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June 9, 2026

VIA ECF
Honorable Sean H. Lane
United States Bankruptcy Court
Southern District of New York
300 Quarropas Street
White Plains, New York 10601

Re: In re Cold Spring Acquisition, LLC, d/b/a/ Cold Spring Hills Center For Nursing & Rehabilitation
Case No. 25-22002 (SHL)

Dear Honorable Sir:

As Your Honor will recall we are counsel to the Official Committee of Unsecured Creditors (the "Committee") in the above referenced chapter 11 proceeding for Cold Spring Acquisition, LLC, d/b/a Cold Spring Hills Center For Nursing & Rehabilitation (the "Debtor").

We write today in response to Your Honor's directives given at the last hearing held on June 1, 2026 stating that the Debtor and Committee shall submit written correspondence to Your Honor regarding the parties' intentions to proceed with the Committee's motion to convert the Debtor's case from chapter 11 to chapter 7 (the "Motion to Convert"). For the reasons set forth herein and in the Motion to Convert and related filings, the Committee believes that it is prudent to continue with the prosecution of the Committee's Motion to Convert to preserve the remaining funds left in the Debtor's estate for the benefit of creditors.

After discussions with the Debtor's counsel and review of the financial information supplied, we have been informed that as of June 1, 2026, the Debtor's adjusted book cash is approximately $1,138,695.95. This amount has decreased since our last conversations with Debtor's counsel and Mr. Cauz, where we were informed that as of April 16, 2026, the Debtor's adjusted book cash was approximately $1,188,013.52, illustrating a diminution of $49,317.57. As well, the professional fees accumulated on behalf of the Debtor's estate and related professionals are approximately $2.4 million as calculated by the Debtor as of April 16, 2026, and continue to accrue, which must be taken into account regarding the administrative insolvency of the Debtor's estate.

Further, the Debtor states in the Rule 9019 Settlement Term Sheet: Chapter 11 Settlement and Plan Funding Transaction annexed to the Debtor's *Supplement to Objection to Application for Order Converting Chapter 11 Case to a Case Under Chapter 7 of the Bankruptcy Code and Granting Related Relief* (ECF Doc. No. 695) (the "Debtor's Supplement"), that without the additional $1,000,000 the Debtor would receive through the proposed settlement, that (i) the "Debtor would be unable to satisfy the confirmation requirements of section 1129 of the Bankruptcy Code", (ii) that "absent the Settlement Payment, confirmation of the Plan would not

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be possible, and (iii) that "without the Settlement Payment, no distribution to unsecured creditors will be likely." *See* Debtor's Supplement.

If the Court has any questions or concerns, please do not hesitate to have a member of Your Honor's staff contact me.

Thank you.

Very truly yours,

s/ Ronald J. Friedman

Ronald J. Friedman
Partner

cc: Schuyler Carroll, Esq.,
Martin Cauz