

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

IN RE:	§	Chapter 11
	§	
EVANGELICAL RETIREMENT	§	Case No. 23-07541
HOMES OF GREATER CHICAGO,	§	
INCORPORATED d/b/a FRIENDSHIP	§	
VILLAGE OF SCHAUMBURG,	§	
	§	
FEIN: 36-2815382,	§	
	§	
Debtor.	§	Hon. Timothy A. Barnes

FINAL ORDER (I) GRANTING (A) REPLACEMENT LIENS AND
SUPERPRIORITY CLAIMS AND (B) ADEQUATE PROTECTION;
(II) AUTHORIZING USE OF CASH COLLATERAL; (III)
MODIFYING THE AUTOMATIC STAY; AND
(IV) GRANTING RELATED RELIEF

This Final Order (I) Granting (A) Replacement Liens and Superpriority Claims and (B) Adequate Protection: (II) Authorizing Use of Cash Collateral; (III) Modifying the Automatic Stay; and (IV) Granting Related Relief (this “Final Order”) is entered into by this Court after adequate notice and hearings on the “Emergency Motion For Entry Of Interim And Final Orders (I) Granting (A) Replacement Liens And Superpriority Claims And (B) Adequate Protection: (II) Authorizing Use Of Cash Collateral; (III) Modifying The Automatic Stay; (IV) Scheduling A Final Hearing; and (V) Granting Related Relief” (the “Motion”), and upon the terms agreed-to by and between the above-captioned debtor (the “Debtor”) and UMB Bank, N.A., in its capacity as bond trustee (the “Bond Trustee”) and successor master trustee (the “Master Trustee” and together with the Bond Trustee, the “Bond Trustee”); and the Court having determined that the relief requested in the Motion meets the requisite standards in the Bankruptcy Code, Bankruptcy Rules and applicable case law; and it appearing that proper and adequate notice of the Motion has been given and that

no other or further notice is necessary; and upon the record at the hearings on the Motion on June 13, 2023, July 5, 2023, August 4, 2023, and August 9, 2023; and with the consent of the Bond Trustee to allow the Debtor to use its Pre-Petition Collateral, including Cash Collateral (as such terms are defined herein) pursuant to the terms of this Final Order; and after due deliberation thereon; and good and sufficient cause appearing therefore, it is hereby

FOUND THAT:

The Debtor's Chapter 11 Case; Procedural Background; Jurisdiction; Notice

A. The court takes judicial notice of the following: On June 9, 2023 (the "Petition Date"), the Debtor filed a voluntary petition for relief (the "Chapter 11 Case") with this Court under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"). Since the Petition Date, the Debtor has operated its business and managed its property as a debtor in possession pursuant to 11 U.S.C. §§ 1107 and 1108. On June 23, 2023, the Official Unsecured Creditors' Committee (the "Committee") was appointed by the Office of the United States Trustee (the "U.S. Trustee"). No request has been made for the appointment of a trustee or examiner in the Chapter 11 Case.

B. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(b) and 1334 and this matter constitutes a core proceeding as defined in 28 U.S.C. § 157(b)(2). Venue has not been contested.

C. Notice of the Motion and the hearings thereon appears to be sufficient under the circumstances with respect to the relief requested and no further notice of the relief sought in the Motion appears necessary.

D. The Court held a hearing on June 13, 2023 to consider the relief requested in the Motion on an interim basis, and, following such hearing, the Court entered order on June 23,

2023 allowing the Debtor to use cash collateral on an interim basis [Dkt. No. 85] (the “First Interim Order”). The Court held a subsequent hearing on July 5, 2023 to consider the relief requested in the Motion on a second interim basis and, following such hearing, the Court entered an order on July 12, 2023 allowing the Debtor to use cash collateral on a second interim basis [Dkt. No. 152] (the “Second Interim Order” and together with the First Interim Order, the “Interim Orders”).

The Debtor and the Community

E. The Debtor states that it is the owner and operator of a continuing care retirement community known as Friendship Village of Schaumburg (the “Community”).

F. The Debtor further represents that: (i) it offers residential units for its residents (each a “Resident”) in independent living, assisted living, memory care, or skilled nursing units and provide those Residents with necessary healthcare services, multiple entertainment outlets and other social benefits, and (ii) as of the Petition Date, the Debtor provides accommodations for more than approximately 635 Residents.

The Secured Obligations¹

G. The Debtor admits, stipulates, and agrees that it is obligated to the Bond Trustee for the benefit of the beneficial holders of the tax-exempt Bonds (as defined below) authorized and issued by the Illinois Finance Authority (the “Issuer”). The Issuer its Illinois Finance Authority Revenue Bonds, Series 2017 (Friendship Village of Schaumburg) in the principal

¹ This Final Order was presented as agreed as between and prepared by the parties. The parties’ admissions, stipulations and agreements are as and between one another. The court makes no finding on the facts underlying those admission, stipulations and agreements. The court neither approves or disapproves of any reservations of rights contained herein.

amount of \$122,550,000 (the “Bonds”) pursuant to that certain Bond Trust Indenture, dated as of December 1, 2017, by and between the Issuer and the Bond Trustee (the “Bond Indenture”).

H. The Debtor admits, stipulates, and agrees that the Issuer loaned the proceeds from the sale of the Bonds to the Debtor pursuant to that certain Loan Agreement, dated as of December 1, 2017, between the Debtor and the Issuer (the “Loan Agreement”). The Debtor further admits, stipulates, and agrees that it used the proceeds of the Bonds to, among other things, pay or reimburse expenses related to the payment of certain costs of constructing, renovating, remodeling and equipping the Community. The Debtor admits, stipulates, and agrees that the rights of the Issuer under the Loan Agreement were assigned to the Bond Trustee under the terms of the Bond Indenture.

I. The Debtor admits, stipulates, and agrees that it is obligated to the Bond Trustee for the benefit of the beneficial holder of Evangelical Retirement Homes of Greater Chicago, Incorporated Direct Note Obligation, Series 2017 (UMB Bank, National Association – Friendship Senior Options, NFP Guaranty), in the original principal amount of \$13,750,000 (the “Series 2017-1 Obligation” and together with the Bonds, the “Master Indenture Obligations”).

The Master Indenture Obligations

J. The Debtor admits, stipulates, and agrees that as of the Petition Date, the amounts due and owing by the Debtor with respect to the Master Indenture Obligations and all other obligations under the Bond Documents (as defined below) and related to the Series 2017-1 Obligation are as follows (collectively, the “Master Indenture Obligations”):

- (i) Unpaid principal on the Bonds in the amount of \$115,180,000;
- (ii) Accrued but unpaid interest on the Bonds in the amount of \$6,224,891.56;
- (iii) Unpaid principal related to the Series 2017-1 Obligations in an amount no less than \$10,115,000;

- (iv) Accrued but unpaid interest related to the Series 2017-1 Obligations in an amount no less than \$153,387; and
- (v) unliquidated, accrued and unpaid fees and expenses of the Bond Trustee and its professionals incurred through the Petition Date. Such amounts, when liquidated, shall be added to the aggregate amount of the Master Indenture Obligations.

Security for the Master Indenture Obligations

K. The Debtor admits, stipulates, and agrees that the Debtor's obligations associated with Master Indenture Obligations are secured by the liens and security interests granted to the Bond Trustee under (i) that certain Master Trust Indenture, dated as of July 15, 2005, by and between the Borrower and Wells Fargo Bank, National Association, in its capacity as prior master trustee (the "Prior Master Trustee") (as amended and supplemented, including by that certain Third Supplemental Master Trust Indenture, dated as of December 1, 2017, by and between the Debtor and the Prior Master Trustee, the "Master Indenture" and together with the Bond Indenture, the "Indentures"), (ii) that certain Mortgage and Security Agreement, dated as of July 15, 2005, by and between the Debtor and the Prior Master Trustee (the "Mortgage"), and (iii) that certain Mortgage and Security Agreement, dated as of January 31, 2022, by and between the Debtor and the Prior Master Trustee (the "Additional Mortgage" and together with the Mortgage, the "Mortgages"). The Indentures, the Loan Agreement, the Mortgages, and all other documents evidencing or securing the Master Indenture Obligations and other amounts or obligations of the Borrower owing under the Indentures, are referred to herein as the "Bond Documents".

L. Subject to the rights and claims set forth in paragraph N herein, the Debtor admits, stipulates, and agrees that, pursuant to the Bond Documents, the Bond Trustee holds a valid and enforceable first priority lien and security interest on certain of the Debtor's real and personal property as security for its obligations associated with the Master Indenture Obligations, including,

without limitation: (i) revenue, accounts, accounts receivable, and Gross Revenues (as defined in the Master Indenture), (ii) all general intangibles, equipment, inventory and other personal property, (iii) the Land (as defined in the Mortgages) and all Machinery and Equipment (as defined in the Mortgages) located on the Land, and (iv) all of the proceeds of the foregoing (all such collateral, the “Pre-Petition Collateral” and the liens on such Pre-Petition Bond Collateral, the “Pre-Petition Liens”).

M. The Debtor asserts, and the Bond Trustee disputes, that the Pre-Petition Collateral does not include the following (collectively, the “Unencumbered Assets”):

- Schwab One Account ending in -832, Schwab One Account ending in -290 and Schwab One Account ending in -078 (collectively, the “Schwab Accounts”) which accounts are maintained with Charles Schwab & Co., Inc., at 1345 Northwestern Drive, El Paso, TX 79912;
- Debtor’s checking account with Schaumburg Bank & Trust Company, N.A. (the “Bank”), whose address is 9801 W. Higgins, Box 32, Rosemont, IL 60018), which account’s last four digits are 1095 (the “Operating Account”);
- Debtor’s “Gift Annuity Account” with Morgan Stanley, at 111 S. Pfingsten Road, Suite 200, Deerfield, IL 60015, which account number ends in -098 (the “Morgan Stanley Account”);
- Debtor’s account with the Bank (the “Concentration Account”), which account’s last four digits are 4931;
- Debtor’s accounts receivable from the Centers for Medicare and Medicaid Services (“CMS”) for services provided by the Debtor to Medicare and Medicaid patients at the skilled nursing center at the Community, which payments are not susceptible to encumbrance under 42 CFR § 424.73;
- The Cash proceeds of Debtor’s accounts receivable from CMS that are electronically transferred by CMS into the Concentration Account;
- five (5) unencumbered titled motor vehicles;
- one (1) titled motor vehicle (an E450 Elkhart Custom Design), which, according to the records of the Illinois Secretary of State, is subject to a first priority lien held by Verdant Comm Cap Titling Trust; and

- A parcel of unimproved land in McHenry County, Illinois.

The Debtor and the Bond Trustee reserve all rights and arguments with respect to the alleged Unencumbered Assets, including but not limited to whether any of the Unencumbered Assets are subject to the Bond Trustee's Pre-Petition Liens.

N. Excluded from use of Cash Collateral. Assets held in the Debtor's investment account ending in -078 ("Schwab Account -078") with Charles Schwab & Co. ("Schwab One"), which contains securities valued at \$1,860,872.24 as of June 2, 2023 and has been pledged to Schaumburg Bank & Trust Company, N.A. (the "Bank") pursuant to an account pledge agreement dated November 18, 2016 entered into between Debtor and the Bank, and a pledged asset account agreement dated November 18, 2016 entered into between Schwab One and the Bank to secure a promissory note dated November 18, 2015 in the original principal amount of \$2,460,000 made by FSO payable to the order of the Bank, shall be excluded from use of Cash Collateral. The Bank asserts a perfected first priority security interest in the assets held in Schwab Account -078 and that such assets are not encumbered by the security interests held by the Bond Trustee. The Debtor shall not use the assets in Schwab Account -078 except as may be needed by its self-funded workers compensation plans and with the Bank's consent, or the termination and windup of that workers compensation plan pursuant to the terms of that plan and the security interests held by the Bank in Schwab Account -078. For the avoidance of doubt, assets in Schwab Account -078 shall not be used to fund any of the expenses set forth on the Approved Budget (defined below).

The Debtor's Need to Use Cash Collateral

O. The Debtor has requested the use of the Cash Collateral of the Bond Trustee in connection with the Chapter 11 Case. The Bond Trustee does not consent to the use of its Cash Collateral, except upon the express terms of this Final Order.

P. Without the use of Cash Collateral, the Debtor's continued operation as a going concern would be disrupted, the value of the underlying assets would significantly decline, and the Debtor and its residents, estates and creditors would be immediately and irreparably harmed without the use of cash collateral because the Debtor would not have the funds necessary to maintain the Community, provide financial information, or pay or otherwise fund employee compensation, payroll taxes, and overhead and other expenses. The Debtor requires use of cash collateral as provided herein.

Need for Adequate Protection to the Bond Trustee; Good Cause for Relief

Q. Pursuant to the Bankruptcy Code and in light of the foregoing, the Debtor is required to provide adequate protection to the Bond Trustee in respect of the use of the Pre-Petition Collateral (including Cash Collateral). The Debtor wishes to provide adequate protection of the security interests in and liens on the Pre-Petition Collateral pursuant to the terms set forth in this Final Order.

R. Good cause has been shown for the entry of this Final Order. The terms of this Final Order, inclusive of the adequate protection provided to the Bond Trustee relating to the Pre-Petition Liens, are fair and commercially reasonable, reflect the Debtor's prudent business judgment consistent with its fiduciary duties and constitute reasonable equivalent value and fair consideration. Entry of this Final Order is in the best interest of the Debtor, its creditors, including the holders of the Bonds, and their estates.

S. To the extent any portion of the foregoing constitute rulings of law, they shall constitute this Court's rulings with respect to the matters so-stated.

NOW, THEREFORE, THE COURT HEREBY CONCLUDES AND ORDERS AS FOLLOWS:

1. Motion Granted. The Motion is hereby GRANTED in accordance with the terms and conditions set forth in this Final Order. Any objections to the Motion with respect to the entry of this Final Order that have not been withdrawn, waived, or settled, and all reservation of rights included therein, are hereby denied and overruled with respect to this Final Order.

2. Authorization for Use of Pre-Petition Collateral.

(i) *Authorization*. The Debtor is hereby authorized to use as cash collateral any revenues derived by the Debtor in the ordinary course of its business, all accounts receivable held by the Debtor, all amounts currently held in the Debtor's operating accounts, and cash proceeds which the Debtor receives pursuant to an order entered after notice and a hearing pursuant to 11 U.S.C. §§ 105, 363, 364(b) (collectively, the "Cash Collateral"), but only on the terms of this Final Order. Approval to use Cash Collateral as provided in this Final Order does not act as approval for uses contained herein that require court authority under other provisions of the Bankruptcy Code unless such independent approval is expressly considered and granted herein.

(ii) *Permitted Use of Cash Collateral; Approved Budget*. The Debtor's use of Cash Collateral shall be limited solely as set forth in the budget attached hereto as Schedule A (the "Approved Budget"), which is an updated and expanded version of the budget attached to the Interim Orders, and as otherwise provided in this Final Order for: (a) the necessary ordinary course operation and maintenance costs associated with the Community in the amounts and categories and time set forth in the Approved Budget; and (b) other costs and expenses of

administration of the Chapter 11 Case in the amounts and categories and time set forth in the Approved Budget. Except on the term and conditions of this Final Order, the Debtor is prohibited from using Cash Collateral at any time or for any other purpose absent the consent of the Bond Trustee or further order of this Court.

(iii) *Compliance with Approved Budget; Permitted Variance.* The Debtor shall comply with the Approved Budget (subject to the permitted variances provided in the next immediate sentence), and shall not make any payments, or incur any obligations or liabilities, that are not projected and provided for in the Approved Budget. On the last business day of every other week, payments for such cumulative period to date shall not exceed of ten percent (10%) of the respective amounts, measured as to each line item in the Approved Budget, and five percent (5%) of the respective amounts, measured on an aggregate basis, set forth for such cumulative period to date in the Approved Budget (provided expenditures for estate professional fees shall not exceed one hundred percent (100%) of the amount allocated for such expenditures in the Approved Budget for such cumulative period, provided further that estate professionals may carry forward any unused expenditures for estate professionals to pay unpaid estate professional fees and expenses that have been allowed pursuant to any orders of this Court and may carry backward any unused expenditures for estate professionals, up to an aggregate amount of \$150,000 per month, to pay unpaid estate professional fees and expenses that have been allowed pursuant to any orders of this Court); and receipts for such cumulative period to date shall not be less than ninety percent (90%) of the amounts, on an aggregate basis, set forth for such cumulative period to date in the Approved Budget (collectively, the “Permitted Variance”).

(iv) *Budget Testing.* The Permitted Variance shall be measured, on a rolling four-week period (the “Measuring Period”); *provided, however*, that for purposes of calculating the Permitted Variances, (i) the first Measuring Period shall be the first week after the Petition Date and the first week of the Approved Budget, and (ii) the second Measuring Period shall be the first four weeks after the Petition Date and the first four weeks of the Approved Budget. Any budgeted expenditures not paid in a particular budget period may be paid during a subsequent period and, for the purpose of calculating rolling four-week variances set forth above, the Approved Budget will be revised to move such expenditures to the later period, it being understood that such later period can be outside the four week period. Expenditures (except for professional fees which are addressed as noted above) may be paid in an earlier period in the reasonable discretion of the Debtor, in which event the Approved Budget shall be deemed amended to move the expenditure into the week of the actual expenditure for the purpose of calculating rolling four-week variances set forth above. Notwithstanding anything to the contrary in the foregoing, if the Debtor exceeds, or on a commercially reasonable basis expect to exceed, any line item in the Approved Budget by at least two hundred thousand dollars (\$200,000), it shall immediately notify the Bond Trustee.

(v) *Amendments or Modifications Related to Approved Budget.* The Debtor may, at any time, propose to the Bond Trustee in writing (including by email) an amended Approved Budget, either for the period covered by the Approved Budget or for any period thereafter, and the Bond Trustee may approve or not approve any such amendment in its sole and absolute discretion, which approval shall not be unreasonably withheld. Upon the written consent of the Bond Trustee, the amended Approved Budget shall become the Approved Budget for purposes of this Final Order. At such time as the amended Approved Budget becomes the

Approved Budget, the Debtor shall file a copy thereof with this Court and shall provide a copy thereof to the Committee and the U.S. Trustee, and, upon request to the Debtor's counsel, any other party in interest. In the event the Bond Trustee does not approve a requested amendment to the Approved Budget, the Debtor reserves the right to seek an order authorizing the use of the Cash Collateral by filing a motion with the Court, and the Bond Trustee reserves all rights to object to such motion.

(vi) *Miscellaneous*. For the avoidance of doubt, except as otherwise set forth in the Approved Budget, Cash Collateral may not be used (i) by any non-Debtor entity, or (ii) to pay any expense of any non-Debtor entity.

3. Adequate Protection to the Bond Trustee for the Pre-Petition Liens and Pre-Petition Collateral Securing the Master Indenture Obligations. As adequate protection of the Bond Trustee's interests in the Pre-Petition Collateral, including Cash Collateral, pursuant to sections 361, 363 and 552(b) of the Bankruptcy Code, the Bond Trustee is hereby provided the following adequate protection:

(i) *Rollover Liens*. As adequate protection for, and to the extent of, any diminution in the value of the Pre-Petition Collateral, including Cash Collateral, resulting from the Debtor's use thereof after the Petition Date ("Diminution"), the Bond Trustee shall continue to have valid, binding, enforceable and perfected additional and replacement mortgages, pledges, liens and security interests in all currently owned or hereafter acquired property and assets of the Debtor of any kind or nature, whether real or personal, tangible or intangible, wherever located, now owned or hereafter acquired or arising and all proceeds, products, rents and profits thereof, including, without limitation, accounts, revenues, inventory, equipment, capital stock in subsidiaries, investment property, instruments, chattel paper, real estate,

leasehold interests, contracts, general intangibles, patents, copyrights, trademarks, deposit accounts, intercompany claims, claims against affiliates, causes of action, tax refund claims, commercial tort claims, insurance proceeds and insurance premium refunds and the proceeds, rents, products and profits therefrom, whether acquired or arising before or after the Petition Date, (all of the foregoing, the “Post-Petition Collateral”) to the same extent, priority and validity that existed as of the Petition Date (such liens, the “Rollover Liens”); *provided, however*, the Rollover Liens shall be subject to the Carve-Out. The Bond Trustee will not receive a Rollover Lien on the Concentration Account, any new account that Debtor may open for the purpose of accepting Medicare deposits from CMS, or any Medicare receivables or proceeds of such receivables until such proceeds are transferred by Debtor into a different account; *provided, however*, that the Bond Trustee reserves all rights with respect to such accounts, receivables, and proceeds in connection with all subsequent orders.

(ii) *Supplemental Liens.* As additional adequate protection for, and to the extent of, any Diminution, the Bond Trustee shall have a valid, perfected and enforceable continuing supplemental lien on, and security interest in, all of the assets of the Debtor of any kind or nature whatsoever within the meaning of section 541 of the Bankruptcy Code, whether acquired or arising before or after the Petition Date, and the proceeds, rents, products and profits therefrom (collectively, the “Supplemental Liens”). For the avoidance of doubt, the Bond Trustee shall not have a Supplemental Lien on actions for preferences, fraudulent conveyances or other avoidance power claims and any recoveries under Sections 542, 544, 545, 547, 548 (exclusive of transferees under Section 549), 550 and 553 of the Bankruptcy Code (collectively, the “Avoidance Actions”) and any proceeds therefrom. The Supplemental Liens shall be subject only to the Carve-Out. Notwithstanding the foregoing, (i) the Bond Trustee will not receive a

Supplemental Lien on the Concentration Account, any new account that Debtor may open for the purpose of accepting Medicare deposits from CMS, or any Medicare receivables or proceeds of such receivables until such proceeds are transferred by Debtor into a different account, and (ii) the Bond Trustee shall only be entitled to a Supplemental Lien on Schwab Account -078, including the proceeds therefrom, to the extent such Supplemental Lien is subordinate to any valid and enforceable lien against such account, including the proceeds therefrom, existing as of the Petition Date, including the lien asserted by the Bank; *provided, however*, that the Bond Trustee reserves all rights with respect to such accounts, receivables, and proceeds in connection with all subsequent orders.

(iii) *Pre-Petition Superpriority Claim.* As additional adequate protection for, and to the extent of, any Diminution, the Bond Trustee shall receive a superpriority expense claim allowed under section 507(b) of the Bankruptcy Code (the “Pre-Petition Superpriority Claim”) against all assets of the Debtor’s estate, except the (i) Concentration Account, any new account that Debtor may open for the purpose of accepting Medicare deposits from CMS, or any Medicare receivables or proceeds of such receivables until such proceeds are transferred by Debtor into a different account, and (ii) Schwab Account -078; *provided, however*, the Bond Trustee reserves all rights to assert a Pre-Petition Superpriority Claim against such accounts, receivables and proceeds in connection with all subsequent orders. The Pre-Petition Superpriority Claim shall have priority over any and all other unpaid administrative expenses now existing or hereafter arising, of any kind whatsoever, of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 546, 726, 1113 or 1114 of the Bankruptcy Code, and shall at all times be senior to the rights of the

Debtor, any successor trustee or any creditor in the Chapter 11 Case or any subsequent proceeding under the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other nonconsensual lien, levy or attachment; *provided, however*, the Pre-Petition Superpriority Claim shall be subject to the Carve-Out;

(iv) *Financial Reports*. The Debtor shall provide the Bond Trustee with all reports, documents and other materials, including financial reports, as may be required in this Final Order and such other and further access to the Debtor's books and records, advisors and professionals as may be reasonably requested by the Bond Trustee from time to time. All reports, documents and other materials, including financial reports, provided to the Bond Trustee pursuant to paragraph shall also be provided to counsel for the Committee and the Committee's financial advisor, Newpoint Advisors Corporation.

(v) *Right to Seek Additional Adequate Protection*. This Final Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the rights of the Bond Trustee to request further or alternative forms of adequate protection at any time or the rights of the Debtor or any other party to contest such request.

4. Financial and Operational Reporting. The Debtor shall provide the following reports to the Bond Trustee, the Committee, and the U.S. Trustee:

(i) No later than 5:00 p.m. (prevailing Eastern time) on Friday of every other week or if such Friday is not a business day, then the immediate succeeding business day, the "Bi-Weekly Budget Report" which means, a bi-weekly report (i.e., a report issued once in each two-week period) certified by an Authorized Officer for the Debtor, substantially in the same form as the Approved Budget, indicating (i) a comparative reconciliation, on a line-by-line and aggregate basis, of actual cash receipts and disbursements against the cash receipts and

disbursements forecast in the Approved Budget, and the percentage variance thereof, for (x) the bi-weekly period ended on (and including) the immediately preceding Sunday, (y) a rolling two-week period, and (z) the cumulative period to date; and (ii) a written explanation of such variances;

(ii) a monthly reporting package, no later than thirty (30) days after the end of each calendar month, including cash flow, income statement, occupancy reports and balance sheet for such month, accounts payable and receivable reports with aging information;

(iii) as promptly as reasonably practicable from time to time following the Bond Trustee's reasonable request therefor, such other information (including historical information) regarding the operations, business affairs and financial condition of the Debtor, and the progress of the Chapter 11 Case;

(iv) On Tuesday of each week (or such other day as may be agreed upon by the Parties), the Debtor shall make available representatives of the Debtor, including the Debtor's proposed real estate broker, Grandbridge Real Estate Capital ("Grandbridge"), reasonably acceptable to the Bond Trustee for a telephone conference call with the Bond Trustee, holders of the Bonds, and their respective agents, advisors and/or representatives, as well as counsel to the Committee, to discuss the cash flows and operations of the Community, including the Debtor's compliance with the Approved Budget, the status of the Debtor's and Grandbridge's efforts related to a sale of substantially all of the Debtor's assets, including the satisfaction of the Sale Milestones (as defined herein), and such other matters as are relevant or are reasonably requested by the Bond Trustee. The Bond Trustee's financial advisor, Raymond James & Associates, Inc., shall have access to the investment banker retained by the Debtor, independent from the Debtor and its representatives.

5. Bankruptcy Milestones. The Debtor agrees that failure to materially comply with the following milestone covenants (the “Bankruptcy Milestones”) shall constitute an Event of Default, unless any such conditions have been waived or modified by the Bond Trustee in its sole discretion:

(i) Each Sale Milestone (as defined herein) shall constitute a Bankruptcy Milestone for purposes of this Final Order.

6. Carve-Out. In partial consideration of the Debtor’s acknowledgement of the debt due and owing related to the Master Indenture Obligations and the Debtor’s waiver of any claims under sections 506(c) and 552(b) of the Bankruptcy Code, as detailed below, the Bond Trustee consents to certain expenses and professional fees incurred during the pendency of this Chapter 11 Case that shall be superior in all instances to the liens and claims of the Bond Trustee and all other parties (the “Carve Out”). For purposes hereof, “Carve Out” means the sum of (a) an aggregate amount not to exceed the sum of: (i) the unpaid dollar amount of the fees and expenses of professionals retained by the Debtor or a Committee to the extent (A) incurred or accrued prior to the Termination Date (as defined below) and remaining unpaid and (B) provided for under the Approved Budget, plus (ii) the dollar amount of the fees and expenses of the professionals retained by the Debtor to the extent incurred or accrued after the Termination Date in an aggregate amount not to exceed \$200,000, in each of (i) and (ii) to the extent allowed by this Court at any time, whether by interim order, procedural order, or otherwise, plus (b) the statutory fees of the U.S. Trustee pursuant to 28 U.S.C. § 1930 and the fees of the Clerk of this Court plus any interest at the statutory rate. Prior to the payment of such fees and expenses from the amount available under the Carve Out, such professionals shall first apply any retainers held by such professional to their allowed fees and expenses. Nothing herein shall constitute a waiver

of any right of the Bond Trustee to object to fees and expenses of any professionals or to challenge any assertion that any amount of the fees and expenses remain unpaid (or the Debtor's right to respond thereto). Any payment or reimbursement made with respect to any expenses incurred by any of the Debtor's or Committee's professionals on or after an Event of Default (as defined below) shall permanently reduce the Carve-Out on a dollar for dollar basis.

7. Access and Information.

(i) In addition to and without limiting any rights to access the Bond Trustee has under the Bond Documents or this Final Order, upon reasonable prior written notice during normal business hours, the Debtor shall permit the Bond Trustee and its professionals to have access to such information regarding the operations, business affairs and financial condition of the Debtor, or compliance with the terms of Bond Documents, as the Bond Trustee may reasonably request, and it being understood that nothing in this paragraph shall require the Debtor (or any of its advisors) to take any action that would conflict with any applicable requirements of law or any binding agreement, or that would waive any attorney-client or similar privilege; and

(ii) Upon reasonable prior written notice during normal business hours, the Debtor shall permit the Committee, through its professionals, to have access to such information regarding the operations, business affairs and financial condition of the Debtor as the Committee may reasonably request, and it being understood that nothing in this paragraph shall require the Debtor (or any of its advisors) to take any action that would conflict with any applicable requirements of law or any binding agreement, or that would waive any attorney-client or similar privilege.

8. Releases; Challenge Rights.

(i) *Binding Effect on Debtor and Release of Claims.* Subject to paragraph 8(ii) herein, the Debtor hereby releases the Bond Trustee, all holders of the Master Indenture Obligations, and their respective affiliates, agents, attorneys, officers, directors and employees of all claims and/or causes of action by, and liabilities owing to, the Debtor arising out of or based upon or related to, in whole or in part, the Master Indenture Obligations, and any aspect of the prepetition relationship between the Bond Trustee and the Debtor and any other acts or omissions by the Bond Trustee in connection with either the Bond Documents or its prepetition relationship with the Debtor. Further, subject to paragraph 8(ii) herein, the Debtor and its estate waives any and all right to object to or contest the amount of the Master Indenture Obligations or the Bond Trustee's security interests in the Pre-Petition Collateral and agree that all such claims and security interests have been duly perfected and are in all respects valid and enforceable first priority security interests and liens, subject and subordinate only to the Carve-Out. For the avoidance of doubt, the waiver and stipulation set forth in this Paragraph 8(i) shall not affect any Committee's or third-party's rights under Paragraph 8(ii) herein.

(ii) *Challenge Period.* Any party in interest (including any Committee, but excluding the Debtor) as to claims against the Bond Trustee may file an adversary proceeding or contested matter (a "Challenge") (a) challenging the amount, validity, extent, enforceability, perfection or priority of the Master Indenture Obligations or the Pre-Petition Liens in respect thereof, or (b) otherwise asserting any claims or causes of action against the Bond Trustee and/or holders of the Master Indenture Obligations on behalf of the Debtor's estate so long as any Challenge is made on or before September 25, 2023 (*i.e.* within seventy-five (75) days after the entry of the Second Interim Order) (such period of time, the "Investigation Period"). Any such

Challenge brought after the conclusion of the Investigation Period shall be barred. If no Challenge is commenced by a party during the Investigation Period against the Bond Trustee, and/or the holders of the Master Indenture Obligations, then as to such party, (a) the Master Indenture Obligations shall constitute an allowed claim, not subject to subordination or recharacterization and otherwise unavoidable, for all purposes in the Chapter 11 Case and any subsequent chapter 7 case or cases, (b) the Pre-Petition Liens on the Pre-Petition Collateral shall be deemed legal, valid, binding, perfected, not subject to defense, counterclaim, offset of any kind, subordination and otherwise unavoidable, (c) the Bond Trustee, the Master Indenture Obligations and the Pre-Petition Liens of the Bond Trustee on the Pre-Petition Collateral shall not be subject to any other or further claims, causes of action or challenges by any party in interest including, without limitation, any successor thereto; and (d) the Bond Trustee, all holders of the Master Indenture Obligations and their respective affiliates, agents, attorneys, officers, directors and employees, shall be deemed released of all claims and/or causes of action by the Debtor, any Committee, the Debtor's estates, all parties in interest, and any subsequently appointed trustee arising out of or based on any facts or circumstances occurring prior to the date hereof; *provided further* that if one or more claims are timely under this Paragraph 8(ii) and properly filed, then except for such claims, all other potential claims and causes of action are hereby deemed forever waived and barred. Nothing in this Final Order shall be deemed to confer standing on any Committee or any other non-Debtor party-in-interest to commence a Challenge, and such Committee or other non-Debtor party in interest shall be required to move for standing and satisfy the applicable standard for obtaining standing to pursue estate causes of action; provided that a standing motion may be filed simultaneously with a Challenge.

9. Restriction on Funds. Notwithstanding anything else herein, subject to the *proviso* at the end of this sentence, no amounts under the Carve-Out, the proceeds of the Pre-Petition Collateral (including Cash Collateral) and Post-Petition Collateral shall be used for the purpose of: (a) objecting to or contesting in any manner, or in raising any defenses to, the validity, extent, perfection, priority, or enforceability of (i) the Master Indenture Obligations or the Pre-Petition Liens, or (ii) any other rights or interests of the Bond Trustee, (b) asserting any claims or causes of action, including, without limitation, any actions under chapter 5 of the Bankruptcy Code against the Bond Trustee or the holders of the Master Indenture Obligations or invoking the equitable doctrine of “marshalling” or any other similar doctrine with respect to any of the Pre-Petition Collateral, the Post-Petition Collateral or otherwise; (c) preventing, hindering, or delaying the enforcement or realization by the Bond Trustee, as applicable, upon any of the Pre-Petition Collateral or Post-Petition Collateral; (d) incurring indebtedness except as permitted by this Final Order; (e) funding acquisitions, capital expenditures, capital leases or other transactions not in the ordinary course of the Debtor’s business other than as set forth in the Approved Budget; (f) modifying any adequate protection granted the Bond Trustee; or (g) commencing or prosecuting any motion, proceeding or cause of action against the Bond Trustee, or its respective agents, attorneys, advisors or representatives. Notwithstanding the foregoing, not more than \$25,000 of the Cash Collateral may be made available to reimburse the Committee upon appropriate application therefor, for the Committee’s fees and expenses in investigating the validity, priority, perfection, and enforceability of the Bond Trustee’s liens in the Pre-Petition Collateral

10. Waivers. In consideration of the Carve Out, (a) no expenses of administration of the Chapter 11 Case or any future proceeding that may result therefrom, including liquidation

in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the Bond Trustee, the Pre-Petition Collateral, or the Post-Petition Collateral pursuant to sections 105(a) or 506(c) of the Bankruptcy Code or a similar principal of law; (b) the “equities of the case” exception under section 552(b) of the Bankruptcy Code is waived as to the Bond Trustee, the Pre-Petition Collateral, or the Post-Petition Collateral; and (c) the equitable doctrine of “marshaling” or any similar doctrine is waived as to the Bond Trustee, the Pre-Petition Collateral, or the Post-Petition Collateral.

11. Events of Default. Each of the following shall be considered an Event of Default (“Event of Default”) under this Final Order:

- (i) the failure of the Debtor to pay all of its administrative expenses in full in accordance with and subject to the terms as provided for in the Approved Budget;
- (ii) this Final Order becomes stayed, reversed, vacated, amended or otherwise modified in any respect without the prior written consent of the Bond Trustee, except by the Final Order;
- (iii) failure to meet any of the Bankruptcy Milestones or other covenants set forth in this Final Order;
- (iv) the failure of the Debtor to have an order granting its motion seeking, *inter alia*, approval of procedures related to the sale of substantially all of the Debtor’s assets [Dkt. No. 45] entered by no later than July 5, 2023 (plus the 14 days allowed for compliance with the Court’s DOTF procedures) in form and substance substantially approved by the Bond Trustee (the “Bid Procedures Order”);
- (v) the failure of the Debtor to meet the milestones set forth in the Bid Procedures (the “Sale Milestones”) established pursuant to that Bid Procedures Order;
- (vi) the Bid Procedures Order becomes stayed, reversed, vacated, amended or otherwise modified in any respect without the prior written consent of the Bond Trustee;

- (vii) the dismissal of the Chapter 11 Case, conversion of the Chapter 11 Case to chapter 7 case, or suspension of the Chapter 11 Case under section 305 of the Bankruptcy Code;
- (viii) the appointment of a chapter 11 trustee or an examiner with enlarged powers (beyond those set forth in section 1104(c) and 1106(a)(3) and (4) of the Bankruptcy Code);
- (ix) the granting of relief from the automatic stay to permit foreclosure with respect to a material asset of the Debtor, by any entity other than the Bond Trustee on any Pre-Petition Collateral or Post-Petition Collateral;
- (x) the entry of an order granting any superpriority claim which is senior or *pari passu* with the liens of Bond Trustee set forth in this Final Order;
- (xi) the payment of or granting adequate protection with respect to prepetition indebtedness of the Debtor other than as set forth in the Approved Budget or as provided for in this Final Order;
- (xii) the cessation of Rollover Liens, Supplemental Liens, or Pre-Petition Superpriority Claim granted pursuant to this Final Order to be valid, perfected and enforceable in all respects;
- (xiii) the filing of any Challenge (as defined below) to the Master Indenture Obligations, the Pre-Petition Liens or the Pre-Petition Collateral by the Debtor, or this Court grants standing to the Committee or another third party to pursue such Challenge; or
- (xiv) the payment of estate professional fees by the Debtor other than to the amounts set forth in the Approved Budget.

12. Effect of Events of Default.

(i) Notwithstanding anything herein to the contrary, the Debtor shall no longer, pursuant to this Final Order or otherwise, be authorized to use Cash Collateral for any purpose hereunder upon the occurrence of an Event of Default (such date, the “Termination Date”), *provided, however*, that the Bond Trustee shall provide five (5) business days (the “Default Notice Period”) written notice *via* email to counsel to the Debtor, the U.S. Trustee, and counsel to the Committee of any Event of Default (the “Default Notice”) and the Debtor may continue to use Cash Collateral pursuant to the Approved Budget for five (5) Business Days

after receipt of such Default Notice while the Debtor or any Committee seeks an expedited hearing to contest whether an Event of Default has occurred (including the failure to meet a Sale Milestone), and the Bond Trustee consents to the holding of such an expedited hearing within five (5) business days of such a filing (collectively, the “Debtor Default Period Rights”).

(ii) Notwithstanding the occurrence of an Event of Default, the Bond Trustee may elect in writing not to terminate the Debtor’s authority to use Cash Collateral hereunder, as applicable, to waive defaults hereunder, to forbear from the exercise of rights and remedies hereunder, and, subject to Bankruptcy Court approval, to modify any Event of Default. Any such continued extension of financial accommodations shall be without prejudice to the Bond Trustee’s ability to withdraw its consent to the Debtor’s use of the Pre-Petition Collateral, including Cash Collateral.

(iii) Notwithstanding the occurrence of an Event of Default or anything herein to the contrary, all of the rights, remedies, benefits and protections provided to the Bond Trustee shall survive the Termination Date.

13. Binding Effect. All of the provisions of this Final Order shall be binding upon the Debtor, any Committee, all other creditors of the Debtor, and all other parties in interest, and its respective successors and assigns (including any trustee or other fiduciary hereinafter appointed as a legal representative of the Debtor or with respect to the property of the estate of the Debtor) whether in the Chapter 11 Case or any subsequent Chapter 7 case, or upon dismissal of the Chapter 11 Case or any Chapter 7 case, except as otherwise provided herein. To the extent any terms of this Final Order are modified, amended, or vacated, any claim or right granted to the Bond Trustee hereunder arising prior to the effective date of such modification, amendment

or vacation shall continue to be governed in all respects by the original provisions of this Final Order unless the Final Order is stayed.

14. Additional Documents. The Debtor shall execute and deliver to the Bond Trustee as applicable, any and all such agreements, financing statements, instruments and other documents as such parties may reasonably request to evidence, confirm, validate or perfect the liens granted pursuant hereto; *provided, however*, that this Final Order shall be sufficient and conclusive evidence of the validity, perfection, and priority of the Rollover Liens and Supplemental Liens to the Bond Trustee without the necessity of filing or recording any financing statement, mortgage, notice, or other instrument or document which may otherwise be required under the law or regulation of any jurisdiction or the taking of any other action to validate or perfect the Rollover Liens and Supplemental Liens or to entitle those liens to the priorities granted herein.

15. No Modification of Bond Documents. Nothing contained herein shall alter or modify, or be deemed to alter or modify, the Bond Documents.

16. No Waiver. The failure of the Bond Trustee to seek relief or otherwise exercise its rights and remedies, as applicable, under the Bond Documents, this Final Order or otherwise, shall not constitute a waiver of any of the Bond Trustee's rights hereunder, thereunder, or otherwise. Notwithstanding anything herein, the entry of this Final Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, or otherwise impair the rights of the Bond Trustee under the Bankruptcy Code or under non-bankruptcy law, including without limitation, the rights of the Bond Trustee to (i) seeking any other relief that it may deem appropriate, including relief from the automatic stay; or (ii) otherwise prevent the Bond Trustee

from asserting at some later time that its liens and security interests in Pre-Petition Collateral are not being adequately protected.

17. No Third-Party Beneficiaries. The provisions of this Final Order shall be binding upon and inure to the benefit of the Bond Trustee, the Debtor and their respective successors and assigns (including any trustee or other fiduciary hereafter appointed as a legal representative of the Debtor or with respect to the property of the estate of the Debtor). No rights are created hereunder for the benefit of any third party, any creditor, or any direct, indirect or incidental beneficiary except for Bondholders.

18. No Control. None of the Bond Trustee or the holders of the Master Indenture Obligations shall be deemed to be in control of the operations of the Debtor or to be acting as a “responsible person,” “managing agent” or “owner or operator” (as such terms or any similar terms are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, as amended, or any similar Federal or state statute) with respect to the operation or management of the Debtor, notwithstanding any consent to this Final Order and extending financial accommodations of any type, kind or nature under this Final Order.

19. Survival of Final Order. Except as otherwise provided herein, all of the provisions of this Final Order and any actions taken pursuant hereto shall survive entry of any order which may be entered (i) confirming any Chapter 11 plan in the Chapter 11 Cases, (ii) converting the Chapter 11 Cases to cases under Chapter 7 of the Bankruptcy Code, (iii) dismissing the Chapter 11 Cases, (iv) withdrawing of the reference of the Chapter 11 Cases from the Court, or (v) providing for abstention from handling or retaining of jurisdiction of the Chapter 11 Cases in the Court. The terms and provisions of this Final Order, including the

protections granted to the Bond Trustee pursuant to this Final Order and the Bond Documents, shall continue in full force and effect notwithstanding the entry of such order.

20. Effectiveness. The findings of fact and conclusions of law contained in this Final Order shall take effect immediately upon the entry of this Final Order. The liens and claims granted to the Bond Trustee under this Final Order, and the priority thereof, and any payments made pursuant to this Final Order, shall be binding (subject to the terms of this Final Order) on the Debtor, any successor trustee or examiner, and all creditors of the Debtor, as provided in section 364(e) of the Bankruptcy Code.

21. No Waivers or Modifications of Final Order. Except as expressly provided in this Final Order, the Debtor irrevocably waives any right to seek any modification or extension of this Final Order without the prior written consent of the Bond Trustee and no such consent shall be implied by any other action, inaction or acquiescence of the Bond Trustee.

22. Headings. All paragraph headings used in this Final Order are for ease of reference only and are not to affect the construction hereof or to be taken into consideration in the interpretation hereof.

23. Retention of Jurisdiction. The Court has and will retain jurisdiction to enforce this Final Order.

24. Modification of Stay. This Final Order shall be deemed a request by the Bond Trustee for relief from the automatic stay of section 362 of the Bankruptcy Code and for adequate protection as of the Petition Date for purposes of section 507(b) of the Bankruptcy Code. The automatic stay of section 362 of the Bankruptcy Code is hereby vacated and modified as necessary to permit (i) the Debtor to grant the Bond Trustee the adequate protection as provided in this Final Order, including the Adequate Protection Liens, (ii) the Bond Trustee to

accept and receive disbursements and/or payments and to apply such moneys pursuant to the Bond Documents, and (iii) the Bond Trustee to take any action specifically authorized or contemplated by this Final Order and exercise possession, control, use and/or distribution of any funds now or hereafter held by it as permitted under the Bond Documents.

25. Notice. Any notice required hereunder shall be served on:

(i) *counsel to the Debtor*:

Dopkelaw LLC
Attn: Bruce Dopke
1535 W. Schaumburg Road
Schaumburg, IL 60194
Email: bd@dopkelaw.com

(ii) *counsel to the Bond Trustee*

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
Attn: Daniel S. Bleck
Timothy J. McKeon
One Financial Center
Boston, MA 02111
Email: DSBleck@mintz.com
TJMcKeon@mintz.com

(iii) *the Office of the U.S. Trustee*

United States Department of Justice
Office of the United States Trustee
Attn: Jeffrey Gansberg
219 South Dearborn Street, Room 873
Chicago, IL 60604
Email: Jeffrey.L.Gansberg@usdoj.gov

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(iv) *counsel to the Committee*

Crane, Simon, Clar & Goodman
Attn: Scott Clar, Esq
135 S. LaSalle Street, Suite 3950
Chicago, IL 60603
Email: sclar@cranesimon.com

Entered:



Date: August 11, 2023

Timothy A. Barnes, Judge
United States Bankruptcy Court

Order prepared by:

Bruce Dopke, Member (ARDC # 3127052)
Dopkelaw LLC
1535 W. Schaumburg Road, Suite 204
Schaumburg, IL 60194
Tel: 847-524-4811
bd@dopkelaw.com

Friendship Village Schaumburg
13-Week Cash Flow

Week Ended	1 Forecast 4-Aug	2 Forecast 11-Aug	3 Forecast 18-Aug	4 Forecast 25-Aug	5 Forecast 1-Sep	6 Forecast 8-Sep	7 Forecast 15-Sep	8 Forecast 22-Sep	9 Forecast 29-Sep	10 Forecast 6-Oct	11 Forecast 13-Oct	12 Forecast 20-Oct	13 Forecast 27-Oct	13-Week TOTAL
Opening Cash Balance	\$ 1,598,568	\$ 2,073,127	\$ 989,006	\$ 883,589	\$ 938,091	\$ 1,443,049	\$ 348,827	\$ 323,852	\$ 397,014	\$ 629,721	\$ 250,000	\$ 250,000	\$ 1,041,678	\$ 1,598,568
Funding	1,409,867	-	-	-	-	-	-	-	-	300,748	326,367	-	-	2,036,982
Receipts														
Independent Living Receipts	56,764	56,764	327,102	1,074,274	40,604	113,840	327,999	1,077,221	40,716	113,996	328,448	1,078,695	40,771	4,677,195
Assisted Living Receipts	-	-	60,048	510,126	100,201	-	60,382	512,960	100,758	-	60,715	515,794	101,314	2,022,298
Outpatient Receipts	-	-	2,117	8,656	2,786	-	2,117	8,656	2,786	-	2,117	8,656	2,786	40,680
Healthcare Receipts	129,105	23,203	23,298	217,041	1,166,983	152,308	23,298	217,041	1,166,983	152,308	23,298	217,041	1,166,983	4,678,890
Non-Operating Receipts	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	17,974
Total Receipts	187,252	81,349	413,948	1,811,480	1,311,957	267,530	415,179	1,817,261	1,312,625	267,686	415,961	1,821,569	1,313,238	11,437,036
Operating Disbursements														
Salary & Benefits	76,870	798,549	76,870	798,549	76,870	798,549	76,870	832,103	76,870	798,549	76,870	798,549	76,870	5,362,934
Supplies	12,072	6,151	6,151	47,772	31,349	6,151	6,151	47,925	31,365	6,151	6,151	48,038	31,379	286,804
Marketing	-	-	-	57,500	-	-	-	57,500	-	-	-	57,500	-	172,500
Pharmacy	-	-	62,385	-	-	-	62,385	-	-	-	62,385	-	-	187,156
Outsourced Labor	57,275	57,275	57,275	57,275	51,747	51,747	51,747	51,747	51,747	51,747	51,747	51,747	51,747	694,826
Dietary	-	531	-	677,334	-	531	-	677,334	-	531	-	-	677,334	2,033,596
Repairs & Maintenance	5,722	-	12,650	55,360	40,094	-	12,688	55,536	40,114	-	12,712	55,668	40,133	330,678
Utilities	-	38,144	114,938	27,000	42,196	-	153,082	-	41,920	27,276	150,882	2,200	41,920	639,558
Insurance	392,494	-	-	-	72,661	-	-	-	353,386	-	-	-	72,661	891,202
Ordinary Course Professionals	-	-	-	20,000	-	-	-	-	20,000	-	-	-	20,000	60,000
Taxes	381,039	-	-	1,477	-	-	-	1,477	-	-	-	1,477	-	385,470
Office	-	-	-	3,861	-	-	-	3,861	-	-	-	3,861	-	11,583
Management Fee	-	-	-	-	346,161	-	-	-	364,360	-	-	-	350,723	1,061,244
Bed Tax	52,051	-	-	-	-	52,051	-	-	-	52,051	-	-	-	156,153
Other	12,727	10,850	11,582	10,850	100,155	11,850	11,582	10,850	100,155	11,850	11,582	10,850	100,155	415,040
Total Operating Disbursements	990,250	911,499	341,851	1,756,978	761,233	920,879	374,505	1,738,333	1,079,918	948,155	372,329	1,029,891	1,462,923	12,688,743
Total Operating Cash Flow	(802,998)	(830,150)	72,097	54,502	550,724	(653,349)	40,674	78,928	232,708	(680,470)	43,633	791,678	(149,685)	(1,251,708)
Non-Operating Disbursements														
Capital Expenditures	95,803	-	177,514	-	45,766	44,666	65,649	5,766	-	-	-	-	177,514	612,678
Debtor Advisors	36,507	228,971	-	-	-	295,000	-	-	-	-	295,000	-	-	855,478
UCC Advisors	-	25,000	-	-	-	75,000	-	-	-	-	75,000	-	-	175,000
United States Trustee	-	-	-	-	-	26,207	-	-	-	-	-	-	-	26,207
Total Non-Operating Disbursements	132,310	253,971	177,514	-	45,766	440,873	65,649	5,766	-	-	370,000	-	177,514	1,669,363
Total Cash Flow	(935,308)	(1,084,121)	(105,417)	54,502	504,958	(1,094,222)	(24,975)	73,162	232,708	(680,470)	(326,367)	791,678	(327,199)	(2,921,071)
Beginning Cash Balance	\$ 1,598,568	\$ 2,073,127	\$ 989,006	\$ 883,589	\$ 938,091	\$ 1,443,049	\$ 348,827	\$ 323,852	\$ 397,014	\$ 629,721	\$ 250,000	\$ 250,000	\$ 1,041,678	\$ 1,598,568
Cash Flow	(935,308)	(1,084,121)	(105,417)	54,502	504,958	(1,094,222)	(24,975)	73,162	232,708	(680,470)	(326,367)	791,678	(327,199)	(2,921,071)
Schwab Account Draw	1,409,867	-	-	-	-	-	-	-	-	-	-	-	-	1,409,867
DIP Facility Draw / (Repayment)	-	-	-	-	-	-	-	-	-	300,748	326,367	-	-	627,115
Ending Cash Balance	\$ 2,073,127	\$ 989,006	\$ 883,589	\$ 938,091	\$ 1,443,049	\$ 348,827	\$ 323,852	\$ 397,014	\$ 629,721	\$ 250,000	\$ 250,000	\$ 1,041,678	\$ 714,479	\$ 714,479