UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	Chapter 11
	§	
LURIN REAL ESTATE HOLDINGS XXI, LLC, *et al.*	§	Case No. 26-90344 (ARP)
	§	
	§	(Jointly Administered)
Debtors.[1]	§	
	§	
	§	

DECLARATION OF MARK SHAPIRO IN SUPPORT OF ESTATES AT PALM BAY DEBTOR'S EMERGENCY MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTOR TO USE CASH COLLATERAL; (II) GRANTING ADEQUATE PROTECTION; (III) MODIFYING THE AUTOMATIC STAY; (IV) SCHEDULING A FINAL HEARING; AND (V) GRANTING RELATED RELIEF

[Relates to Docket No. 466]

I, Mark Shapiro, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

1. My name is Mark Shapiro. I am over twenty-one years of age, and I am fully competent to make this Declaration.

2. I am Senior Managing Director for GlassRatner Advisory & Capital Group LLC ("GlassRatner"). On February 9, 2026, Lurin Capital LLC and its affiliates, which includes the Debtors, retained GlassRatner as the Chief Restructuring Officer ("CRO"). I am the principal representative of GlassRatner in its capacity as CRO.

3. I have over twenty-eight years of professional experience in guiding restructuring alternatives, executing turnarounds, and otherwise providing financial guidance to companies in

[1] A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at https://restructuring.ra.kroll.com/Lurin/Home-Index. The location of the Debtors' service address is: 2101 Cedar Springs, Suite 1050, Dallas, TX 75201.

distress or need. My experience crosses various industries, including real estate, healthcare, retail, distribution, commercial and financial services, metals and manufacturing, consumer products and telecommunications. As a turnaround consultant, I have experience in a number of disciplines needed to help improve a company's performance including assessing a company's financial performance, comparing operating results to industry norms, providing financial forecasts, providing cash management assistance, developing and executing business strategy and plans, analyzing markets, recreating a company's prior year financial statements, assessing business valuations, determining cost reduction opportunities, among others.

4. I am a duly authorized representative of Debtor Lurin Real Estate Holdings VI, LLC (the "Estates at Palm Bay Debtor" or "EPB Debtor") for purposes of executing any and all documents in connection with the above-captioned chapter 11 cases (collectively, the "Chapter 11 Cases"), including, without limitation, the Estates at Palm Bay Debtor's chapter 11 bankruptcy petition filed on June 3, 2026 (the "Petition"), and representing the Estates at Palm Bay Debtor in the course of these Chapter 11 Cases and any related proceedings. I am authorized to submit this Declaration on behalf of the Estates at Palm Bay Debtor.

5. I submit this Declaration in support of the *Estates at Palm Bay Debtor's Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtor to Use Cash Collateral; (II) Granting Adequate Protection; (III) Modifying the Automatic Stay; (IV) Scheduling a Final Hearing; and (V) Granting Related Relief* [Docket No. 466] (the "EPB Cash Collateral Motion"). I am familiar with the Estates at Palm Bay Debtor's business, day-to-day operations, and financial affairs. Except as otherwise indicated, the facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents and records created and maintained by the Estates at Palm Bay Debtor in the ordinary course of business, information provided to me by

employees and consultants working under my supervision with personal knowledge of the veracity of such information, and/or my opinion based on experience, knowledge, and information concerning the Estates at Palm Bay Debtor's operations and financial condition. If called upon to testify, I could and would testify competently to the facts set forth in this Declaration.

I. CASE BACKGROUND

6. On June 3, 2026 (the "Petition Date"), the EPB Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code commencing this chapter 11 case (the "Chapter 11 Case"). The Chapter 11 Case is jointly administered with the Chapter 11 Cases of the above-captioned Debtors.

7. The EPB Debtor is operating its business and managing its property as a debtor in possession.

8. On May 5, 2026, the United States Trustee for the Southern District of Texas (the "U.S. Trustee") appointed a three-member official committee of unsecured creditors (the "Committee") as to the cases that were filed as of that date [Docket No. 265].

II. BACKGROUND RELEVANT TO THE MOTION

A. Capital Structure

9. Subject to the Challenge Period, the EPB Debtor owns and holds a leasehold interest (the "Leasehold Estate") in the real property located at 302 Blessinger Drive, Fort Walton Beach, Okaloosa County, Florida 32547 (the "Land"), which the EPB Debtor leases from the United States of America, acting by and through the Secretary of the Air Force (the U.S. Government") pursuant to that certain Amended and Restated Department of the Air Force Lease of Federal Land, Hurlburt Field, Florida, dated March 14, 2019, between the U.S. Government, as lessor, and the EPB Debtor, as lessee (the "Original Ground Lease"), as amended by that certain

First Amendment to Amended and Restated Department of the Air Force Lease of Federal Land Dated June 9, 2022 (the "Amended Ground Lease") (the Original Ground Lease and Amended Ground Lease, collectively, the "Ground Lease"). The Land and improvements located thereon, including the hereinafter defined "EPB Personal Property," are hereinafter referred to as the "EPB Property." The legal description of the EPB Property is attached hereto as **Exhibit A** and incorporated herein by reference.

B. The EPB Prepetition Loan Obligations

10. Subject to the Challenge Period, U.S. Bank has a first-position lien on, and security interest in (the "EPB Prepetition Liens") the EPB Property, including the Cash Collateral, pursuant to the following instruments, loan documents and assignment documents (collectively, the "EPB Loan Documents"), as more fully described in the EPB Loan Documents (the "EPB Prepetition Collateral"), which will be subject and subordinate to the Carve Out:

a. Consolidated Renewal Promissory Note Including Future Advance dated August 14, 2024, in the original stated principal amount of $61,000,000.00, including all allonges thereto;

b. Amended and Restated Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing and Note and Mortgage Modification Agreement Evidencing Consolidated Renewal Promissory Note Including Future Advance dated August 14, 2024, and recorded in the Official Records of Okaloosa County, Florida (the "Official Records") on August 15, 2024, as Doc. # 3705431;

c. Loan Agreement dated as of August 14, 2024;

d. Cash Management Agreement dated as of August 14, 2024;

e. Deposit Account Control Agreement (Hard with Active Sweep to Borrower) dated as of August 14, 2024;

f. Assignment of Management Agreement and Subordination of Management Fees dated August 14, 2024;

g. UCC-1 Financing Statement filed with the Delaware Department of State (the "DDS") on August 14, 2024, and assigned Initial Filing No. 20245601271 (the "State UCC-1") and UCC-1 Financing Statement recorded in the Official Records on August 15, 2024 as Doc. # 3705432 (the "County UCC-1") (collectively, the "UCC-1s");

h. Assignment of Mortgage and Omnibus Assignment of Loan Documents and Allonge effective as of August 14, 2024;

i. Assignment of Mortgage and Omnibus Assignment of Loan Documents and Allonge dated effective as of August 14, 2024;

j. Assignment of Amended and Restated Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing and Note and Mortgage Modification Agreement Evidencing Consolidated Renewal Promissory Note Including Future Advance effective September 27, 2024, dated November 5, 2024, and recorded in the Official Records on January 24, 2025, as Doc. # 3733461;

k. General Assignment to U.S. Bank executed on September 27, 2024; and

l. UCC-3 Financing Statement Amendment filed with the DDS on January 17, 2025 as Amendment No. 20250356383 (the "State UCC-3"), and a UCC-3 Financing Statement Amendment recorded in the Official Records on January 24, 2025 as Doc. # 3733462 (the "County UCC-3") (collectively, the "UCC-3s").

11. As of the Petition Date, the EPB Debtor is indebted to U.S. Bank pursuant to the EPB Loan Documents in amount of no less than $61,000,000 plus default interest, legal fees, yield maintenance premiums, and other charges allowable pursuant to the EPB Loan Documents and applicable law (collectively, the "EPB Prepetition Indebtedness").

12. The EPB Debtor is in the process of retaining a broker to market the EPB Property and run a sale process pursuant to forthcoming bid procedures.

III. USE OF CASH COLLATERAL

13. The EPB Debtor proposes to use Cash Collateral to pay the expenses necessary to maintain its property and support its efforts in this Chapter 11 Case, as demonstrated by the Budget attached to the EPB Cash Collateral Motion.

14. To continue to operate its business, the EPB Debtor requires access to existing cash to pay insurance, utility providers, and make other payments that are essential or appropriate for the continued management, operation, and preservation of the EPB Debtor's business and assets. Access to Cash Collateral will allow the EPB Debtor to continue operating its business in the ordinary course to the benefit of the EPB Debtor's estate (including the Prepetition Secured Party).

15. In addition to limited bankruptcy costs, the budgeted amounts for the EPB Debtor includes only essential services such as (i) administrative expenses such as cable, internet, telephone, and office supplies, (ii) service-related expenses such as landscaping and pest control and (iii) make ready/turns, which are costs related to changing out apartments when a tenant leaves. As shown in the EPB Debtor's Budget, the EPB Debtor is only paying essential expenses to keep the property operational.

16. Access to Cash Collateral is essential to the EPB Debtor's continued operations. The Debtor's property is a multi-family apartment complex that requires the use of rent revenues to remain operational. Without access to Cash Collateral, the EPB Debtor would be unable to maintain operations and pay necessary expenses to preserve the value of the apartment complex, causing the value of the Prepetition Secured Party's Prepetition Collateral to decline. Accordingly, I believe that the use of Cash Collateral is in the best interests of the EPB Debtor's estate and the Prepetition Secured Party.

17. The EPB Debtor proposes to provide the Prepetition Secured Party with a variety of safeguards to protect against the postpetition diminution in value of the Prepetition Collateral resulting from the use, sale, or lease of Cash Collateral by the EPB Debtor and the imposition of the automatic stay, including: (a) the use of Cash Collateral exclusively to fund the ordinary expenses necessary to maintain the EPB Debtor's Prepetition Collateral and preserve its value;

(b) Postpetition Liens on all of the Prepetition Collateral solely to the extent such use of the Prepetition Collateral, including Cash Collateral, results in a decrease or diminution in the value of the Prepetition Secured Party's interest in such Prepetition Collateral; and (c) continued access to information, detailed financial reporting, and maintenance of its Prepetition Collateral to prevent diminution in value.

18. The EPB Debtor intends to commence a sale process designed to maximize the value of its estate for the benefit of all stakeholders, including the Prepetition Secured Party. In connection with the sale process, the EPB Debtor will strictly limit its use of Cash Collateral to the necessary expenses required to maintain the property pending the consummation of the sale. These expenses consist of ordinary-course property management costs, including payroll, utilities, maintenance and repairs, make-ready costs, and insurance premiums. For these reasons, the EPB Debtor is providing the Prepetition Secured Party with adequate protection by preserving the value of its collateral during the pendency of the Chapter 11 Case and ensuring a timely, value-maximizing disposition of the property.

19. In light of the foregoing, I submit that the proposed adequate protection to be provided for the benefit of the Prepetition Secured Party is fair, reasonable, and appropriate under the circumstances. Thus, the EPB Debtor's provision of the adequate protection is not only necessary to protect against diminution in value, as required by the Bankruptcy Code, but is also fair and appropriate under the circumstances of the Chapter 11 Case to ensure that the EPB Debtor is able to use the Cash Collateral, subject to the terms and limitations set forth in the Interim Order and the Budget attached thereto, for the benefit of its estate and all parties in interest.

20. The relief requested in the EPB Cash Collateral Motion contemplates that the automatic stay provisions of the Bankruptcy Code will be modified and vacated to the extent

necessary to implement the terms and conditions of the Interim Order and the transactions contemplated thereby. I have determined, in an exercise of my business judgment, that such stay modification is appropriate under the circumstances. Further, stay modifications of this kind are ordinary and are reasonable and fair under the circumstances of this Chapter 11 Case.

21. Pending the final hearing, the EPB Debtor requires immediate access to Cash Collateral to satisfy the day-to-day financing needs of the EPB Debtor's business operations. Access to liquidity will address any concerns regarding the EPB Debtor's financial health and ability to continue operations in light of the Chapter 11 Case. I submit that the EPB Debtor has an immediate need for access to liquidity to, among other things, permit the orderly continuation of the operation of its business and preserve and maintain the value of the Prepetition Collateral.

22. It is my opinion that the relief requested in the EPB Cash Collateral Motion is necessary to avoid immediate and irreparable harm to the EPB Debtor and is integral to the EPB Debtor's ability to operate its business in the ordinary course, preserve its going concern value and its assets during the immediate postpetition period, and ultimately, maximize the value of its estate for the benefit of all creditors. Failure to obtain the relief requested in the EPB Cash Collateral Motion would severely disrupt the EPB Debtor's operations at this critical juncture.

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

June 29, 2026
Houston, Texas

<u>/s/ Mark Shapiro</u>
Mark Shapiro