

The Order below is hereby signed with these additions. Notice is given that paragraphs 13 and 14 of the Order set bar dates for (1) the filing of a Proof of Claim on Official Form 410 based on the rejection of any executory contract or unexpired lease; and (2) the filing of a Proof of Claim for an Administrative Expense Claim, and that paragraph 15 of the Order addresses the effect of a failure to file such a Proof of Claim, including an injunction arising from such failure.



S. Martin Teel Jr.

**S. Martin Teel, Jr.
U.S. Bankruptcy Judge**

There is no Official Form for filing a proof of claim for an administrative claim, but Official Form 410 may be modified for use consistent with the nature of an administrative claim (not restricted, as in the case of a prepetition claim, to amounts owed on the date the case was filed). The filing of a Proof of Claim for an Administrative Expense Claim shall, within the meaning of section 2.1 of the confirmed plan, be deemed an application for the payment of the claim.

IN THE UNITED STATES BANKRUPTCY COURT

Dated: September 26, 2017. FOR THE DISTRICT OF COLUMBIA

)	
In re:)	
)	
TERRACE MANOR, LLC,)	Case No.: 17-00175-SMT
)	
Debtor.)	Chapter 11
)	
)	
)	

ORDER CONFIRMING DEBTOR’S SECOND AMENDED PLAN OF REORGANIZATION WITH MODIFICATIONS

Terrace Manor, LLC (the “Debtor” or “Terrace Manor”), the above-captioned debtor and debtor-in-possession, having filed its Second Amended Plan of Reorganization with Modifications (the “Plan”) (Dkt. No. 162)¹ and Disclosure Statement Pursuant to § 1125 of the Bankruptcy Code for Second Amended Plan of Reorganization (the “Disclosure Statement”) (Dkt. No. 163) in the United States Bankruptcy Court for the District of Columbia (the “Court”); and the Court having held a hearing on approval of the Disclosure Statement; and the Court having determined that the Disclosure Statement contained adequate information and having entered an Order Approving the Disclosure Statement and Fixing Time for Filing Objections to Confirmation and for Filing Acceptances or Rejections of Plan Combined with Notice of

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

Hearing on Confirmation of Amended Plan [Dkt. No. 165] (the “Disclosure Statement Order”) on August 7, 2017; and the Debtor having timely and properly served a copy of the Disclosure Statement Order, together with the Plan, the Disclosure Statement, and a Ballot for Accepting or Rejecting Debtor’s Plan (the “Ballot”) on the governmental entities specified in Bankruptcy Rule 2002(j), all creditors, equity security holders, the United States Trustee, and other parties-in-interest as provided in Bankruptcy Rule 3017(d) on August 9, 2017; and the solicitation of acceptances from holders of claims and interests entitled to vote having been completed within the time and in the manner set forth in the Disclosure Statement Order; and the Debtor having timely filed with the Court a summary of the completed ballots with a certification that the ballot summary sets forth an accurate and complete tabulation of all ballots received by the Debtor as to rejection and acceptance of the Plan as provided in the Disclosure Statement Order; and a hearing to consider confirmation of the Plan having been duly noticed and held before the Court on September 19, 2017 (the “Confirmation Hearing”); and any objections to confirmation having been resolved, withdrawn or overruled by the Court; and upon the full and complete record of the Confirmation Hearing and all matters and proceedings heretofore part of the record of this Chapter 11 case; and after due deliberation and sufficient cause appearing therefor, and upon the findings of fact and conclusions of law stated on the record at the Confirmation Hearing,

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

1. The Plan is confirmed pursuant to § 1129 of the Bankruptcy Code.
2. All objections to confirmation of the Plan that have been withdrawn or resolved shall be, and hereby are, deemed withdrawn and/or resolved subject to the record at the Confirmation Hearing and on the terms and limitations set forth in this Order. Any other remaining objections are hereby overruled.

3. The findings of fact and the conclusions of law of the Court stated on the record at the Confirmation Hearing shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding by Bankruptcy Rule 9014. To the extent any finding of fact shall be determined to be a conclusion of law, it shall be so deemed, and vice versa.

4. Subject to the conditions of this Order and the sale of the Property to WC Smith & Co. ("WC Smith") in accordance with the terms of this Order, the Plan complies with the requirements of §§ 1122 and 1123 of the Bankruptcy Code.

5. The proposal to purchase the Property made by WC Smith constitutes the highest and best offer for the Property. The sale of the Debtor's Property to WC Smith pursuant to the contract of sale dated as of August 18, 2017 (the "Contract"), a copy of which was filed with this Court [Dkt. No. 209] and admitted into evidence as Debtor's Exhibit 5, and amended by an Addendum dated September 19, 2017, was proposed, negotiated, and entered into by WC Smith and the Debtor in good faith, from arm's-length negotiating positions and without fraud or collusion. The sale pursuant to the Contract is in the best interest of the Debtor, its estate, and its creditors, and is hereby approved. The Debtor is authorized and directed, without further order of the Court, to sell, convey, and transfer all of its right, title, and interest in the Property to WC Smith pursuant to and as set forth in the Contract, and to execute and deliver all documents and instruments that may be necessary to implement and effectuate the sale under the Contract. The sale under the Contract and the title to be received by WC Smith shall be free and clear of all liens, Claims, interests and encumbrances except (i) the rights and privileges of the Tenant Members (defined below), including the Tenant Members' future Tenant Opportunity to Purchase Act ("TOPA") rights; (ii) the Low-Income Housing Tax Credit ("LIHTC") obligations

shall remain as a restrictive covenant on the Property for the remainder of any indenture and/or restrictive covenant; and (iii) nothing herein shall modify, alter or change any agreements between the Association (defined below) and WC Smith.

6. The consideration provided by WC Smith for the Property under the Contract shall be deemed to constitute reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia. The sale may not be avoided under section 363(n) of the Bankruptcy Code. The Court's approval of the sale pursuant to the Contract is in the best interests of the Debtor, its estate, its creditors and all other parties in interest.

7. The transactions contemplated by the Contract are undertaken by WC Smith and the Debtor in good faith, as that term is used in section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided by this Order to consummate the sale shall not affect the validity of the sale of the Property to WC Smith.

8. Notwithstanding anything to the contrary in this Order, the Plan or in any other document, the Debtor and/or Reorganized Debtor shall not terminate the Contract, pursue a sale of the Property to a new purchaser other than WC Smith, or modify the Contract without notice and an opportunity to object to the Association, the Tenants and the District and further order of the Court.

9. The sale of the Property to WC Smith pursuant to the Contract and confirmation of the Plan are exempt from any and all transfer taxes as provided for in § 1146 of the Bankruptcy Code. Furthermore, the provisions of Article 14.3 of the Plan are incorporated herein by reference, except, for the avoidance of doubt, that there shall be no subsequent transfer of the Property made by the Reorganized Debtor and the last sentence of Article 14.3 is deemed

struck from the Plan.

10. The Reorganized Debtor is hereby authorized and directed to execute and deliver all documents and to take all actions necessary to consummate the Plan, including making all payments required under the Plan and the Settlement (as defined below). Subject to the terms of the Settlement being satisfied, all releases and other matters set forth in the Plan, and the releases provided for in the Settlement, shall be effective as of the Effective Date.

11. The assumption by the Debtor of the residential leases with the individual tenants at the Property identified on Exhibit A, attached hereto and incorporated herein, and assignment of such leases by the Debtor to WC Smith, as part of the sale pursuant to the Contract, is hereby approved. In the event that WC Smith determines, in its sole discretion, to take an assignment of the tenant lease with Brandon Clay, it may do so by filing a Praecipe with the Court. The Debtor is authorized and directed, without further order of this Court, to transfer any rental deposits of such tenants held by the Debtor to WC Smith, free and clear of any claims or rights, if any, of the Debtor or Reorganized Debtor to such deposits.

12. As of the Closing, the Debtor shall be deemed to have satisfied all requirements of § 365 of the Bankruptcy Code for the assumption and assignment to WC Smith of the executory contracts and unexpired leases with the tenants identified on Exhibit A; provided, however that nothing herein shall modify or limit the requirement that, on the Effective Date, the Reorganized Debtor shall be required and directed to pay the Tenant Members' claims in the agreed amount as set forth in the Settlement.

13. If the rejection of any executory contract or unexpired lease pursuant to Article 9 of the Plan gives rise to a Claim by the non-Debtor party or parties to such executory contract or unexpired lease, such Claim shall be forever barred and discharged and shall not be enforceable

against the Debtor, the Estate, the Reorganized Debtor, their respective future successors or their respective properties unless a Proof of Claim is filed and served on the Debtor and its counsel within thirty (30) days of the entry of this Order, provided, however, nothing herein modifies the Settlement and the claims of the Tenant Members and Association shall be governed by the terms of the Settlement.

14. Claimants holding Administrative Expense Claims against the Debtor not paid on the Effective Date may file a Proof of Claim of its Administrative Expense on or before sixty (60) days after the Effective Date. The notice of confirmation to be delivered pursuant to Bankruptcy Rules 2002(f) and 3020(c) will set, and constitute notice of, the Administrative Claims Bar Date.

15. Any Persons that fail to file a proof of an Administrative Expense Claim or request for payment thereof on or before the Administrative Expense Claims Bar Date, as required herein, shall be forever barred from asserting such Claim against the Debtor, the Estate, the Reorganized Debtor, or their property, and the holder thereof shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset or recover such Administrative Expense Claim.

16. All Professional Persons entitled to seek allowance by the Court of an Administrative Expense Claim for compensation of services rendered or reimbursement of expenses incurred shall file their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred on or before sixty (60) days after the Effective Date as required by Article 7.7 of the Plan.

17. Each Secured Creditor seeking payment or reimbursement of fees for services rendered by a Professional Person in respect of this Chapter 11 case and pursuant to § 506(b) of

the Bankruptcy Code, shall be required to file an application for the allowance of final payment of said fees within thirty (30) days of its receipt of notice from the Debtor that the Debtor believes such fees to be unreasonable. In the event that the Debtor determines that such Professional Person's fees, incurred by a Secured Creditor and requested in accordance with § 506(b) of the Bankruptcy Code are not reasonable, the Debtor shall place such disputed funds into escrow upon Closing, pending agreement of the parties or the Bankruptcy Court's entry of a Final Order resolving the allowance or disallowance of such fees. Any remaining non-disputed amounts of an Allowed Secured Claim shall be paid at Closing as set forth in this Plan.

18. The Class 4 Claim of the District of Columbia is hereby allowed in the amount of \$325,000.00 in full satisfaction of all monetary obligations in case No. 16-cv-7767 in the Superior Court of the District of Columbia by the Debtor, Sanford Capital LLC, Oakmont Management Group, LLC and Aubrey Carter Nowell under the District's Consumer Protection Procedures Act, and these Parties will agree to an Order in the Superior Court directing the disbursement of that amount. Neither this Order, the Plan, or any other document implementing the Plan shall interfere with, prevent, or otherwise affect the District's litigation of non-monetary issues against the Debtor, Sanford Capital LLC, Oakmont Management Group, LLC, Aubrey Carter Nowell and Todd Fulmer in the Superior Court action brought by the District of Columbia involving the Debtor.

19. The Reorganized Debtor, or its designee, is authorized and directed to make distributions in accordance with the applicable provisions of the Plan and the Settlement; provided, however, the Reorganized Debtor shall not make any distributions to any holders of claims in Class 6 or Class 7 until the Reorganized Debtor has paid the claims of the Tenant Members under the terms of the Settlement and the District of Columbia.

20. Should this case be converted to a case under Chapter 7 of the Bankruptcy Code, all of the Debtor's legal or equitable interests, as of the date of conversion, in property that would have been property of the estate had the property of the estate not vested in the Debtor by virtue of confirmation of the Plan, shall be property of the estate for purposes of the Chapter 7 case, notwithstanding the vesting of the property of the estate in the Debtor that otherwise arises upon confirmation of the Plan; and, by way of illustration and not limitation, such property shall include all proceeds held by the Debtor, on the date of conversion, of property that was property of the estate prior to confirmation of the Plan. No such conversion shall modify or alter the terms of the Settlement or affect a sale of the Property after closing on the sale.

21. The Plan and the Plan Documents may be amended, modified, or supplemented by the Reorganized Debtor in the manner provided for by § 1127 of the Bankruptcy Code or as otherwise permitted by law without additional disclosure pursuant to § 1125 of the Bankruptcy Code, except as the Court may otherwise direct and provided that such amendment, modification or supplement does not (i) have any adverse effect on the Debtor's estate or (ii) modify, alter, or change the terms and provisions of the Contract with WC Smith or the Settlement.

22. The failure to reference or discuss any particular provision of the Plan in this Order shall have no effect on the validity, binding effect or enforceability of such provision and such provision shall have the same validity, binding effect and enforceability as every other provision of the Plan.

23. The Reorganized Debtor is authorized and empowered to execute such other documents and take such further actions as may be necessary or appropriate to effectuate the Plan, the Settlement and any and all provisions contained therein.

24. Except as otherwise may be provided in the Plan or herein, notice of all

subsequent pleadings in this case after the Effective Date shall be limited to the following parties: (a) Reorganized Debtor and its counsel, (b) the United States Trustee, (c) counsel to the Tenant Members and counsel to the Association; (d) the District of Columbia; and (e) any party known to be directly affected by the relief sought.

25. The Court shall, and hereby does, retain such jurisdiction over this case and matters relating to this case to the extent set forth in Article XII of the Plan.

26. Notwithstanding anything to the contrary in this Order, the Plan or in any other document, the purchase of the Property by WC Smith is a condition precedent to the Effective Date of the Plan. Absent agreement of the parties to the Settlement, if the Effective Date does not occur within twenty (20) calendar days after entry of this Order, then (i) this Order shall be deemed vacated and void *ab initio*, (ii) all parties shall return to their positions prior to entry of this Order and execution of the Settlement, and (iii) all parties' rights with respect to the Plan and any and all other disputes relating to the Debtor or the Property shall be reserved.

27. In the event of any conflict or inconsistency between the provisions of this Order and the Plan, the provisions of this Order shall govern and control in all respects.

28. The Settlement Term Sheet (the "Settlement") between the Debtor, the Terrace Manor Organized for Change Tenants Association, Inc. (the "Association"), and the members of the Association (the "Tenant Members"), attached hereto as Exhibit B, constitutes a good faith compromise and settlement and is approved and incorporated into the terms of this Order, including, without limitation, the allowance of the Tenant Members' claims in the agreed amounts set forth in the Settlement. The Debtor and the Reorganized Debtor are authorized and directed, without further approval of this Court or any other party, to execute and deliver all documents, certificates, and instruments relating to the Settlement and to perform their

obligations thereunder.

29. Notwithstanding anything herein or in the Plan or any other document implementing the Plan to the contrary, nothing in this Confirmation Order or the Plan, or in any other document authorized by the Plan or this Confirmation Order, shall alter, amend, modify or otherwise affect the obligations of the Debtor or the Reorganized Debtor arising under the Settlement or the rights of the parties to such Settlement, which Settlement shall be binding and enforceable against the Debtor, its estate and the Reorganized Debtor according to its terms.

30. The stay of this Order provided by any Bankruptcy Rule (including, without limitation, Bankruptcy Rules 3020(e), 6004(h), and 6006(d)), whether for fourteen (14) days or otherwise, is hereby waived, and this Order shall be effective and enforceable immediately upon its entry by the Court.

31. The Reorganized Debtor shall mail a copy of this Order to all creditors, equity security holders and other parties in interest pursuant to Bankruptcy Rule 2002(f)(7) and file herein a certificate to that effect within ten (10) business days of the date of entry of this Order.

32. The Reorganized Debtor shall be required to notify counsel to the Association, counsel to the Tenant Members, and counsel to the District of Columbia on the date the Effective Date occurs of such occurrence.

END OF ORDER

SEEN AND NO OBJECTION:

/s/ Brent C. Strickland
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Brent C. Strickland, Bar No. 452880
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/s/ Bradley D. Jones (by email permission dated 9/21/17)
Bradley D. Jones, Esquire
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Attorney for the United States Trustee

/s/ Nancy L. Alper (by email permission dated 9/22/17)
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Attorney for the District of Columbia

/s/ Rosa J. Evergreen (by email permission dated 9/21/17)
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Taylor Healy, Esq.
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Attorney for Terrace Manor Organized for Change
Tenants Association, Inc.

/s/ Rachel A. Rintelmann (by email permission dated 9/21/17)

Rachel A. Rintelmann
Legal Aid Society of the District of Columbia
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Washington, DC 20005
Attorney for Tenants

/s/ Michael J. Lichtenstein (by email permission dated 9/22/17)

Michael J. Lichtenstein, Esq.
Shulman, Rogers, Gandal, Porody & Ecker, PA
12505 Park Potomac Avenue, Sixth Floor
Potomac, MD 20854
Attorney for Eagle Bank

EXHIBIT A

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLUMBIA**

)	
In re:)	
)	
TERRACE MANOR, LLC,)	Case No.: 17-00175-SMT
)	
Debtor.)	Chapter 11
)	
)	
)	

EXHIBIT A TO CONFIRMATION ORDER

Executory contracts to be assumed and assigned to the Buyer:

1. Residential Lease with: Cheryl Burrell
2270 Savannah Street, SE, Apt. 202
Washington, DC 20020
2. Residential Lease with: David Sellers
2270 Savannah Street, SE, Apt. 201
Washington, DC 20020
3. Residential Lease with: Doretta Toomer
3347 23rd Street, SE, Apt. 201
Washington, DC 20020
4. Residential Lease with: Ernestine Turner
3345 23rd Street, SE, Apt. 201
Washington, DC 20020
5. Residential Lease with: Mary James
3353 23rd Street, SE, Apt. 101
Washington, DC 20020
6. Residential Lease with: Mary Moore
3341 23rd Street, SE, Apt. 101
Washington, DC 20020
7. Residential Lease with: Mary Shuler
3349 23rd Street, SE Apt. 201
Washington, DC 20020

8. Residential Lease with: Monica Jackson
3373 23rd Street, SE, Apt. 301
Washington, DC 20020
9. Residential Lease with: Pamela Jackson
3371 23'd Street, SE, Apt. 301
Washington, DC 20020
10. Residential Lease with: Robert Wright/Samantha Redman
2270 Savannah Street, SE, Apt. 102
Washington, DC 20020
11. Residential Lease with: Rodney Lynch
3373 23rd Street, SE, Apt. 202
Washington, DC 20020
12. Residential Lease with: Tonia Palmer
3349 23'd Street, SE, Apt. 202
Washington, DC 20020

EXHIBIT B

SETTLEMENT TERM SHEET

This term sheet sets forth the material terms of the settlement (the "Settlement") between Terrace Manor, LLC (the "Debtor"), the debtor-in-possession in the bankruptcy proceeding pending under Case No. 17-00175 in the United States Bankruptcy Court for the District of Columbia (the "Bankruptcy Court"), the Terrace Manor Organized for Change Tenants Association, Inc. (the "Association") and the individual members of the Association (collectively, the "Tenants," and each individually, a "Tenant") who are tenants at the 11-building apartment complex commonly known as Terrace Manor (the "Property"). The Debtor, the Association and the Tenants are each individually a "Party" and collectively, the "Parties." The following outlines the principal terms of a global resolution of the Association's and the Tenants' pending objections to confirmation of the Debtor's *Second Amended Plan of Reorganization with Modifications* [Docket No. 162] (the "Plan").¹

TERMS

Sale of Property

Debtor will select the proposal to purchase the Property (the "Smith Proposal") submitted by WC Smith & Co. ("WC Smith"), which proposal was submitted by WC Smith to the Debtor on or about August 21, 2017 as the "highest and best" offer .

In consideration for the significant protections WC Smith is providing to the Tenants as part of the Smith Proposal, as well as the Tenants' and Association's support thereof, Debtor agrees that the Smith Proposal is the highest and best offer and shall use its best efforts from the date hereof going forward to obtain approval by the Bankruptcy Court of WC Smith as the Buyer at the Confirmation Hearing. These efforts shall include, *inter alia*, (i) filing a Second Praecipe Filing Notice of Higher and Better Offer with the Bankruptcy Court, identifying the Smith Proposal as the highest and best offer; and (ii) taking any other reasonable and necessary steps to seek Bankruptcy Court approval of WC Smith as the Buyer at the Confirmation Hearing.

The Association and the Tenants agree that their objections to confirmation of the Plan will be resolved only if the following conditions occur: (i) the Bankruptcy Court approves WC Smith as the Buyer; (ii) the Bankruptcy Court enters an order confirming the Plan in form and substance reasonably acceptable to the Association and the Tenants; and (iii) Debtor and WC Smith close on the sale of the Property and WC Smith becomes the owner of the Property.

If the Bankruptcy Court does not approve WC Smith as the Buyer at the Confirmation Hearing, Debtor agrees that (i) this Settlement shall be null and void *ab initio*, (ii) all Parties' rights are reserved, including, but not limited to, any objections that such Party filed to confirmation of the Plan, and (iii) the Debtor shall adjourn the Confirmation Hearing to a later date and time, which shall be at least one week from the Confirmation Hearing, which shall provide sufficient time for all Parties to prepare for the adjourned Confirmation Hearing.

Confirmation Order

Debtor will provide the Association's counsel and the Tenants' counsel a copy of its proposed order confirming the Plan (the "Confirmation Order") at least three (3) business days prior to submitting the Confirmation Order to the

¹ Terms not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

Bankruptcy Court. The Confirmation Order shall be in form and substance reasonably acceptable to the Association and the Tenants. To the extent any disputes exist among the Parties regarding the Confirmation Order, the Parties will work in good faith to address the issues before the Confirmation Order is submitted to the Bankruptcy Court and seek a hearing with the Bankruptcy Court as necessary.

The Confirmation Order shall also address and incorporate the terms and conditions of this Settlement.

The Confirmation Order shall, among other things: (i) provide that the sale of the Property is not free and clear of the Tenants' rights and privileges, including the Tenants' future Tenant Opportunity to Purchase Act ("TOPA") rights; (ii) the Low-Income Housing Tax Credit (LIHTC) obligations shall remain a restrictive covenant on the Property for the remainder of any indenture and/or restrictive covenant; and (iii) address and incorporate the terms and conditions of this Settlement.

Without limiting the foregoing, the Confirmation Order shall contain the following language:

"Notwithstanding anything to the contrary in this Confirmation Order, the Plan or in any other document, the purchase of the Property by WC Smith is a condition precedent to the Effective Date of the Plan. Absent agreement of the Parties to the Settlement, if the Effective Date does not occur within twenty (20) calendar days of entry of this Confirmation Order, then (i) this Confirmation Order shall be deemed vacated and void *ab initio*, (ii) all parties shall return to their positions prior to entry of this Confirmation Order and execution of the Settlement, and (iii) all parties' rights with respect to the Plan and any and all other disputes relating to the Debtor or the Property shall be reserved."

"**Conflicts Between Confirmation Order and Plan.** In the event of any conflict or inconsistency between the provisions of this Confirmation Order and the Plan, the provisions of this Confirmation Order shall govern and control in all respects."

Claims

Debtor agrees that the proofs of claim filed by each Tenant shall be deemed allowed for all purposes in the amounts set forth below, and such claims shall not be subject to setoff, objection, disallowance, modification or reduction. Each Tenant shall be paid in full on the Effective Date in the amount set forth in the chart below.²

Name	Claim Number In Case No. 17-00175	Allowed Amount To Be Paid on Effective Date
Cheryl Burrell	7-1	\$14,542.52
Doretta Toomer	8-1	\$26,097.24
Ernestine Turner	9-1	\$30,720.52
Mary Moore	10-1	\$31,548.52
Monica Jackson	11-1	\$34,192.08 ³

² The Debtor and/or Reorganized Debtor, as applicable, shall mail the checks (but in the name of each individual Tenant) to counsel for the Tenants.

³ To be satisfied, in part, by the release to Ms. Jackson of the funds currently in the registry of the DC Superior Court in case number 2015 LTB 00008. Upon information and belief, the registry currently contains \$27,968.00.

Robert Wright	12-1	\$26,040.52
Rodney Lynch	13-1	\$23,692.27
Pamela Jackson	15-1	\$33,477.27
Mary Shuler	16-1	\$16,660.27
Mary James	17-1	\$64,941.62
Tonia Palmer	18-1	\$22,016.77

The resolution of the Tenants' claims as set forth above is inclusive of any setoff rights or claims or demands of the Debtor (or anyone who could claim by, through or on behalf of the Debtor) against the Tenants and/or the Association, with all such rights, claims or demands arising before or through the date that this Settlement is executed, if any, deemed released and resolved in full by the Debtor.

In consideration for the amounts set forth above being provided to each of the Tenants with regard to their claims, the Association shall waive its proof of claim, Claim Number 14, and the Association's claim may be deemed expunged following the Effective Date and payment to each of the Tenants as set forth above.

Assignment of Leases and Deposits under the Leases.

As part of the sale of the Property to WC Smith, the Debtor shall assume and assign the leases of the Tenants to WC Smith, and shall transfer any rental deposits of the Tenants to WC Smith, free and clear of any claims or rights to such deposits.

Condition to Plan Effective Date

Notwithstanding anything to the contrary in the Confirmation Order, the Plan or in any other document, the purchase of the Property by WC Smith is a condition precedent to the Effective Date of the Plan. Absent agreement of the Parties, if the Effective Date does not occur within twenty (20) calendar days of entry of the Confirmation Order, then (i) the Confirmation Order shall be deemed vacated and void *ab initio*, (ii) all Parties shall return to their positions prior to entry of the Confirmation Order and execution of the Settlement, and (iii) all Parties' rights with respect to the Plan and any and all other disputes relating to the Debtor or the Property shall be reserved.

Releases

On the Effective Date, the Debtor, in its individual capacity and as a debtor-in-possession, for and on behalf of itself, its affiliates, members, directors, officers, employees, attorneys and agents, to include without thereby limiting, A. Carter Nowell (the "Debtor Parties") hereby releases and discharges, absolutely and unconditionally, irrevocably and forever, the Association (and any predecessor association), the Tenants, their affiliates, members, directors, officers, employees, attorneys and agents (the "Tenant Parties") from any claim or cause of action (i) arising from the beginning of time to the Effective Date related to acts or omissions to act; or (ii) which might at any time after the Effective Date arise out of or relate, directly or indirectly to any act or omission to act occurring prior to the Effective Date; provided, however, nothing herein release and discharges the Tenant Parties from any obligations and commitments under this Agreement. On the Effective Date, the Tenant Parties, in their individual capacity, for and on behalf of themselves, their

The amount in the registry will be released directly to Ms. Jackson. The Reorganized Debtor shall be responsible for the difference between the funds in the registry and the agreed claim amount, and to the extent it is determined that the funds in the registry for any reason are not available in the amount of \$27,968.00, the Reorganized Debtor shall pay such amount to Ms. Jackson.

affiliates, members, directors, officers, employees, attorneys and agents hereby releases and discharge, absolutely and unconditionally, irrevocably and forever, the Debtor Parties from any claim or cause of action (i) arising from the beginning of time to the Effective Date related to acts or omissions to act; or (ii) which might at any time after the Effective Date arise out of or relate, directly or indirectly to any act or omission to act occurring prior to the Effective Date; provided, however, nothing herein releases and discharges the Debtor Parties from (i) any new claims or causes of action from the date of this Agreement through the Effective Date to the extent such claims or causes of action are asserted within ten (10) days of the Effective Date and (ii) from any obligations and commitments under this Agreement, including, without limitation, the obligation to pay the Tenant claims, in the agreed amounts, in full, on the Effective Date.

Waiver of October Rent

Given the uncertainty around the closing date of the sale, Debtor agrees that the Tenants shall not be required to pay October 2017 rent and the Debtor waives and releases the Tenants from any obligation or requirement to pay October 2017 rent.

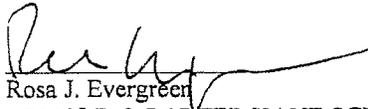
[Signature Page Follows]

Dated: September 18, 2017



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-and -

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