

| ~~September 3~~October 4, 2021

Osnat Tenenbaum, Doron Turgeman, Oded Goldstein, Rami Katzav,  
Mishmeret Trust Company Ltd.,  
as trustee for the Series C Bonds (as defined below)  
48 Menachem Begin Rd.  
Tel Aviv, Israel

Re: Letter of Intent – Mortgage and Notes Securing Series C Bonds

Ladies and Gentlemen:

MC JV Series Investor LLC (the "Purchaser") is pleased to submit this proposal (this "Letter of Intent") to purchase the assets described herein related to the William Vale Hotel, located in Brooklyn, New York (the "Hotel"), under the terms outlined in this Letter of Intent (the "Transaction").

Purchaser is a Delaware limited liability company, formed under the Delaware Limited Liability Company Act, and is owned ninety five percent (95%) by Monarch AYH LLC, an entity owned by investment funds advised by Monarch Alternative Capital LP ("Monarch"), a global investment firm with approximately \$9 billion in assets under management, and five percent (5%) by MC Series Investor I LLC ("Madison Capital"), a leading real estate investment and operating company with \$3.1 billion of assets under management. On the date hereof, Purchaser owns NIS 64,312,991.27 aggregate principal amount of Series C Bonds issued by All Year Holdings Limited ("All Year Holdings") on the Tel-Aviv Stock Exchange ("Series C Bonds") out of the NIS 579,346,875 aggregate principal amount of Series C Bonds currently outstanding (the "Total Principal Amount").

1. Purchased Assets: The trustee of the Series C Bonds, as seller (the "Trustee" or the "Seller"), will transfer and assign to Purchaser on the closing date all of Seller's rights, title and interest in respect of the following (collectively, the "Transferred Assets"):
  - a) Agreement of Modification of Mortgage, Security Agreement, Assignment of Rents and Fixture Filing (the "Mortgage"), dated as of February 28, 2017, between Wythe Berry Fee Owner LLC, as Borrower (the "Company"), and All Year Holdings, as Lender; and
  - b) Amended and Restated Promissory Note (the "Note"), dated as of February 28, 2017, between the Company and All Year Holdings;
  - c) Assignment of Loan Documents, dated as of March 16, 2021, between All Year Holdings and the Trustee;
  - d) Assignment of Consolidated Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of March 16, 2021, between All Year Holdings and the Trustee;

- e) all books and records held by, or available to, Seller, related to the Mortgage, the Note and the assignment of the Mortgage and Note to the Trustee; and
- f) claims and causes of action solely to the extent related to the Transferred Assets, including without limitation any claims that Seller may have against the Company, or Wythe Berry LLC (the "Lessee") under the Transferred Assets.

Purchaser will not acquire any breach of fiduciary duty claims or causes of action the Trustee may have against the Company, All Year Holdings or the Lessee or any of their respective directors, officers or managers, other than those claims or causes of action set forth above. For the avoidance of doubt, the Transferred Assets do not include any claims against the Company in connection with any guaranty of the Series C Bonds or any deficiency claims related to the Series C Bonds against any party.

2. Purchase Price: Purchaser will pay the Purchase Price (as defined below), subject to the terms and conditions described in the definitive purchase agreement (the "Purchase Agreement") and related documents (together with the Purchase Agreement, the "Definitive Documents") on the ~~e~~Closing ~~d~~Date (the "Closing Date"). The Closing Date shall be on or before 45 days after the execution of the Purchase Agreement. The Trustee will use the Purchase Price to repay outstanding principal of the Series C Bonds and interest accrued thereon. The Trustee, on behalf of the holders of Series C Bonds (the "Series C Bondholders") ~~shall have the right to elect the form of payment that the Series C Bondholders will receive, as follows:-~~ will receive a single cash payment (in USD) of an amount equal to \$155,214,428, which as of October 4, 2021, equals eighty six point one eight percent (86.18%) of the Total Principal Amount (the "Purchase Price") or approximately NIS 499,324,815, based on the Bank of Israel NIS/USD representative exchange rate of 3.217 as of such date.
  - a) ~~A single cash payment in an amount equal to eighty two percent (82%) of the Total Principal Amount (the "Single Payment Consideration"); or~~
  - b) ~~Cash payment in two installments: (i) the first installment at closing in an amount equal to thirty six percent (36%) of the Total Principal Amount and (ii) the second installment, payable on the third anniversary of the closing date, in an amount equal to fifty percent (50%) of the Total Principal Amount (the "Installment Consideration" and together with the Single Payment Consideration, as applicable, is referred to herein as the "Purchase Price").~~
3. Good Faith Deposit: Within two (2) business days following execution of the Purchase Agreement, Purchaser shall deposit five percent (5%) of the Purchase Price (~~to be calculated as if the Series C Bondholders chose the Single Payment Consideration,~~ the "Deposit") with an escrow agent acceptable to the Trustee and Purchaser. The Deposit will become non-refundable upon the occurrence of the circumstances described in the Purchase Agreement, which for the avoidance of doubt will not include the occurrence

of a default by Seller under the Purchase Agreement or if the conditions to the obligations of Purchaser to close, as set forth in the Definitive Documents, are not satisfied. Purchaser will pay the balance of the ~~Single Payment Consideration or the first payment of the Installment Consideration, as applicable,~~ Purchase Price at closing. ~~Purchaser will pay the balance of the Installment Consideration, if applicable, on the third anniversary of the closing date.~~

4. Bankruptcy Filing: The Trustee will work collaboratively with, and provide commercially reasonable assistance to, the Purchaser, at the cost and expense of Purchaser up to a cap of \$250,000, in commencing an involuntary bankruptcy proceeding against the Company under the U.S. Bankruptcy Code (such cases, the "Bankruptcy Cases").
5. Closing Conditions: The payment of ~~all or part~~ the balance of the Purchase Price, ~~as applicable,~~ at the closing of the Transaction shall be subject to customary closing conditions as may be set forth in Definitive Documents, including without limitation:
  - a) All necessary approvals of the Series C Bondholders and any other consents or approvals required under applicable law or contract.
  - b) All Year Holdings shall have either waived the right of first refusal granted to All Year Holdings in connection with that certain Mortgage Loan Purchase and Sale Agreement, dated as of March 16, 2021, between All Year Holdings and the Trustee (the "MPSA"), or the ROFO Exercise Period (as defined in the MPSA) shall have expired without All Year Holdings submitting a ROFO Offer (as defined in the MPSA).
  - c) Satisfactory review of documents related to the Transferred Assets in the possession of, or available to, Seller that have not been delivered to Purchaser, including without limitation a copy of the Note, the assignment of the Note and the MPSA.
  - d) The Company shall have delivered to Purchaser a written estoppel certificate in form reasonably acceptable to Purchaser, setting forth (i) the amount of the original principal amount of the Note and the unpaid principal amount of the Note, (ii) the current rate of interest of the Note, (iii) the date payments of interest and/or principal were last paid, (iv) any offsets or defenses to the payment of the Debt (as defined in the Mortgage), and if any are alleged, the nature thereof and (v) that the Note, the Security Instrument and the other Loan Documents (each as defined in the Mortgage) have not been modified or if modified, giving particulars of such modification.
  - e) The absence of any defaults under the Definitive Documents.
6. Other Terms and Conditions: All other terms and conditions shall be subject to mutually acceptable Definitive Documents.

7. Timing and Advisors: Purchaser is prepared to move as quickly as possible to complete the Transaction. We believe that an expedited process is in the best interest of all parties involved. We have retained Cleary Gottlieb Steen & Hamilton LLP and Goldfarb Seligman & Co. as legal counsel in connection with the Transaction and, together with our counsel, we have already expended extensive time and work in preparation of the delivery of this Letter of Intent.

The purpose of this Letter of Intent is to set forth the basic terms of agreement between Seller and Purchaser. The parties agree, however, that not all provisions and terms that are material to the proposed transaction are set forth in this Letter of Intent and there is no legal obligation to sell or purchase the Assets until a Purchase Agreement is executed by Purchaser and Seller. Therefore, neither party is obligated by virtue of this Letter of Intent to enter into an agreement and either party, for any reason or no reason, may terminate negotiations without liability at any time.

We are very enthusiastic about this proposal and remain available to discuss the foregoing at your convenience.

*[Remainder of page intentionally left blank.]*

This Letter of Intent will become null and void upon the occurrence of either of the following events: (a) a notice of a meeting of the Series C Bondholders to vote to accept or reject the Transaction is not published on or before ~~September 5~~October 6, 2021, or (b) the Transaction is not approved by the requisite majority of Series C Bondholders on or before ~~September 19~~October 14, 2021.

Sincerely,

MC JV SERIES INVESTOR LLC

By: \_\_\_\_\_  
Name:  
Title:

ACCEPTED AND AGREED:

MISHMERET TRUST COMPANY LTD.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date of Execution: \_\_\_\_\_

cc: Assaf Ravid  
All Year Holdings Limited

Amnon Biss, Adv.  
Ofer Tzur, Adv.  
Gornitzky & Co.

October 4, 2021

Osnat Tenenbaum, Doron Turgeman, Oded Goldstein, Rami Katzav,  
Mishmeret Trust Company Ltd.,  
as trustee for the Series C Bonds (as defined below)  
48 Menachem Begin Rd.  
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- e) all books and records held by, or available to, Seller, related to the Mortgage, the Note and the assignment of the Mortgage and Note to the Trustee; and
- f) claims and causes of action solely to the extent related to the Transferred Assets, including without limitation any claims that Seller may have against the Company, or Wythe Berry LLC (the “Lessee”) under the Transferred Assets.

Purchaser will not acquire any breach of fiduciary duty claims or causes of action the Trustee may have against the Company, All Year Holdings or the Lessee or any of their respective directors, officers or managers, other than those claims or causes of action set forth above. For the avoidance of doubt, the Transferred Assets do not include any claims against the Company in connection with any guaranty of the Series C Bonds or any deficiency claims related to the Series C Bonds against any party.

2. **Purchase Price:** Purchaser will pay the Purchase Price (as defined below), subject to the terms and conditions described in the definitive purchase agreement (the “Purchase Agreement”) and related documents (together with the Purchase Agreement, the “Definitive Documents”) on the Closing Date (the “Closing Date”). The Closing Date shall be on or before 45 days after the execution of the Purchase Agreement. The Trustee will use the Purchase Price to repay outstanding principal of the Series C Bonds and interest accrued thereon. The Trustee, on behalf of the holders of Series C Bonds (the “Series C Bondholders”), will receive a single cash payment (in USD) of an amount equal to \$155,214,428, which as of October 4, 2021, equals eighty six point one eight (86.18%) of the Total Principal Amount (the “Purchase Price”) or approximately NIS 499,324,815, based on the Bank of Israel NIS/USD representative exchange rate of 3.217 as of such date.
3. **Good Faith Deposit:** Within two (2) business days following execution of the Purchase Agreement, Purchaser shall deposit five percent (5%) of the Purchase Price (the “Deposit”) with an escrow agent acceptable to the Trustee and Purchaser. The Deposit will become non-refundable upon the occurrence of the circumstances described in the Purchase Agreement, which for the avoidance of doubt will not include the occurrence of a default by Seller under the Purchase Agreement or if the conditions to the obligations of Purchaser to close, as set forth in the Definitive Documents, are not satisfied. Purchaser will pay the balance of the Purchase Price at closing.
4. **Bankruptcy Filing:** The Trustee will work collaboratively with, and provide commercially reasonable assistance to, the Purchaser, at the cost and expense of Purchaser up to a cap of \$250,000, in commencing an involuntary bankruptcy proceeding against the Company under the U.S. Bankruptcy Code (such cases, the “Bankruptcy Cases”).
5. **Closing Conditions:** The payment of the balance of the Purchase Price at the closing of the Transaction shall be subject to customary closing conditions as may be set forth in Definitive Documents, including without limitation:
  - a) All necessary approvals of the Series C Bondholders and any other consents or approvals required under applicable law or contract.

- b) All Year Holdings shall have either waived the right of first refusal granted to All Year Holdings in connection with that certain Mortgage Loan Purchase and Sale Agreement, dated as of March 16, 2021, between All Year Holdings and the Trustee (the “MPSA”), or the ROFO Exercise Period (as defined in the MPSA) shall have expired without All Year Holdings submitting a ROFO Offer (as defined in the MPSA).
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We are very enthusiastic about this proposal and remain available to discuss the foregoing at your convenience.


*[Remainder of page intentionally left blank.]*



This Letter of Intent will become null and void upon the occurrence of either of the following events: (a) a notice of a meeting of the Series C Bondholders to vote to accept or reject the Transaction is not published on or before October 6, 2021, or (b) the Transaction is not approved by the requisite majority of Series C Bondholders on or before October 14, 2021.

Sincerely,

**MC JV SERIES INVESTOR LLC**

By: 

Name: \_\_\_\_\_  
Title: Michael Weinstock  
Authorized Person

**ACCEPTED AND AGREED:**

**MISHMERET TRUST COMPANY LTD.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Date of Execution:** \_\_\_\_\_

cc: Assaf Ravid  
All Year Holdings Limited

Amnon Biss, Adv.  
Ofer Tzur, Adv.  
Gornitzky & Co.