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January 6, 2026

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RE: *Township Capital, LLC, et al. v. Audent Global Asset Management, LLC, et al.*, C.A. No. 2024-1188-LWW; *Audent Real Estate Opportunity Fund I L.P. v. Township Capital, LLC, et al.*, C.A. No. 2025-0041-LWW

Dear Counsel:

I have reviewed the parties' submissions on the remaining dispute reserved for decision after the settlement of these actions. The narrow issue before me is whether the parties' March 12, 2025 term sheet entitles Township Capital, LLC to recover \$277,288.51 in unpaid management fees and expense reimbursements.

Audent Global Asset Management, LLC and its affiliates (“Audent”)¹ contend that the plain language of the term sheet precludes Township’s argument. Township, however, asserts that the term sheet is ambiguous or silent on the issue of unpaid fees, necessitating the review of external evidence to discern the parties’ intent. For the reasons explained below, I conclude that the term sheet is unambiguous. Township’s request for payment of the disputed fees and expenses is denied.

I. BACKGROUND

This dispute stems from a control battle over various real estate investment entities (the “Audent Managed Entities”). Audent alleged that Township, as manager of the Audent Managed Entities, engaged in financial misconduct and misappropriated funds. To resolve these contentions and the related lawsuits, the parties negotiated a global settlement to transfer control and disentangle their business relationships.

On March 12, 2025, the parties executed a Binding Term Sheet (the “Term Sheet”) to settle most of their disputes over the control and management of the

¹ “Audent” refers to Audent Global Asset Management, LLC, Audent Real Estate Opportunity Fund I L.P., and Paul Feinstein.

Audent Managed Entities.² Over the ensuing two months, they negotiated a formal settlement agreement, which became effective on May 20.³ They stipulated, however, that this court would resolve a single remaining issue: whether the Term Sheet eliminates Township’s right to claim management fees and expenses arising before January 1, 2025.⁴ Supplemental submissions from the parties on this issue followed.⁵

II. ANALYSIS

Delaware courts adhere to the objective theory of contracts. When a contract is clear and unambiguous, the court “will give effect to the plain-meaning of the

² See Township Capital, LLC’s Opening Submission Regarding Settlement Dispute (Dkt. 46) (“Township’s Opening Br.”) Ex. A (“Term Sheet”). Docket references relate to C.A. No. 2024-1188-LWW.

³ See Audent’s Opening Submission to Resolve the Remaining Dispute (Dkt. 47) (“Audent’s Opening Br.”) Ex. A (Settlement Agreement); Audent’s Opening Br. Ex. L.

⁴ See Stipulation and Order Governing Remaining Dispute (Dkt. 37) 2 (“[T]he parties have reached agreement on the terms of a settlement agreement which includes the filing of a Stipulation and [Proposed] Order of Dismissal with Prejudice . . . except for a dispute over whether or not the Term Sheet eliminates Township Capital, LLC’s right to claim management fees and reimbursement of claimed expenses arising prior to January 1, 2025, (which claim is \$277,288.51) from the Audent Managed Entities . . .”).

⁵ See *supra* notes 2-3 (citing opening submissions); see also Township Capital, LLC’s Submission in Resp. Regarding Settlement Dispute (Dkt. 51) (“Township’s Resp. Br.”); Audent’s Resp. to Township’s Opening Submission Regarding the Remaining Dispute (Dkt. 52) (“Audent’s Resp. Br.”).

contract's terms and provisions.”⁶ “If a contract is unambiguous, extrinsic evidence may not be used to interpret the intent of the parties, to vary the terms of the contract or to create an ambiguity.”⁷ A settlement term sheet “will bind the parties where they agree to all material terms and intend to be bound by that contract.”⁸

This dispute hinges on Paragraphs A.4 to A.6 of the Term Sheet:

A.4. No party will take management fees for Q1 2025 for the Audent Managed Entities. To the extent[] Township has been paid any management fee or been reimbursed any expense for such time from any of the Audent Managed Entities, it will return the fee and any expenses paid. ***Township will keep all contractually paid management fees through Q4 2024 for the Audent Managed Entities.*** Audent will be entitled to all management fees for the Audent Managed Entities for Q2 2025 and forward.

A.5. To the extent Township has ***received reimbursement for expenses in 2025*** from any Audent Managed Entity, such expenses shall be returned to the applicable entity. To the extent Township has received any developer fees from any Audent Managed Entity in 2025, Township shall return such amount to the applicable entity.

⁶ *Osborn ex rel. Osborn v. Kemp*, 991 A.2d 1153, 1159-60 (Del. 2010) (citation omitted).

⁷ *Eagle Indus., Inc. v. DeVilbiss Health Care, Inc.*, 702 A.2d 1228, 1232 (Del. 1997).

⁸ *Schwartz v. Chase*, 2010 WL 2601608, at *4 (Del. Ch. June 29, 2010).

A.6. . . . To the extent there are any payments or potential payment *owed in the future* by any of the Audent Managed Entities . . . *Township relinquishes any right to such payments.*⁹

This text unambiguously supports Audent’s reading.

First, Paragraph A.4 of the Term Sheet provides that Township “will keep all contractually *paid* management fees through Q4 2024.”¹⁰ Audent argues that this phrasing limits Township to retaining only those funds already in Township’s possession and excludes any right to collect funds that were owed or accrued but unpaid.¹¹ Township responds that the provision is silent as to management fees due but unpaid, which does not extinguish the debt.¹²

Township’s interpretation of Paragraph A.4 would require me to read rights into the Term Sheet that are not there. Delaware is a contractarian state, and a party “will be deemed to have knowingly agreed to the plain terms of the instrument.”¹³ The parties—sophisticated commercial entities represented by counsel—chose the

⁹ Term Sheet ¶¶ A.4-6 (emphasis added).

¹⁰ *Id.* ¶ A.4 (emphasis added).

¹¹ See Audent’s Opening Br. ¶ 35; Audent’s Resp. Br. ¶ 7.

¹² See Township’s Opening Br. ¶ 14; Township’s Resp. Br. ¶¶ 5-6.

¹³ *Flores v. Strauss Water Ltd.*, 2016 WL 5243950, at *6 (Del. Ch. Sept. 22, 2016).

word “paid,” which means “marked by the receipt of pay.”¹⁴ The parties did not use “accrued,” “owed,” or “outstanding.” Under the principle of *expressio unius est exclusio alterius*, the explicit grant of the right to retain paid fees implies the exclusion of the right to collect unpaid fees.¹⁵ The Term Sheet therefore does not preserve a right for Township to pursue collection of these outstanding amounts.

Second, Paragraph A.6 of the Term Sheet confirms this reading. It states that Township “relinquishes any right” to payments “owed in the future.”¹⁶ The approximately \$277,000 that Township seeks is unpaid. Any satisfaction of that debt would necessarily occur after the settlement.

Township argues that Paragraph A.6 limits its ability to recover obligations that arise in the future, not debts accrued in the past.¹⁷ This reading is unpersuasive. Any payment made after the execution of the settlement is, by definition, made “in

¹⁴ *Paid*, Merriam-Webster, <http://merriam-webster.com/dictionary/paid> (last visited Jan. 6, 2026) (defining “paid” as also “being or having been paid or paid for”).

¹⁵ See *Active Asset Recovery, Inc. v. Real Est. Asset Recovery Servs., Inc.*, 1999 WL 743479, at *11 (Del. Ch. Sept. 10, 1999) (citing 3 Arthur L. Corbin, *Corbin on Contracts* § 552, at 206 (1960) for the rule of *expressio unius est exclusio alterius* that “[i]f one subject is specifically named . . . it may reasonably be inferred that the subjects not specifically named were intended to be excluded”).

¹⁶ Term Sheet ¶ A.6.

¹⁷ See Township’s Opening Br. ¶ 18.

the future.” Having agreed to relinquish rights to future payments from the Audent Managed Entities, Township cannot now demand a payment of around \$277,000 simply because the underlying obligation purportedly arose in the past.

Finally, Paragraph A.5 requires Township to return any expense reimbursements “received . . . in 2025.”¹⁸ As Audent correctly argues, it would be illogical to interpret the Term Sheet to require Township to disgorge funds it possesses while permitting it to demand new payments for similar expenses.¹⁹ The structure of the Term Sheet evinces a temporal break. Township keeps what it was paid through 2024, returns what it took in 2025, and relinquishes rights to anything further.

Thus, the text of the Term Sheet supports Audent. It limits Township’s retention of funds to those “contractually paid” through Q4 2024 and relinquishes rights to future payments. Because the Term Sheet is unambiguous, Township’s extrinsic evidence on prior negotiations is irrelevant.

¹⁸ Term Sheet ¶ A.5.

¹⁹ See Audent’s Opening Br. ¶ 36; Audent’s Resp. Br. ¶ 8.

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III. CONCLUSION

Township's request for relief is denied. Within 10 business days, the parties are directed to confer on and submit a form of final order and judgment implementing this ruling and, as appropriate, the parties' broader settlement.

IT IS SO ORDERED.

Sincerely yours,

/s/ Lori W. Will

Lori W. Will
Vice Chancellor