

# **EXHIBIT B**

I. Paragraph 14, which is the release by the RC Entities against Fannie Mae, purports to release Fannie Mae on behalf of its predecessors, which may be construed or argued to include the Selling Remy Entities. The Remy Entities do not agree to release Fannie Mae.

II. Paragraph 14 also purports to bind the successors and assigns of the RC Entities. To the extent that the RC Entities were successful in obtaining recession of their purchase of the membership interests in the Apartment Debtors, relief to which we do not agree the RC LLCs are entitled, this release could be construed or argued to bind the Selling Remy Entities. The Remy Entities do not agree to release Fannie Mae.

III. Paragraph 13 of the proposed Order provides that Fannie Mae's release is binding on successors and/or assigns. Without conceding that the proposed release of claims against the RC LLCs does not invalidate or modify the obligations of certain of the Remy Entities under their guarantees, to the extent that the Remy Entities have such obligations, they would be entitled to be subrogated to Fannie Mae's rights against the RC LLCs. In that circumstance, the release would adversely affect their rights.

IV. As a court of equity, the court should not enter the proposed Order. In exchange for agreeing to stay relief on behalf of the Apartment Debtors, entities that may seek dismissal of their bankruptcy cases (see paragraph 17), the RC LLCs, the owners of the membership interests in the Debtors, have extracted a release from Fannie Mae of claims against themselves, that is the RC LLCs. There is no allegation in the stipulation that the Apartment Debtors have a basis to oppose relief from stay, and the Apartment Debtors are obtaining no consideration for the agreement for relief. This type of self-dealing by the RC LLCs is wrongful. To the extent that Fannie Mae has claims against the RC LLCs for fraud or mismanagement, release of those claims eliminates a source of recovery and places the entire obligation on the Apartment LLCs, in breach of their duties to the Apartment LLCs and to the disadvantage of their estates.

V. In their Amended Complaint against the Remy Entities, the RC LLCs have alleged that they "incurred" the debt obligation to the Fannie Mae as part of the purchase of the membership interests. If that is true, then the release of another party that is co-liable on those obligations adversely affects the interests of the relevant Remy Entities, making them the sole source of recovery for the post-closing period. The same objections raised in IV apply.

VI. The Stipulation eliminates the possibility of a consensual settlement of the Debtors' actions against the Remy Entities. Without the ability to use the apartment buildings as part of a proposed settlement, the bankruptcy becomes purely about litigation. We as counsel to the Remy Entities are fairly new to this case and have had no meaningful opportunity to explore such settlement negotiations.

VII. There may be actions that the Apartment Debtors or their estates have sounding in piercing the corporate veil. If so, the binding nature of the release provided to Fannie Mae by the RC LLCs on its successors and assigns works an unfairness and injustice to the Apartment Debtors.

VIII. Paragraph 16 requires Fannie Mae to cooperate with the Debtors' discovery in connection with the Remy Adversaries, but tellingly does not obligate it to cooperate more generally with discovery propounded by other parties in connection with those Adversary Proceedings.