Development Mezz, LLC; Wabash 11th Mezz LLC; Pacific Tai Mezz LLC; 1101 Wabash Development SPE LLC; Wabash 11th LLC; 1101 Wabash Development LLC; Pacific Tai, LLC; and SB Yen's Management Group, Inc.; and SBY DeKalb Inn, LTD , an Illinois company, as lender (the "DIP Lender").

ARTICLE I – RECITALS

1.1 Chapter 11 Filing. On March 8, 2026 (the "Petition Date"), the Debtors commenced cases under Chapter 11 in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

1.2 Need for Financing. The Debtors require postpetition financing to operate their businesses, including the hotel properties located at (i) 1101 South Wabash Avenue, Chicago, Illinois 60605 (the "Hilton Property") and (ii) 1100 South Michigan Avenue, Chicago, Illinois 60605 (the "Best Western Property", and together with the Hilton Property, the "Hotel Properties") (full legal descriptions of the Hotel Properties are appended to the end of this Agreement as Schedule 1).

1.3 Existing Capital Structure. Debtors Wabash 11th LLC, 1101 Wabash Development LLC, and Pacific Tai, LLC are party to that certain Loan Agreement, dated August 30, 2019 (as amended, modified, supplemented, or restated from time to time), with Delpha CRE Funding LLC and other lenders, with ACORE Capital Mortgage, LP as administrative agent, evidencing senior secured obligations in the original principal amount of $146,737,500 (the "Senior Obligations"), secured by a mortgage on the Hotel Properties. Certain Debtors are also party to a Mezzanine Loan Agreement dated August 30, 2019 (as amended, modified, supplemented, or restated from time to time), in the original principal amount of $3,762,500 (the "Mezzanine Obligations").

1.4 DIP Facility. Subject to the terms of this Agreement and entry of the DIP Orders (as defined below), the DIP Lender agrees to provide a single-draw, junior secured, debtor-in-possession credit facility in the principal amount of $1,000,000 (the "DIP Facility").

1.5 Court Approval. The Debtors shall seek entry of an interim order and a final order approving this Agreement (the "Interim DIP Order" and the "Final DIP Order", and together, the "DIP Orders").

ARTICLE II – DEFINITIONS

As used in this Agreement:

"Bankruptcy Code" means title 11 of the United States Code.

"Bankruptcy Court" has the meaning in Section 1.1.

"Best Western Property" has the meaning in Section 1.2.

"DIP Collateral" means the Hotel Properties and the proceeds thereof, together with all other property of the Debtors to the extent permitted by applicable law and the DIP Orders, excluding any claims or causes of action arising under chapter 5 of the Bankruptcy Code and the proceeds thereof except as expressly provided in the DIP Orders.

"DIP Facility" has the meaning in Section 1.4.

"DIP Obligations" means all obligations of the Debtors under this Agreement and the DIP Orders.

"DIP Orders" has the meaning in Section 1.5.

"Event of Default" has the meaning in Section 8.1.

"Final DIP Order" has the meaning in Section 1.5.

"Hilton Property" has the meaning in Section 1.2

"Hotel Properties" has the meaning in Section 1.2.

"Interim DIP Order" has the meaning in Section 1.5.

"Maturity Date" means the earliest to occur of (a) May 31, 2027, (b) the effective date of a confirmed chapter 11 plan for any Debtor, (c) consummation of a sale of substantially all assets of any Debtor, (d) conversion or dismissal of any Chapter 11 Case, or (e) an Event of Default (as defined herein).

"Mezzanine Obligations" has the meaning in Section 1.3.

"Milestone" has the meaning in Section 8.2.

"Petition Date" has the meaning in Section 1.1.

"Permitted Prior Liens" shall mean any valid and perfected security interest in the Hotel Properties existing immediately prior to the Petition Date.

"Senior Obligations" has the meaning in Section 1.3.

ARTICLE III - THE DIP FACILITY

3.1 Commitment; Funding. Subject to the DIP Orders and the terms herein, the DIP Lender will make a single advance on or after entry of the Interim DIP Order in an amount not to exceed $1,000,000.

3.2 Interest; Payments. The DIP Obligations shall bear interest at ten percent (10%) simple, fixed interest per annum. The Debtors shall make monthly payments of $50,000 on account of the DIP Obligations, with the unpaid balance due on the Maturity Date. The Debtors reserve the right (but not the obligation) to seek conversion of any remaining DIP Obligations to equity upon emergence, subject to Bankruptcy Court approval (including but not limited through a chapter 11 plan and/or standalone motion).

3.3 Fees and Expenses; Indemnity. There are no prepaid points or prepayment fees. The Debtors shall pay customary indemnities and all reasonable, documented out-of-pocket fees and expenses of the DIP Lender as allowed by the Bankruptcy Court.

3.4 Use of Proceeds. Proceeds of the DIP Facility shall be used solely for (i) reasonable and necessary operating expenses incurred in the ordinary course of business; (ii) maintenance and preservation of the Hotel Properties; (iii) payroll and related tax obligations; (iv) property taxes and insurance premiums; and (v) costs of administration of the Chapter 11 Cases, including reasonable professional fees and expenses as approved by the Bankruptcy Court.

ARTICLE IV - PRIORITY; SECURITY

4.1 Liens. As security for the DIP Obligations, and subject to the DIP Orders, the Debtors grant to the DIP Lender valid, binding, enforceable, and perfected junior liens under section 364(c)(3) of the Bankruptcy Code on the DIP Collateral, which liens are expressly subordinate to all valid, perfected, and non-avoidable liens of the Senior Obligations and any other Permitted Prior Liens.

4.2 No Priming; No Carve-Out or 506(c) Waiver for DIP Lender. The DIP Facility does not prime any existing lien. The DIP Orders shall not include a carve-out in favor of the DIP Lender and shall not provide a waiver of section 506(c) of the Bankruptcy Code.

4.3 Chapter 5 Claims. No lien or security interest is granted on claims and causes of action under sections 544, 545, 547, 548, 549, and 550 of the Bankruptcy Code or the proceeds thereof except as expressly provided in the DIP Orders.

ARTICLE V - CONDITIONS PRECEDENT

5.1 Conditions to Initial Advance. Entry of the Interim DIP Order; evidence of insurance in respect of the Hotel Properties; and such other customary conditions as are reasonably required by the DIP Lender and approved by the Bankruptcy Court.

5.2 Conditions to the DIP Facility. No Event of Default shall have occurred and be continuing; use of proceeds in accordance with this Agreement.

ARTICLE VI - AFFIRMATIVE COVENANTS

The Debtors shall (a) maintain insurance on the Hotel Properties; (b) maintain books and records in accordance with GAAP (as applicable); (c) provide weekly cash flow reports and such other information reasonably requested by the DIP Lender; (d) timely pay all fees due to the Office of the United States Trustee.

ARTICLE VII - NEGATIVE COVENANTS

Without the DIP Lender’s prior written consent or further order of the Bankruptcy Court, the Debtors shall not (a) incur additional liens other than Permitted Prior Liens; (b) sell assets outside the ordinary course; (c) obtain additional debtor-in-possession financing; or (d) use cash collateral except as authorized by the Bankruptcy Court.

ARTICLE VIII - EVENTS OF DEFAULT; MILESTONES; DISGORGEMENT

8.1 Events of Default. Events of Default include: (i) failure to comply with the DIP Orders; (ii) failure to timely pay U.S. Trustee fees; (iii) appointment of a chapter 11 trustee or examiner with expanded powers; (iv) termination of Debtors’ franchise agreements with Hilton or Best Western; (v) conversion of any Chapter 11 Case to chapter 7; (vi) dismissal of any Chapter 11 Case; (vii) entry of any order reversing, staying, vacating, or materially modifying the DIP Orders (other than the Final DIP Order); or (viii) failure to meet any Milestone (as defined below) (each of the foregoing (i)–(viii), an “Event of Default”).

8.2 Milestones. The Debtors shall achieve the following milestones (each, a **“**Milestone**”**): (a) entry of the Final DIP Order by May 5, 2026; (b) filing of a chapter 11 plan and disclosure statement within 12 months after the Petition Date; (c) extension of plan exclusivity on or before its expiration; and (d) confirmation of a chapter 11 plan within 18 months after the Petition Date.

8.3 Disgorgement. If any Milestone is not met, the Debtors shall disgorge a portion of the DIP Facility on a *per diem* basis equal to $1,828.15 multiplied by the number of days calculated as the difference between (i) the number of days between the date that is 18 months from the Petition Date and the Petition Date, and (ii) the number of days elapsed between the Petition Date and the date that the milestone was missed (and/or rendered impossible). This provision does not limit any other rights or remedies of the DIP Lender**.**

8.4 Remedies. Upon an Event of Default, after five (5) business days’ notice to the Debtors and parties entitled to notice under the DIP Orders, the DIP Lender may seek relief from the automatic stay and exercise all rights and remedies available under the DIP Orders and applicable law.

ARTICLE IX - BANKRUPTCY COURT MATTERS

9.1 DIP Orders Control. In the event of any conflict between this Agreement and the DIP Orders, the DIP Orders shall govern. Nothing in this Agreement requires the Debtors or their fiduciaries to take action inconsistent with their fiduciary duties or applicable law

.

9.2 Adequate Protection; Stay Modification. Adequate protection for holders of Permitted Prior Liens, if any, shall be as provided in a cash collateral order entered by the Bankruptcy Court. The automatic stay is modified as necessary to permit the granting, perfection, and enforcement of the liens and security interests contemplated hereby and by the DIP Orders.

ARTICLE X - REPRESENTATIONS AND WARRANTIES

Each Debtor represents and warrants that (a) it is duly organized and validly existing; (b) it has filed the Chapter 11 Case and is a debtor-in-possession; (c) the Senior Obligations and related liens exist as described above; (d) entry into this Agreement is a sound exercise of its business judgment and subject to approval of the Bankruptcy Court; and (e) all information provided to the DIP Lender is true and correct in all material respects.

and (e) all information provided to the DIP Lender is true and correct in all material respects.

ARTICLE XI – MISCELLANEOUS

11.1 Governing Law. This Agreement shall be governed by the laws of the State of Delaware, without regard to conflicts of laws principles.

11.2 Jurisdiction. The Bankruptcy Court shall have exclusive jurisdiction over all matters arising out of or relating to this Agreement.

11.3 Amendments; Waivers. No amendment or waiver shall be effective unless in writing and signed by the Debtors and the DIP Lender, and, if material, approved by the Bankruptcy Court.

11.4 Indemnification. The Debtors shall indemnify and hold harmless the DIP Lender from and against all reasonable and documented out-of-pocket expenses and liabilities, as approved by the Bankruptcy Court, arising out of or relating to the DIP Facility, except to the extent resulting from the DIP Lender's gross negligence or willful misconduct.

11.5 No Surcharge; No Marshaling. Nothing herein shall be deemed a waiver of section 506(c) of the Bankruptcy Code or the equitable doctrine of marshaling.

SIGNATURES

Dated: March 8, 2026

Debtors:

By Hotel SPE-3 LLC

Name: Su Mei Yen
Title: CFO

1101 Wabash Development Mezz, LLC

Name: Su Mei Yen
Title: CFO

Wabash 11th Mezz LLC

Name: Su Mei Yen
Title: CFO

Pacific Tai Mezz LLC

Name: Su Mei Yen
Title: CFO

1101 Wabash Development SPE LLC

Name: Su Mei Yen
Title: CFO

Wabash 11th LLC; 1101

Name: Su Mei Yen
Title: CFO

Wabash Development LLC

Name: Su Mei Yen
Title: CFO

Pacific Tai, LLC

Name: Su Mei Yen
Title: CFO

SB Yen's Management Group, Inc.

Name: Su Mei Yen
Title: CFO

DIP Lender:

SBY DeKalb Inn, LTD

Name: Su Mei Yen
Title: CFO

<u>Schedule 1 – Description of Collateral (Hotel Properties)</u>

Description of the Land

PARCEL 1:LOT 1 IN BLOCK 21 IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN(EXCEPT THAT PORTION THEREOF TAKEN AND USED FOR AN ALLEY 20 FEET IN WIDTH THROUGH THE CENTER OF SAID BLOCK FROM NORTH TO SOUTH) IN COOK COUNTY, ILLINOIS.

PARCEL 2:LOT 2 IN BLOCK 21 IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO IN TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN,(EXCEPT THAT PORTION THEREOF TAKEN AND USED FOR AN ALLEY 20.00 FEETIN WIDTH THROUGH THE CENTER OF SAID BLOCK FROM NORTH TO SOUTH), IN COOK COUNTY, ILLINOIS.

Properties commonly known as:

1101 South Wabash Avenue, Chicago, Illinois 60605 (*i.e.*, the Hilton Property)

1100 South Michigan Avenue, Chicago, Illinois 60605 (*i.e.*, the Best Western Property)