B1040 (FORM 1040) (12/24)

ADVERSARY PROCEEDING COVER SHEET (Instructions on Reverse)	**ADVERSARY PROCEEDING NUMBER** (Court Use Only)

PLAINTIFFS	**DEFENDANTS**
CATHERINE L. STEEGE, not individually but as the chapter 7 trustee of the estate of Evangelical Retirement Homes of Greater Chicago, Inc.	FRIENDSHIP SENIOR OPTIONS, NFP, MICHAEL FLYNN, JEFFREY NYBERG, KATHLEEN RIVERA, MARY ROONEY SHEAHEN, JEAN SCHLINKMANN, CLARK DELANOIS, LOREN TRIMBLE, and GEOFFREY ROEHLL
ATTORNEYS (Firm Name, Address, and Telephone No.) Jenner & Block LLP - Catherine Steege & Melissa Root, 353 N. Clark St., Chicago IL 60654 (312) 222-9350; Carl Wedoff, 1155 Avenue of the Americas, New York NY 10036 (212) 891-1600.	**ATTORNEYS** (If Known)
PARTY (Check One Box Only) ☐ Debtor ☐ U.S. Trustee/Bankruptcy Admin ☐ Creditor ☐ Other ☑ Trustee	**PARTY** (Check One Box Only) ☐ Debtor ☐ U.S. Trustee/Bankruptcy Admin ☐ Creditor ☐ Other ☐ Trustee

CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED)

Plaintiff seeks to recover damages suffered by the Debtor and its estate due to (a) Defendants' misappropriation of federal tax credits belonging to the Debtor and elimination of intercompany obligation owing to the Debtor; (b) excess management fees paid to Debtor's parent company; (c) improper DIP loan payments; (d) breaches of fiduciary duty; (e) aiding and abetting breach of fiduciary duty, (f) breach of contract; (g) conversion; and (h) unjust enrichment. Plaintiff also asserts claims for claim disallowance, avoidance of DIP loan obligations, imposition of alter ego liability, accounting, and injunctive relief.

NATURE OF SUIT

(Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)

FRBP 7001(a) – Recovery of Money/Property
- ☑ 11-Recovery of money/property - §542 turnover of property (1)
- ☐ 12-Recovery of money/property - §547 preference
- ☑ 13-Recovery of money/property - §548 fraudulent transfer (2)
- ☑ 14-Recovery of money/property - other (3)

FRBP 7001(b) – Validity, Priority or Extent of Lien
- ☐ 21-Validity, priority or extent of lien or other interest in property

FRBP 7001(c) – Approval of Sale of Property
- ☐ 31-Approval of sale of property of estate and of a co-owner - §363(h)

FRBP 7001(d) – Objection/Revocation of Discharge
- ☐ 41-Objection / revocation of discharge - §727(c),(d),(e)

FRBP 7001(e) – Revocation of Confirmation
- ☐ 51-Revocation of confirmation

FRBP 7001(f) – Dischargeability
- ☐ 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims
- ☐ 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud
- ☐ 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny

(continued next column)

FRBP 7001(f) – Dischargeability (continued)
- ☐ 61-Dischargeability - §523(a)(5), domestic support
- ☐ 68-Dischargeability - §523(a)(6), willful and malicious injury
- ☐ 63-Dischargeability - §523(a)(8), student loan
- ☐ 64-Dischargeability - §523(a)(15), divorce or separation obligation (other than domestic support)
- ☐ 65-Dischargeability - other

FRBP 7001(g) – Injunctive Relief
- ☐ 71-Injunctive relief – imposition of stay
- ☑ 72-Injunctive relief – other (5)

FRBP 7001(h) Subordination of Claim or Interest
- ☐ 81-Subordination of claim or interest

FRBP 7001(i) Declaratory Judgment
- ☐ 91-Declaratory judgment

FRBP 7001(j) Determination of Removed Action
- ☐ 01-Determination of removed claim or cause

Other
- ☐ SS-SIPA Case – 15 U.S.C. §§78aaa *et.seq.*
- ☑ 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case) (4)

☐ Check if this case involves a substantive issue of state law	☐ Check if this is asserted to be a class action under FRCP 23
☐ Check if a jury trial is demanded in complaint	Demand $ 20,000,000.00+

Other Relief Sought: Action to remedy violation of automatic stay; breach of contract; unjust enrichment; conversion; claim disallowance; avoidance of DIP loan obligations; imposition of alter ego liability; breach of fiduciary duty; aiding and abetting breach of fiduciary duty; accounting.

B1040 (FORM 1040) (12/24)

BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES		
NAME OF DEBTOR EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INCORPORATED	BANKRUPTCY CASE NO. 23-07541	
DISTRICT IN WHICH CASE IS PENDING Northern District of Illinois	DIVISION OFFICE Eastern	NAME OF JUDGE Hon. Timothy A. Barnes
RELATED ADVERSARY PROCEEDING (IF ANY)		
PLAINTIFF	DEFENDANT	ADVERSARY PROCEEDING NO.
DISTRICT IN WHICH ADVERSARY IS PENDING	DIVISION OFFICE	NAME OF JUDGE
SIGNATURE OF ATTORNEY (OR PLAINTIFF)		
DATE 04/11/2025	PRINT NAME OF ATTORNEY (OR PLAINTIFF) Catherine Steege	

INSTRUCTIONS

The filing of a bankruptcy case creates an "estate" under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor's discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also complete and file Form 1040, the Adversary Proceeding Cover Sheet, unless the party files the adversary proceeding electronically through the court's Case Management/Electronic Case Filing system (CM/ECF). (CM/ECF captures the information on Form 1040 as part of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff's attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

Plaintiffs and **Defendants.** Give the names of the plaintiffs and defendants exactly as they appear on the complaint.

Attorneys. Give the names and addresses of the attorneys, if known.

Party. Check the most appropriate box in the first column for the plaintiffs and the second column for the defendants.

Demand. Enter the dollar amount being demanded in the complaint.

Signature. This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not represented by an attorney, the plaintiff must sign.

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

In re:	
EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INCORPORATED,	Chapter 7
Debtor.	Case No. 23-07541
	Hon. Timothy A. Barnes
CATHERINE L. STEEGE, not individually but as the chapter 7 trustee of the estate of Evangelical Retirement Homes of Greater Chicago, Inc.,	Adv. Proc. No. 25-_____
Plaintiff,	
v.	
FRIENDSHIP SENIOR OPTIONS, NFP, MICHAEL FLYNN, JEFFREY NYBERG, KATHLEEN RIVERA, MARY ROONEY SHEAHEN, JEAN SCHLINKMANN, CLARK DELANOIS, LOREN TRIMBLE, and GEOFFREY ROEHLL,	
Defendants.	

ADVERSARY COMPLAINT

Catherine Steege, not individually but as Chapter 7 Trustee (the "**Trustee**") for Evangelical Retirement Homes of Greater Chicago, Incorporated (the "**Debtor**" or "**FVS**"), alleges as follows:

NATURE OF THE ACTION

1. This is an action against (i) Friendship Senior Options, NFP ("**FSO**") (the Debtor's former parent and sole shareholder), (ii) Michael Flynn (the former chief executive officer of both the Debtor and FSO), (iii) Jeffrey Nyberg (the former controller of FSO and the Debtor and at time the acting chief financial officer), (iv) Mary Rooney Sheahen, Kathleen Rivera, and Jean Schlinkmann (members of the Debtor's board of directors), and (v) Clark Delanois, Loren

Trimble, and Geoffrey Roehll (members of FSO's board of directors). The Trustee seeks to recover from the Defendants the damages the Debtor and its estate suffered because of (i) FSO's misappropriation of approximately $7.7 million in tax credits belonging to the Debtor; (ii) its post-petition elimination of FSO's $8.5 million intercompany liability to the Debtor; (iii) its pre-petition elimination $400,000 in FSO intercompany liability to the Debtor; (iv) funds the Debtor paid to FSO during the chapter 11 case on account of the Management Agreement between FSO and the Debtor in excess of the amounts due based on the custom and practices of the parties; (v) funds the Debtor paid to FSO on account of a debtor-in-possession loan that were not authorized under the terms of the Court's order approving the loan; (vi) the Debtor's directors' and officers' breaches of their fiduciary duties; and (vii) the FSO board's directors' and officers' domination and control over the Debtor in violation of their fiduciary duties to the Debtor. This action also seeks to disallow the FSO's claims against the estate, including those arising under the proof of claim it filed against the Debtor and those arising under the Court's Order approving a debtor-in-possession loan that FSO made to the Debtor using funds that actually belonged to the Debtor, and a preliminary and permanent injunction freezing FSO's assets to prevent the further dissipation of the Debtor's funds.

JURISDICTION AND VENUE

2. This Court has jurisdiction over the subject matter of this adversary proceeding under 28 U.S.C. § 1334(b) because this adversary proceeding arises under title 11 and arises in and is related to the above-captioned chapter 11 cases, which are pending in this Court.

3. This adversary proceeding is a core proceeding under 28 U.S.C. § 157(b)(2)(A), (C), (D), (E), (H), and (O). To the extent that the Court cannot enter a final order or judgment in this suit, the Trustee consents to entry of final order or judgment by this Court.

4. Venue of this adversary proceeding is proper in this district under 28 U.S.C. § 1409.

PARTIES

5. Plaintiff Catherine Steege is the chapter 7 trustee for the Debtor. The United States Trustee appointed her as the interim chapter 7 trustee on September 10, 2024 and she became the permanent trustee when no trustee was elected by the conclusion of the meeting of creditors held pursuant to 11 U.S.C. § 341. The Trustee brings this action solely in her capacity as Trustee.

6. Defendant FSO, at all relevant times, was the Debtor's sole member and an Illinois not-for-profit corporation chartered under the laws of Illinois, a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986.

7. Defendant Michael Flynn, at all relevant times, served as the CEO of the Debtor and FSO and resided and continues to reside in Illinois. At various times he also served on the board of directors of both FSO and the Debtor and acted as the Chief Financial Officer for both the Debtor and FSO.

8. Defendant Jeffrey Nyberg, at all relevant times, resided and continues to reside in Illinois. Nyberg was the controller for the Debtor and FSO and at times performed the functions of chief financial officer. Nyberg along with Flynn exercised control over the Debtor's financial reporting systems and internal accounting functions.

9. Defendant Kathleen Rivera, at all relevant times, served as chair of the Debtor's board of directors (the "**Debtor Board**") and resided and continues to reside in Illinois.

10. Defendant Mary Rooney Sheahen, at all relevant times, served as a member of the Debtor Board and resided and continues to reside in Illinois. Sheahan also served as a member of FSO's board of directors from 2019 through December 2022.

11. Defendant Jean Schlinkmann, at all relevant times, served as a member of the Debtor Board and resided and continues to reside in Illinois.

12. Defendant Clark Delanois, at all relevant times, served as chair of FSO's board of directors (the "**FSO Board**") and resided and continues to reside in Illinois.

13. Defendant Loren Trimble, at all relevant times, served as a member of the FSO Board and resided and continues to reside in Illinois.

14. Defendant Geoffrey Roehll, at all relevant times, served as a member of the FSO Board and resided and continues to reside in Illinois.

FACTS

I. Background.

A. The Debtor.

15. The Debtor is a private Illinois not-for-profit corporation that owned and operated a continuing care retirement community ("**CCRC**") located in Schaumburg, Illinois known as Friendship Village of Schaumburg (the "**Campus**").

16. As of June 9, 2023, approximately 635 individuals resided at its Campus.

17. The Debtor was managed by the sole member of the Debtor, FSO, an Illinois not-for-profit corporation chartered under the laws of Illinois, a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986.

18. The Debtor was governed by a three-member Board, which at all relevant times consisted of Rivera, Schlinkmann, and Sheahen.

19. FSO was governed by three-member board, which at all relevant times consisted of Delanois, Trimble, and Roehll.

B. The Bankruptcy Case.

20. On June 9, 2023 (the "**Petition Date**"), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. [Dkt. 1.]

21. The Debtor's liabilities as of the Petition Date and as of the transfers set forth herein included: (a) approximately $131,600,000 of secured bond obligations, for which UMB Bank, N.A., acted and acts as bond trustee and successor master trustee (the "**Bond Trustee**"), and (b) approximately $96,000,000 of unsecured obligations (including contingent amounts owed to its current and former residents).

22. On June 23, 2023, the Office of the United States Trustee appointed an official committee of unsecured creditors (the "**Committee**"), which was composed of seven former residents of the Debtor. [*See* Dkt. 88.] The former residents' claims aggregated approximately $20 million. [*See* Dkt. 777.]

23. On July 24, 2023, the Debtor filed a motion requesting approval to obtain up to $3 million in post-petition financing (the "**DIP Facility**") on an unsecured administrative priority basis from FSO. [Dkt. 166.]

24. On August 11, 2023, the Bankruptcy Court entered an order [Dkt. 205] (the "**DIP Order**") approving the DIP Motion, which provided:

> The Debtor has agreed and represented to the Bond Trustee, the Committee and all other parties-in-interest that its entry into the DIP Term Sheet shall not waive its rights and/or interests (if any) to claim that the DIP Funds are property of its bankruptcy estate and, in the event it is determined that that the DIP Funds are property of the Debtor, that its ability to use such funds are not subject to the terms and conditions of this Order or the DIP Term Sheet.

(*Id.* § F.iv.)

25. On December 28, 2023, the Debtor closed a Court-approved sale transaction, selling substantially all its assets to IL CCRC LLC, which currently owns and operates the CCRC. (*See* Sale Order [Dkt. 365]; Notice of Sale Closing [Dkt. 441].) The same day, the Debtor received approximately $34 million in sale proceeds from IL CCRC LLC for the Debtor's assets.

26. On June 17 and 18, 2024, the Court conducted a confirmation hearing for the Debtor's *Fourth Amended Chapter 11 Plan of Liquidated Dated February 29, 2024* [Dkt. 570] (the "**Debtor Plan**"), which was opposed by the United States Trustee [Dkt. 657] and the Bond Trustee [Dkt. 661]. The Plan contained, among other terms, a proposed settlement between FSO and the Debtor pursuant to which the Debtor agreed for the benefit of FSO to release the estate's claims against FSO. [Dkt. 570 §§ 4.3, 8.5.] On information and belief, Defendants Sheahen, Rivera, and Schlinkmann, the members of the Debtor's board of directors, approved the settlement contained in the proposed plan of reorganization without due consideration for the interests of the Debtor's creditors and instead to protect FSO. Defendants Delanois, Trimble, and Roehll, the members of the board of the Debtor's sole member FSO, directed the Debtor's approval of this settlement. As a result of this breach, the Debtor's estate was damaged in an amount equal to the attorney's fees and other expenses incurred in the prosecuting the flawed plan of reorganization.

27. On July 19, 2024, the Debtor withdrew the Debtor Plan. [Dkt. 783.]

28. On August 9, 2024, the Debtor moved to convert its chapter 11 case to a chapter 7 case. [Dkt. 819.]

29. On September 10, 2024, this Court entered an order approving the Debtor's unopposed motion to convert. [Dkt. 866.]

30. On September 10, 2024, the Trustee was appointed as the chapter 7 trustee. [Dkt. 869.]

C. The Debtor's Professionals.

31. On June 14, 2023, the Debtor filed an application to employ and retain Polsinelli PC as its counsel effective as of June 9, 2023. [Dkt. 44.] Polsinelli shareholder Jeremy Johnson submitted a supporting declaration, in which he testified that Polsinelli had represented FSO, but that:

> Polsinelli will be responsible solely for advising the Debtor with respect to the services described above . . . primarily related to sale and regulatory matters. Polsinelli respectfully submits that FSO and the Debtor are fully aligned on the matters on which Polsinelli will represent the Debtor. Both parties seek to maximize value for the benefit of the Debtor's creditors and to honor the Debtor's not for profit mission. FSO will not have a role after any transaction except as a part of any necessary interim management arrangement to assist in a transition, and FSO has no interest that will make it adverse to the estate as part of the sale or regulatory matters, the matters for which Polsinelli will be responsible.

(*See* Decl. of Jeremy Johnson ¶ 17 [Dkt. 44, Ex. B].) Johnson further testified that, "[t]o the extent that Polsinelli is determined to have a conflict with respect to a particular client or matter, the Debtor will utilize Dopkelaw LLC or separate conflicts counsel as necessary." (*Id.* ¶ 10.)

32. On June 15, 2023, the Debtor filed an application to employ Bruce Dopke and Dopkelaw LLC as co-counsel to Polsinelli. [Dkt. 52.] Dopke submitted a supporting declaration disclosing that he had previously served on the FSO Board (Decl. of Bruce Dopke ¶ 12 [Dkt. 52, Ex. B]), had repeatedly represented FSO as counsel (*id.* ¶¶ 13, 15), had regularly contributed "time and treasure" to a charitable foundation affiliated with FSO (*id.* ¶ 16), and had had "many contacts with FSO relative to the preparation of the present bankruptcy case" (*id.* ¶ 17). However, Dopke stated that he had "zealously represented the Debtor's interests, to the extent, if any, that the Debtor's interests differ from the interests of FSO." (*Id.*)

33. As a result of the retention of two firms that had performed services for FSO, the Debtor did not have any counsel leading up to the filing of the chapter 11 case and during the chapter 11 case that did not have connections to FSO.

34. On June 15, 2023, the Debtor filed an application to employ Wyse Advisors as its financial advisor. [Dkt. 54.]

II. Flynn and Nyberg Eliminated FSO's $8.9 Million Obligation to the Debtor by Retroactively Assessing Management Fees and Administrative Expenses.

A. The Management Agreement.

35. Prior to the Petition Date, the Debtor and FSO entered into an Exclusive Administrative Services and Personnel Lease Agreement, dated November 13, 2017 (the "**Management Agreement**"), under which FSO agreed to provide certain services to the Debtor in exchange for the Debtor funding the costs of such services. Stephen Yencheck, then CEO of both FSO and the Debtor, signed the Management Agreement on both entities' behalf. (A true and correct copy of the Management Agreement is attached hereto as Exhibit 1 and incorporated herein by reference.)

36. Under the Management Agreement, FSO, among other things, "lease[d] clinical and non-clinical personnel employed or independently contracted by [FSO] needed by [the Debtor] in connection with the operation of [the Debtor's] business[.]" (*Id.* § 1.) "Personnel" "leased" to the Debtor by FSO "shall be subject to direction and instruction from [the Debtor] as if the Personnel were employed by [the Debtor]." (*Id.* § 1.2.1.)

37. FSO was a "common pay master" for the Debtor and operated as a "pass through" for the payroll benefits and taxes for the Debtor's employees. (*See* Tr. of 12/22/2023 Michael Flynn Dep. at 16:1-2, 28:10-15. A true and correct copy of the pertinent portions of this testimony is attached hereto as Exhibit 2 and incorporated herein by reference.) "[A]ll salary, benefits, payroll

taxes and unemployment compensation taxes payable with respect to the Personnel and attributable to the Services provided by Personnel on behalf of [the Debtor] shall be allocated as an Operating Expenses . . . of [the Debtor]." (Management Agreement [Ex. 1] § 1.2.4.)

38. The Management Agreement defined "Operating Expenses" as follows:

> [FSO] shall use [the Debtor's] funds to pay for all third party payments or expenses incurred by [the Debtor] including, but not limited to, expenses related to: Personnel payroll, benefits, and other expenses; insurance; license fees; equipment; supplies; maintenance fees; vendor fees; services fees; and any other costs or expenses incurred to operating [the Debtor's] day-to-day operations (collectively, the "Operating Expenses").

(*Id.* § 3.2.)

39. Thus, although FSO ostensibly made payments to the Debtor's employees for services provided and related taxes, in fact, FSO acted as nothing more than a pass-through entity and made such payments using the Debtor's funds to pay 100% of the Debtor's employees' wages and payroll taxes. And if the Debtor did not deliver sufficient funds to FSO to cover employee costs, FSO was not obligated to make those payments.

40. In addition to direct payroll costs for the employees who worked on site at the Debtor, the Management Agreement provided for the Debtor to pay management fees to FSO to cover the costs of administrative services that FSO provided to its affiliates. It specified that the Debtor shall pay FSO:

> an amount equal to 15.63 percent of FVS' annual Operating Expenses . . . excluding depreciation, amortization and interest expense (the "Management Fee") within thirty (30) days from the end of FVS' applicable fiscal year during which the Administrative Services were provided.

(*Id*. § 3.1.)

41. FSO established a pattern and practice of how it interpreted the terms of the Management Agreement over the years in which the Management Agreement was in place. FSO did not regularly assess a Management Fee against the Debtor. Rather, FSO charged the Debtor what was necessary to cover its costs, "not to exceed the contractual amount due," and did not book any receivables from the Debtor. (*See* June 3-5, 2023 email chain among Michael Flynn, Cole Celenza, Bruce Dopke, Mike Wyse, Michael Franciosa, and Bobby Guy, attached hereto as Exhibit 3 and incorporated by reference.)

42. Consistent with this practice and notwithstanding section 3.1 of the Management Agreement, upon information and belief, FSO did not record a receivable for unpaid Management Fees within 30 days from the end of any of fiscal years while the Management Agreement was operative.

43. The Management Agreement further provided that: "All expenses incurred by [FSO] in connection with the provision of the Administrative Services . . . shall be paid by FVS within ten (10) business days from receipt of an invoice from [FSO]." (Management Agreement [Ex. 1] § 3.2.2.) The term "Administrative Services" is defined to mean the "management and administrative services" provided by FSO to the Debtor. (*See id.* § 1.)

44. In practice, FSO never issued an invoice for Administrative Services to the Debtor. Flynn testified that FSO "didn't actually do invoices" and instead, "just passed costs through the company account." (*See* Tr. of 4/9/2024 Michael Flynn Dep. at 32:14-33:14. A true and correct copy of the pertinent portions of this testimony is attached hereto as Exhibit 4 and incorporated herein by reference.)

45. Moreover, FSO regularly adjusted the management fees to meet debt service coverage ratios contained in FVS's loan agreement with the Bond Trustee without regard to the

terms of the Management Agreement. In a May 18, 2023 email to FSO's Director of Financial Planning, Flynn explained, "If FSO expenses are below budget, we can reduce the management fee allocation to FVS and that could get us there"—i.e., to a debt-service coverage ratio that would avoid a default by FVS." (A true and correct copy of the email chain is attached hereto as Exhibit 5 and incorporated by reference.)

46. In an August 15, 2018 email, a potential investor in FVS asked Flynn:

> Why is the FY18 variance for professional fees for Friendship Village of Schaumburg so different between the audited (4.726mm expenses for [FVS]) and the unaudited numbers (7.09mm expenses for [FVS])? Were the management fees charged by FSO revised to allow for a lower amount in the audited numbers for [FVS]? For the 1st quarter ending June 30th, 2018, unaudited professional fees are up again at 1.953mm or ~7.81mm annualized. Given the impact the fees have on Debt Service Coverage Ratio, we would appreciate any insight you have on the accounting.

Flynn provided the following explanation:

> The practice that our organization has had in place is to charge back affiliates 100% of the cost of the parent organization through a management fee. The method for this allocation was changed during the GreenFields refinancing to place less of a burden on GreenFields. As a result, the fee charged to FVS was increased to make up the difference. We booked the change on FVS financials. The burden of this added cost (unbudgeted) would have prevented FVS from meeting its DSC ratio. The Board passed a resolution to forgive management fees to the extent necessary to meet covenants. This was reflected in the audited financials after the preliminary results were posted.

(A true and correct copy of the August 15, 2018 email is attached hereto as Exhibit 6 and incorporated by reference.)

B. FSO's Intercompany Liability.

47. From 2017 onward, FSO's finance team contemporaneously performed a monthly reconciliation of the costs and expense allocated to each entity (including the Debtor) and the

resulting intercompany balances, and performed a "true up" as needed. (*See* First Day Decl. ¶ 30 [Dkt. 16].)

48. The intercompany balance was a reflected as "Due From Affiliate" on the Debtor's balance sheet.

49. On May 9, 2022, Flynn asked Arnab Bagchi, then CFO of both FSO and the Debtor, to explain what was included in the intercompany balance and how the balance changed over time, noting that FSO's intercompany obligation to the FVS had increased by $2.3 million in fiscal year 2022, and adding, "The management fee revenue is sufficient to cover corporate operating expenses so why does the intercompany continue to increase?" (A true and correct copy of the May 9, 2022 email, is attached hereto as Exhibit 7 and incorporated herein by reference.)

50. Bagchi explained that FSO's intercompany obligation increased by $3.9 million between March 2020 and March 2022, from a starting balance of approximately $4.9 million to an ending balance of $8.8 million. He explained that the increase was driven by $3.9 million in funds received by FSO from the federal government under the Paycheck Protection Program ("**PPP**") but never transferred to the Debtor. (*Id*.)

51. In the same email, Bagchi explained that these funds were applied as follows by FSO:

> - Since FSO did not return the PPP Funds, by implication, it used up $3.6M ($3.9M receipt - $0.3M cash balance increase) of the funds for its own use. The question is where?
>
> - Relevant to note that as of March 2020, FSO had only $0.3M cash while having $2.5M of A/c Payable, $1.3M of Accrued Exp and $1.0M of LoC
>
> - $1M of LoC paydown (LoC Balance went from $1.0M to $0M)
>
> - $1M funding for Green Fields (Receivable from [GreenFields] went up from $0.3M to $1.3M)

- $2M+ reduction in Accounts Payable (went from $2.5M to $0.3M) ... Jeff is analyzing to identify the areas where we had so much reduction in AP (one of them is possibly benefits due to structural change)

(*Id.*)

52. Flynn and Nyberg did not dispute the accuracy of Bagchi's analysis.

53. On May 26, 2023—two weeks before the Petition Date—Flynn certified the accuracy of the Debtor's financial statements dated as of March 31, 2023 and publicly posted those statements on the Electronic Municipal Market Access ("**EMMA**") website. The posted statements recorded an intercompany liability owed to the Debtor totaling $8,891,455. (A true and correct copy of the March 31, 2023 quarterly financial statements posted on EMMA are attached hereto as Exhibit 8 and incorporated herein by reference.)

54. The $8.9 million intercompany liability as of March 31, 2023 was also identified on the Debtor's and FSO's Form 990 annual tax returns. (A true and correct copy of the Form 990 annual tax returns are attached hereto as Exhibit 9 and incorporated herein by reference.)

C. Flynn and Nyberg Altered the Debtor's Books and Records to Eliminate FSO's Intercompany Liability.

55. Shortly before the Petition Date, Flynn and Nyberg began efforts to eliminate the intercompany liability for the benefit of FSO and to the detriment of the Debtor.

56. On June 1, 2023, Flynn asked Nyberg to send him a "reconciliation" of the "intercompany balances" that Bagchi prepared in May 2022. (A true and correct copy of Flynn's June 1, 2023 email is attached hereto as Exhibit 10 and incorporated herein by reference.)

57. Shortly before the Petition Date, on June 3, 2023, Bruce Dopke, Debtor's counsel, emailed Mike Wyse, the Debtor's financial advisor, copying Flynn and Bobby Guy of Polsinelli, and stating:

> We have an assignment for you and your staff. We would like to know whether FVS underpaid the amount due to FSO under its management agreement in the fiscal years ending on March 31, 2022 and 2023. The second question is whether the shortfall (if there was one) was recorded as a debt which FVS owed to FSO on the intercompany account and the amount of the intercompany transaction(s).
>
> I've attached a copy of the management agreement that was put in place on Nov. 17, 2017 and is still in effect[t]. The compensation provisions are on p. 5. The Management Fee is 15.63% of a subset of running the operation which are defined as "Operating Expenses" in the first sentence of par. 3.2.1.
>
> Mike F. has indicated that there were times, especially after January of 2021, that the payments that FVS paid FSO for its management fee were less than the 15.63% of "Operating Expenses." ***We would be very much interested in that number, and any information which would increase FVS' intercompany debt to FSO.***
>
> Please call me about this to confirm that you can do this (or not). This is a high priority ask.

(Ex. 3, emphasis added.)

58. On June 4, 2023, Cole Celenza of Wyse Advisors responded to Dopke's email:

> Please find the management calculation for the fiscal years 2019 through 2022 attached. ***Per our calculation, an approximate surplus of $1.4 million has been paid*** . . . . We have an outstanding request for the FY23 P&L, and will update once received. We are available anytime to discuss.
>
> Mike Flynn - Is there supporting schedules for the monthly management fees for comparison?

(*Id.*, emphasis added). Bruce Dopke responded: "So FSO was overpaid by $1.4 MM? Was that booked in the intercompany account?" (*Id*.)

59. On June 5, 2023, Mike Flynn wrote, "FSO did not book any receivable from FVS Our process was to charge FVS what was necessary to cover costs not to exceed the contractual amount due." (*Id*.)

60. After Wyse Advisors told Flynn that FSO owed money to the Debtor, Flynn turned to Nyberg, FSO's controller, to see if he could obtain a better answer.

61. On June 7, 2023—***two days before the Petition Date***—Nyberg emailed Flynn using the subject line: "Intercompany Analysis – FVS." Nyberg wrote, "Breakdown of FVS intercompany due from FSO at 4/30/23," and included a chart showing an $8,530,366 million intercompany receivable owed to FVS from FSO, a reduction of approximately $350,000 from March 31, 2023. (A true and correct copy of the June 7, 2023 email is attached hereto as Exhibit 11 and incorporated by reference.)

62. On the Petition Date, FSO's intercompany liability was approximately $8.5 million.

63. On June 16, 2023, one week after the Petition Date, Nyberg informed Cole Cezela of Wyse Advisors that he was working on "proposed and potential adjustments" to reduce FSO's intercompany liability to the Debtor. (A true and correct copy of the June 16, 2023 email is attached hereto as Exhibit 12 and incorporated by reference.)

64. Mike Wyse of Wyse Advisors testified that he "[didn't] know how the adjustments came about" and that Wyse Advisors "weren't part of that"—rather, Flynn and Nyberg made the adjustments. (*See* Tr. 4/10/2024 Mike Wyse Dep. at 69:14-70:4. A true and correct copy of the deposition is attached hereto as Exhibit 13 and incorporated by reference.)

65. On June 20, 2023, Nyberg sent Flynn and FSO counsel, Eric Walker of Cooley LLP, two emails with proposed adjustments that would reduce FSO's intercompany liability to the Debtor by $6.7 million. (A true and correct copy of the June 20, 2023 emails is attached hereto as Exhibit 14 and incorporated by reference.)

66. On June 21, 2023, Flynn apprised Dopke of his efforts to adjust the intercompany liability that was reflected in the Debtor's books and records as of the Petition Date. He wrote:

> Attached are the tax returns and Internally prepared 3/31/23 Financial Statements that the US Trustee requested.
>
> The spreadsheet reflects the $8M+ intercompany balance. Is it okay to send this to the trustee or should we wait until it is reconciled and make an adjustment before sending? We might have an answer tomorrow. We are getting close.

(A true and correct copy of the June 21-22, 2023 email is attached hereto as Exhibit 15 and incorporated by reference.)

67. On June 22, 2023, Dopke responded to Flynn, explaining that FSO's counsel, Eric Walker of Cooley, was working to eliminate the intercompany receivable.

> Mr. Walker informs me that FSO is working with the ***accountants to deal, perhaps completely, with the intercompany***. So I'll forward the tax returns to Mr. Knox [of the U.S. Trustee's office]. He will have to wait until we get clarity on the intercompany issues.

(*Id.* (emphasis added).)

68. Over the next several days, Nyberg continued to alter FSO's intercompany balance at the direction of FSO's counsel.

69. On June 27, 2023, Nyberg emailed Flynn, writing:

> In reviewing the management agreement, I agree with Eric's assertion that "FSO administrative expenses are paid by FVS." I summarized the sections of the agreement that define Management vs Administrative Services, as follows. Attached are the updated analyses, which reflect a total adjustment to intercompany of $8,182,025.

(A true and correct copy of the June 27, 2023 email, with true and correct excerpts of the attached spreadsheets, is attached hereto as Exhibit 16 and incorporated by reference.)

70. Among other things, the June 27, 2023 reconciliation purported to reverse the forgiveness of $1.8 million in management fees that Flynn had ordered in 2018 and retroactively charged the Debtor $6.2 million in FSO administrative expenses for six years, for fiscal years 2018 to 2024, although those administrative expenses were never invoiced to the Debtor. Flynn

subsequently testified that the reversal of the $1.8 million forgiveness in 2018 was "not a correct adjustment." (Tr. 06/18/24 Conf. Hr'g at 348:2-6. A true and correct copy of the June 17-18, 2024 transcript is attached hereto as Exhibit 17 and incorporated by reference.)

71. Debtor's counsel's subsequent communication confirms that they deferred to FSO's counsel in allowing their client the Debtor to eliminate this inter-company liability. Specifically, on July 3, 2023, Dopke wrote to Mike Wyse, copying Flynn and Polsinelli shareholder Jeremy Johnson, "I am informed that FSO and FVS have agreed on the intercompany account, presumably as of June 9, 2023. It goes without saying that this claim should be noted in Schedule F." (A true and correct copy of the July 3, 2023 email is attached hereto as Exhibit 18 and incorporated by reference.)

72. On July 6, 2023, Trinitee Green of Polsinelli had a call with Eric Walker of Cooley, counsel to FSO, and recorded the following notes:

> FVS owes about $1 mm to FSO - they reconciled and identified some errors and they brushed off management agreement and reviewed it and realized it said something different than how calculated in the past and other reasons.
>
> Pretty detailed reconciliation to tie it all out. Bruce has it has will share with Jeff N.
>
> He gave Bruce the update on Sunday.

(A true and correct copy of the Green's notes are attached hereto as Exhibit 19 and incorporated by reference.)

73. On July 17, 2023, Nyberg booked a journal entry that "includes the retroactive adj[ustment] for Management Fees and Administrative Expenses" for the six-year period from fiscal years 2018 through 2023. Nyberg entered PY [Prior Year] Adjustments to the Management Fees and Administrative Expenses reducing FSO's liability to Debtor by $7,998,573.45, and

backdated those entries to April 2023. Nyberg then asked Flynn for permission to close the books for April, which Flynn provided later that day. (A true and correct copy of the July 17, 2023 email and excerpt of attachment is attached hereto as Exhibit 20 and incorporated by reference.)

74. Flynn and Nyberg continued to alter the Debtor's books and records. On September 11, 2023, Flynn sent Nyberg an email stating: "I would like to get the intercompany reconciliation at a place where I can send it to Eric Walker at Cooley [FSO's counsel]." Flynn then suggested several revisions to the reconciliation, including that Nyberg provide detail on what is included in the six years of retroactive charges for administrative expenses. (A true and correct copy of the September 11, 2023 email, with a true and correct excerpt of the referenced spreadsheet, is attached hereto as Exhibit 21 and incorporated by reference.)

75. Later on September 11, 2023, Nyberg sent Flynn an updated reconciliation, reducing the retroactive charge for administrative expenses from $6.2 million to $4.7 million, but including a new, allegedly off-setting charge to the Debtor for $1.459 million in legal fees. (*Id.*)

76. Nyberg subsequently testified that he was unaware of the basis for the Administrative Expenses that comprised most of the post-petition reconciliation, and was simply computing the difference between "what was charged versus what should have been charged" and was provided "one amount to charge per month." (*See* Tr. 4/5/2024 Nyberg Dep. at 60:4–61:13. A true and correct copy of the pertinent portions of this testimony is attached hereto as Exhibit 22 and incorporated herein by reference.)

77. On January 6, 2024, Eric Walker (FSO counsel) sent an email to the Debtor's co-counsel at Polsinelli and to Dopke, "attach[ing] an intercompany analysis performed by Mike Flynn and Jeff Nyberg which reconciles and corrects the $8.8m intercompany receivable that had been incorrectly carried on FVS's books, which is being shared based on our agreement this

morning that it will be kept strictly confidential between and among FSO and FVS pursuant to our common interest agreement." (A true and correct copy of the January 6, 2024 email is attached hereto as Exhibit 23 and incorporated by reference.)

78. On December 22, 2023, Flynn falsely testified at his deposition that the reconciliation of intercompany balances occurred pre-petition, in March or April 2023. (*See* Tr. 12/22/23 Flynn Dep. at 68:5-13 (Ex. 2).)

79. On March 7, 2024, Dopke sent an email to Eric Walker referencing a recent meeting with Nyberg, in which he stated that Nyberg "informed and assured me (during yesterday's meeting) that the adjustments [to the intercompany balances] were actually made in the Debtor's accounting system on or about April 30, 2023." (A true and correct copy of the March 7, 2024 email is attached hereto as Exhibit 24 and incorporated by reference.)

III. FSO Imposed Non-Contractual Management Fees on the Debtor.

80. On July 28, 2023, FSO assessed $736,343.00 in management fees on the Debtor for June 2023 and July 2023. (*See Chapter 11 Monthly Operating Report for the Month Ending 07/31/2023* at 17/53 [Dkt. 221].) FSO's assessment of these management fees was inconsistent with the pattern and practice of how the parties interpreted the terms of the Management Agreement prior to Flynn and Nyberg's "reconciliation" of FSO's $8.9 million obligation to the Debtor.

IV. FSO Misappropriated $7.7 Million of the Debtor's ERTC Funds.

A. The Debtor Was Entitled to $7.7 Million in ERTC Funds.

81. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "**CARES Act**") was signed into law to provide economic assistance to individuals and businesses in response to the numerous issues related to the onset of the COVID-19 pandemic. Among other

things, the CARES Act created an employee retention tax credit ("**ERTC**") "designed to encourage Eligible Employers to keep employees on their payroll despite experiencing an economic hardship related to COVID-19."[1]

82. In early 2022, the Debtor and/or FSO retained a consultant, Synergi Partners, to assist them with the ERTC application process.

83. FSO, with Synergi's assistance, submitted ERTC applications to the IRS for the period of March 12, 2020 through September 2021 on behalf of the Debtor, FSO, and non-debtor affiliates FSO Foundation (the "**Foundation**") and Friendship Village of Mill Creek, NFP, d/b/a GreenFields of Geneva ("**GreenFields**"). The applications were submitted under FSO's employee identification number, but the relevant wages were paid by the Debtor, FSO, and related entities, with payments from non-FSO affiliates simply "passing through" FSO.

84. On or about March 29, 2022, Synergi prepared a payment summary (the "**ERTC Payment Summary**") of the qualified wages paid by the Debtor, FSO, GreenFields, and the Foundation, as well as the corresponding payments earned and to be paid under the ERTC program, summarized in the following table:

Entity	Total Wages and Costs Paid	Total Qualified Wages and Costs	Earned ERTC Payment
Debtor	$20,959,832.39	$11,145,696.82	$7,662,286.71
GreenFields	$8,546,832.30	$3,947,003.49	$2,716,670.48
FSO	$3,288,163.79	$987,745.90	$673,664.47
Foundation	$210,545.77	$68,216.46	$46,108.23
TOTAL	$33,005,515.25	$16,148,662.66	$11,098,729.89

(A true and correct copy of the ERTC Payment Summary is attached hereto as Exhibit 25 and incorporated by reference.)

[1] *COVID-19-Related Employee Retention Credits: Overview*, Internal Revenue Service, https://www.irs.gov/newsroom/covid-19-related-employee-retention-credits-overview (last visited Apr. 8, 2025).

85. Collectively, the entities paid $16,148,622.66 in ERTC qualified wages and insurance costs, of which the Debtor paid $11,145,696.82 (72% of the total). Accordingly, $7,662,286.71 (i.e., 72%) of the total $11,098,729.89 in ERTC payments were allocated to the Debtor in the ERTC Payment Summary. FSO, which paid $987,745.90 (6%) of the total ERTC qualified wages and insurance costs, was allocated $673,664.47 (i.e., 6%) of the ERTC payments.

86. The allocation of wages paid and ERTC payments earned in the ERTC Payment Summary is consistent with how the Debtor and FSO reported their respective income and expenses in the Debtor's and FSO's annual Form 990 tax returns filed with the IRS. (*See* Ex. 9.) Flynn testified that this allocation was consistent with IRS guidance. (*See* Tr. Confirmation Hr'g at 193:4-16 (Ex. 17).)

87. The first two payments of ERTC funds, totaling approximately $250,000, were received in or about August 2022. Consistent with the allocation of the qualified wages and insurance costs paid by the Debtor, FSO paid approximately 70% of these initial ERTC funds to the Debtor.

B. Before the Petition Date, the Debtor Repeatedly Represented to Third Parties That It Was Entitled to $7.7 Million in ERTC Assets.

88. Before the Petition Date, the Debtor regularly represented to third parties that it was entitled to a 72% allocation of future ERTC distributions as set forth in the ERTC Payment Summary.

89. On June 13, 2022, in connection with the Debtor's sale process, Flynn explained in an email to RBC Capital Markets that "FVS is expecting to receive approximately $7.6M" from the ERTC program. After RBC questioned Flynn's calculation, Flynn forwarded the ERTC Payment Summary and explained that "[t]he spreadsheets show which entity the employees work for to allocate the credit appropriately between each entity" and that "FVS gets the lions share

since it has the greatest payroll." (A true and correct copy of the June 13-14, 2022 email is attached hereto as Exhibit 27 and incorporated by reference.)

90. Similarly, on June 22, 2022, Flynn, in an email to the Debtor's investment banker, explained, "Where funds were received at the FSO level, 72% of funds are allocated to FVS since FVS has that Percentage of the labor." (A true and correct copy of the June 22, 2022 email is attached hereto as Exhibit 27 and incorporated by reference.)

91. In a draft asset purchase agreement dated January 5, 2023, under which the Debtor would sell its facilities and business operations (a sale that was ultimately withdrawn by the bidder), the Debtor included 50% of its anticipated ERTC Funds (which it valued at approximately $7.5 million) in the assets to be purchased. (A true and correct copy of the draft Asset Purchase Agreement is attached hereto as Exhibit 28 and incorporated by reference.)

92. In the Debtor's monthly cash forecasts prepared in December 2022, which it shared with the Bond Trustee and other creditors, the Debtor also included anticipated receipt of ERTC funds. (A true and correct excerpt of the cash flow forecast is attached hereto as Exhibit 29 and incorporated by reference.)

93. On April 28, 2023, Sheahen, a member of the Debtor's Board, sent an email to a member of Illinois U.S. Senator Dick Durbin's staff saying that the Debtor has been waiting to receive "a 7.2 million employee tax credit for over a year." Sheahen requested Senator Durbin's assistance to expediate payment of the ERTC funds, saying that such payment "would keep us [i.e. the Debtor] from moving towards bankruptcy." (A true and correct copy of the April 28, 2023 email is attached hereto as Exhibit 30 and incorporated by reference.)

94. Flynn testified that, as of the end of April 2023, he expected the ERTC credits would be immediately paid by FSO to FVS. (*See* Tr. 12/22 Flynn Dep. at 134:12-135:6 (Ex. 2).)

95. Flynn's expectations continued after the Petition Date. On June 30, 2023, Wyse asked Flynn if he was able to "bifurcate" the ERTC Funds received, and Flynn forwarded a reconciliation of the ERTC funds showing the Debtor was owed approximately $7.4 million of the total ERTC assets, consistent with the ERTC Payment Summary. (A true and correct copy of the email chain and June 30, 2023 reconciliation is attached hereto as Exhibit 31 and incorporated by reference.)

C. FSO Appropriated the Debtor's ERTC Funds for Its Own Use.

96. FSO received an additional ERTC payment in or around May 2023.

97. On May 19, 2023, $3,772,198.74 of ERTC funds were remotely deposited in the Debtor's bank account. (A true and correct copy of FVS's Schaumburg Bank and Trust Commercial Checking Account x1095 for the month ended May 31, 2023 is attached hereto as Exhibit 32 and incorporated by reference.)

98. On information and belief, FSO caused $3,684,637.05 to be transferred from the Debtor's bank account to FSO's bank account on May 23, 2023. (A true and correct copy of FSO's Schaumburg Bank and Trust Commercial Checking Account x1095 is attached hereto as Exhibit 33 and incorporated by reference.)

99. Consistent with the initial allocation, FSO paid GreenFields its portion of ERTC funds attributable to its employee wages and costs consistent with the allocation in the ERTC Payment Summary and past practice.

100. FSO did not, however, transfer any additional ERTC funds to the Debtor, and instead decided that the $7.7 million in ERTC funds received on account of the Debtor's payroll expenses would remain with FSO.

101. Although Flynn recognized that these ERTC funds related to the Debtor's employee wages, FSO withheld the funds to improve its position in the Debtor's bankruptcy case. Flynn explained:

> At this point [FSO's] board said we want to retain those ERTC funds so we could get through the bankruptcy process and not spend it on anything related to the community at this point because we just didn't have the cash resources to take that chance.

(*See* Tr. 12/22/2023 Flynn Dep. at 115:9-15 (Ex. 2).)

102. Specifically, Flynn explained that FSO would use the Debtor's ERTC assets to pay its own costs in the Debtor's bankruptcy case and fund the Debtor's $3 million DIP Facility.

> Q. And was any explanation provided to you of the basis for the debtor's position in this paper that it was willing to take these ERTC proceeds as a loan instead of as the pass-through payment that it was previously expecting?
>
> A. They—the board—I'm going from recollection. They were comfortable with this because they felt it would get them to—gave them the opportunity to get through the bankruptcy process and have the funds available to pay potential costs associated with that.
>
> Q. Well you understand that you were the CEO of the debtor at the time this was negotiated, correct?
>
> A. That's correct.
>
> Q. You understood you had a fiduciary duty to maximize the assets of the debtor's estate for the benefit of all creditors, correct?
>
> A. Correct.
>
> Q. And in accordance with that duty did you ever say to anyone involved in this process, that we, the debtor, have a claim to these ERTC funds because absent the bankruptcy they would have been paid to us directly as a pass through since we paid the expenses that generated those funds?
>
> A. I did not make that statement, no.
>
> Q. Are you aware of anyone else making that statement?

> A. No.
>
> Q. And you didn't ask that question, you didn't think you had a duty to ask that question given your fiduciary duties as CEO of the debtor entity?
>
> A. I did not.

(*See id.* at 138:21-140:4.)

103. Flynn further testified that:

> Q. So it was only as you got closer to the bankruptcy that FSO decided it would like to keep that money for itself?
>
> A. That's correct. I'll just qualify, not keep for itself. Again, to use it to help us get through the bankruptcy process.
>
> Q. But help you, but to take money out of the bankruptcy estate where it could be used to benefit all the creditors of the estate in accordance with the bankruptcy rules and instead just keep it so FSO could administer it to itself?
>
> . . .
>
> A. That's correct.

(*See id.* at 127:2-15.)

104. Consistent with Flynn's testimony, FSO used the ERTC payments to fund a retainer for its counsel of at least $250,000 and to fund the DIP Facility.

D. The Debtor Did Not Investigate FSO's Appropriation of the ERTC Funds.

105. Prior to the Petition Date, Polsinelli conducted preliminary research regarding ownership of ERTC assets. In a May 2, 2023 internal Polsinelli email, Jeremy Johnson emailed Bobby Guy and Trinitee Green, noting that he had not found any controlling caselaw on ERTC ownership but adding: "***My gut is that it's a general intangible that's likely part of [the Bond Trustee's] collateral package if it went directly to FVS***." (A true and correct copy of the May 2, 2023 email is attached hereto as Exhibit 34 and incorporated by reference (emphasis added).)

106. Instead of advancing the position that at least one of the Debtor's lawyers believed was the correct answer, Debtor's counsel took the position that FSO was entitled to the funds because that position would prevent the bondholders from claiming the funds as part of their collateral. On July 21, 2023, Scott Clar, counsel to the Committee, emailed Dopke asking, "isn't there an argument that [ERTC] funds belong to the debtor?" Dopke proposed the following response to Polsinelli:

> In the first place, we haven't seen any case authority to establish that the ERTC refunds should have gone to the Debtor instead of FSO, which unlike the Debtor, applied for the credit, was given the credit, was paid a refund for the credit. We know that the Bondholders are pushing to establish that the Bond Trust has a lien on the credits. You would think, after all the time we've been working with them, that they would have shown us some authority to consider. Frankly, we have a lot to do and finances are very tight, as your FA will eventually tell you.

(A true and correct copy of the July 21-24, 2023 email chain is attached hereto as Exhibit 35 and incorporated by reference.)

107. On July 24, 2023, Trinitee Green of Polsinelli responded:

> [W]hile we didn't find affirmative authority to say the funds are [n]ot subject to UMB liens, we uncovered no authority that would support the position that they are.
>
> So from my perspective this is good to if you want to move the ball forward with Clar on these issues.

(*Id.*)

108. As late as August 10, 2023, Debtor's counsel appeared to recognize that the Debtor was entitled to the ERTC assets. That day, Wyse forwarded to Bobby Guy of Polsinelli an ERTC payment reconciliation prepared by FSO, which reflecting the Debtor's entitlement to $7.7 million in ERTC funds. Guy then forwarded Wyse's email to Jeremy Johnson, adding, "FYI – if we have to attempt a cramdown, we may have the money . . . ." (*See* Ex. 31.)

109. Nevertheless, when FSO claimed that it was entitled to the Debtor's ERTC assets, Debtor's counsel did not challenge its position.

V. FSO Imposed a Settlement Agreement for the Benefit of FSO upon the Debtor.

110. After FSO, Flynn, and Nyberg eliminated FSO's $8.9 million intercompany liability to the Debtor and appropriated the Debtor's $7.4 million in ERTC funds, they sought to insulate FSO from liability by negotiating a settlement agreement that would release all estate claims against FSO and directors and officers that would be incorporated in the Debtor Plan (the "**Plan Settlement Agreement**").

111. FSO negotiated the Plan Settlement Agreement with the Committee. Under the agreement, FSO and its directors and officers would have received full releases of claims, including any claims relating to the intercompany reconciliation or ERTC funds. In consideration for these releases, FSO would forgive $1 million of the money advanced under the DIP Facility—funds that belonged to the Debtor's estate in the first place. Under the Plan Settlement, the Committee's constituents would receive $1.5 million.

112. The Debtor was not involved in settlement negotiations. FSO requested the Debtor's support only after the Committee agreed to FSO's terms.

113. On January 6, 2024, Trinitee Green of Polsinelli recorded notes of a call among Dopke, Polsinelli, Cooley, and Douglas Lutz of Frost Brown Todd (counsel to the FSO Board), which she emailed to herself and Jeremy Johnson of Polsinelli. The notes reflected the Debtor's lack of involvement or oversight in the settlement process. Green wrote:

> Bruce wants to get in front of the board to let them know what we're doing. Eric says there have been recent FSO board meetings. Bruce wants to get in front of the FVS board to tell them what's been happening and he wants this meeting to occur quickly.

> Not sure that FVS board members have a vote but we've been providing information to them so that they have ability to give suggestions and blessings to parent.
>
> ***Eric says he understands that FVS does take action on behalf of FVS but Doug says FVS cannot do much on its own but makes recommendations to FSO board***.
>
> And FSO board typically blesses those decisions

(A true and correct copy of Green's notes is attached hereto as Exhibit 36 and incorporated by reference (emphasis added).)

114. Green's notes also reflect concern about the propriety of the intercompany reconciliation:

> 8 million interco liability has Bruce very concerned
>
> - If Mike Flynn and Jeff Nyberg just sat down without authority to eliminate a legitimate itnerco [sic] claim that FVS had against FSO, he's very nervous and we should consider a claim that would …

(*See id*.)

115. The Debtor held a Board meeting on January 9, 2024 to consider the settlement. Green emailed herself notes of the board meeting, which provide in pertinent part:

> FVS still exists and is the Debtor and the Board that has to make decisions on behalf of the Debtor; FSO has reserved powers over everything they do. This conversation is going to be a little delicate because they have fiduciary duties that are owed to creditors and residents. FSO has gone to the Committee an, negotiated release of D&O Claims that they could pursue to get to insurance proceeds. FSO cut a deal because ft a nonprofit and not trying to preserve profit and we're going to cut a deal. That's the deal that Doug explained. The Committee has agreed to it. The Term Sheet is written as if FVS entered into the deal but FVS wasn't involved in those negotiations. So that's why we're here to have the conversation.
>
> . . .

> Jean: Moved to support the plan settlement that has been proposed by FSO to the Committee and accepted by the Committee. Kathy and Mary voted in favor.

(A true and correct copy of Green's notes are attached hereto as Exhibit 37 and incorporated by reference.)

116. Consistent with Green's notes, the Debtor's Board approved the settlement agreement notwithstanding the Board members' conflicts and even though this settlement was not in the best interests of the Debtor or its bankruptcy estate.

VI. The Debtor Failed to Investigate Claims Against FSO.

117. The Debtor, its officers, directors, and professionals all failed to investigate the estate's claims against FSO.

118. The Debtor's CEO, Flynn, and controller, Nyberg, made no effort to investigate the Debtor's claims against FSO. Flynn and Nyberg were directly involved in attempting to eliminate FSO's $8.9 million intercompany liability and appropriating $7.4 million in ERTC funds for FSO. Unsurprisingly, the Debtor's officers did not investigate their own actions.

119. The Debtor's directors also failed to conduct any meaningful oversight of the Debtor's actions or investigation of estate claims. Each of the Board members testified that either (a) they were not aware of the intercompany reconciliation and FSO's appropriation of the Debtor's ERTC funds, and/or (b) that they only learned of these actions at a January 9, 2024 Board meeting—several months after the transfers took place.

120. Schlinkmann testified in a deposition that she had concerns about the reconciliation of FSO's liability at the January 9, 2024 board meeting, but admitted that she did nothing to further investigate the reconciliation after this meeting. (*See* Tr. 4/9/2024 Schlinkmann Dep. at 28:7-16. A true and correct copy of the pertinent portions of this testimony is attached hereto as Exhibit 38

and incorporated by reference.) Schlinkmann recalled a discussion of FSO's appropriation of the Debtor's ERTC credits, but did not recall when the issue was discussed. (*Id.* at 37:7–38:7.) Schlinkmann subsequently recanted her deposition testimony and submitted a declaration to the Court in support of confirmation of the Debtor Plan, which aligned with the Debtor's litigation position. [Dkt. 713.] Schlinkmann expressed support for the intercompany reconciliation (*id.* ¶¶ 11-13), and FSO's appropriation of the Debtor's ERTC credit (*id.* ¶¶ 16-18).

121. Sheahen testified she had no recollection of the "reconciliation" ever having been discussed—although she agreed that a dramatic decrease in the intercompany receivable balance would be cause for concern. (*See* Tr. 4/5/2024 Sheahen Dep. at 64:4-66:5. A true and correct copy of the pertinent portions of this testimony is attached hereto as Exhibit 39 and incorporated by reference.) Sheahen recalled contacting Senator Durbin's office regarding receipt of the Debtor's ERTC funds and acknowledged that FSO had not transferred the funds to the Debtor. (*Id*. at 37:4-9.) Sheahen did not make further inquiry into FSO's appropriation of the funds, however, explaining, "FSO and FVS have always worked very closely together during my tenure so I expected that FSO would do what it needed to do for FVS with the money appropriated." (*Id.* 39:13-17.)

122. Rivera, the board chair, testified that she had no memory of any intercompany balance ever being discussed and only a general recollection of the ERTC credits being received. (Tr. 4/15/2024 Rivera Dep. at 30:10-34:21. A true and correct copy of the pertinent portions of this testimony is attached hereto as Exhibit 40 and incorporated herein by reference.)

123. In sum, none of the Debtor's directors took any steps to investigate potential claims relating to the intercompany reconciliation or ERTC funds.

124. Likewise, the FSO Board, as the Debtor's sole shareholder and as FVS's de facto directors, caused FVS to act to its own detriment by failing to investigate potential claims relating to the intercompany reconciliation or ERTC funds. (*See* Tr. 4/8/2024 Delanois Dep. at 91:21-92:3. A true and correct copy of the pertinent portions of this testimony is attached hereto as Exhibit 41 and incorporated herein by reference.)

125. Debtor's counsel, while apprised of the reconciliation conducted by Flynn, Nyberg, and FSO's counsel, made no apparent effort to investigate or challenge the reconciliation, and instead relied on representations from FSO's counsel regarding their validity. Nor did counsel seek to pursue the $7.4 million ERTC claim.

VII. FSO's Proof of Claim.

126. On October 13, 2023, FSO filed a proof of claim asserting a general unsecured claim in the amount of $215,354.73 due as of the Petition Date for "Management Fees and Administrative Expenses" purportedly due under the Management Agreement. (Proof of Claim No. 318. A true and correct copy of the proof of claim is attached hereto as Exhibit 42 and incorporated herein by reference.)

127. The Proof of Claim does not include any calculations of fees owed, but states that "supporting documentation for the basis of this amount can be made available upon request of the Court or parties withstanding to contest the validity and amount of this Proof of Claim." (*Id.* at Addendum p. 2. n.2.)

128. The Proof of Claim makes no reference to FSO's $8.5 million intercompany liability owed to the Debtor as of the Petition Date. Absent Flynn and Nyberg's improper elimination of FSO's liability to Debtor, any alleged claim owed by the Debtor to FSO would be completely offset by the amounts FSO owed to the Debtor.

COUNT 1

Turnover of Assets Under § 542 of the Bankruptcy Code
(Defendant FSO)

129. Plaintiff restates and re-alleges paragraphs 1 through 128 of this Complaint as though fully set forth herein.

130. Section 542(a) of the Bankruptcy Code provides that "an entity, other than a custodian in possession, custody or control, during the case, of property that the trustee may use, sell, or lease under section 363 of this title, … shall deliver such property or the value of such property, unless such property is of inconsequential value or benefit to the estate."

131. The ERTC assets are property of the Debtor's estate, are in FSO's possession and/or control, and are not of inconsequential value or benefit to the estate.

132. Under section 542 of the Bankruptcy Code, FSO should be ordered to turn over any ERTC Funds or their value to the Trustee.

COUNT 2

Action to Remedy Violation of the Automatic Stay
Pursuant to § 362 of the Bankruptcy Code
(Defendants FSO, Flynn, Nyberg)

133. Plaintiff restates and re-alleges paragraphs 1 through 128 of this Complaint as though fully set forth herein.

134. Upon the Petition Date, section 362(a)(3) of the Bankruptcy Code operated as a stay against any action to obtain possession of property of the Debtor's estate or property from Debtor's estate or to exercise control over property of Debtor's estate.

135. Upon the Petition Date, section 362(a)(6) of the Bankruptcy Code operated as a stay against any action to collect, assess, or recover a claim against the Debtor that arose before the Petition Date.

136. By eliminating its $8.5 million intercompany liability to the Debtor (the "**Post-Petition Reconciliation**"), FSO, Flynn, and Nyberg knowingly and willfully violated sections 362(a)(3) and 362(a)(6) of the Bankruptcy Code.

137. The Post-Petition Reconciliation is void, or voidable by the Court, as a violation of the automatic stay imposed by sections 362(a)(3) and 362(a)(6) of the Bankruptcy Code.

COUNT 3

Avoidance and Recovery of Unauthorized Post-Petition Transfers Under §§ 549 and 550(a) of the Bankruptcy Code (Defendant FSO)

138. Plaintiff restates and re-alleges paragraphs 1 through 128 of this Complaint as though fully set forth herein.

139. Following the Petition Date, FSO eliminated its $8.5 million intercompany liability to the Debtor.

140. Following the Petition Date, FSO charged the Debtor a management fee of 15.63% of FVS that was inconsistent with the parties' course of dealing and constituted overpayments under the Management Agreement that were not approved by the Court.

141. Section 549 of the Bankruptcy Code allows a trustee to avoid transfers of property of the estate that occur after the commencement of the case and that are not authorized by the Bankruptcy Code or the Court.

142. The Post-Petition Reconciliation constituted transfers of property of the Debtor's estate because receivable that the Post-Petition Reconciliation eliminated, was property of the Debtor and FSO was not authorized by the Court or Bankruptcy Code to take that asset from the Debtor. Thus, the Post-Petition Reconciliation may be avoided pursuant to section 549 of the Bankruptcy Code.

143. Similarly, FSO's decision to unilaterally amend an insider contract by changing the manner in which fees were charged under that agreement and unilaterally taking payments from the Debtor's funds in satisfaction of these unauthorized fees constituted a transfer of the Debtor's funds outside of the ordinary course of business that was not authorized by the Court or the Bankruptcy Code and may be avoided pursuant to section 549 of the Bankruptcy Code.

144. Under section 550(a)(1) of the Bankruptcy Code, the Trustee may recover the value of the Post-Petition Reconciliation and the improperly charged management fees from FSO, the entity to or for whose benefit the Post-Petition Reconciliation was made, and any subsequent transferees.

145. Under sections 550(a) and (f) of the Bankruptcy Code, within one year after the Court enters judgment avoiding the Post-Petition Reconciliation to FSO, the Trustee may bring an action to avoid any subsequent transfer of Pre-Petition Reconciliation to any immediate or mediate transferee, including but limited to any of the Defendants named herein. The Trustee expressly reserves the right to bring such additional actions.

COUNT 4

Breach of Contract
(Defendant FSO)

146. Plaintiff restates and re-alleges paragraphs 1 through 128 of this Complaint as though fully set forth herein.

147. The Debtor and FSO's course of conduct under the Management Agreement did not permit FSO to impose a management fee equal to 15.63% of the Debtor's revenues (the "**Post-Petition Management Fees**").

148. FSO materially breached the Management Agreement by assessing the Post-Petition Management Fees.

149. As a direct result of FSO's breaches of the Management Agreement, the Debtor's estate has suffered, and continues to suffer, substantial damages.

150. The Debtor has performed all of its obligations under its agreements with FSO, other than those whose performance is excused by the Bankruptcy Code and this Court's orders.

151. Accordingly, the Trustee seeks to recover from FSO all of the improperly charged management fees taken from the Debtor's funds in breach of the Management Agreement.

COUNT 5

Avoidance and Recovery of Constructive Fraudulent Transfers Under §§ 548(a)(1)(B) and 550(a) of the Bankruptcy Code/Alternatively § 544(b) of the Bankruptcy Code and 740 ILCS § 160/5(a) (Pre-Petition Reconciliation) (Defendant FSO)

152. Plaintiff restates and re-alleges paragraphs 1 through 128 of this Complaint as though fully set forth herein.

153. The elimination of approximately $400,000 in FSO intercompany liability reflected in Defendant Nyberg's June 7, 2023 email to Flynn (the "**Pre-Petition Reconciliation**") constituted a transfer of interest in the Debtor's property that occurred within two years of the Petition Date.

154. The Pre-Petition Reconciliation was made, mediately or immediately, to FSO.

155. FSO benefited from the Pre-Petition Reconciliation because it reduced its indebtedness to the Debtor.

156. The Debtor received less than reasonably equivalent value in exchange for Pre-Petition Reconciliation.

157. The Debtor was insolvent on the dates the Pre-Petition Reconciliation took place.

158. At the time Pre-Petition Reconciliation was made, the Debtor was engaged in business or a transaction, or was about to engage in business or a transaction, for which the Debtor's remaining property was an unreasonably small capital.

159. At the time the Pre-Petition Reconciliation was made, the Debtor intended to incur, or believed that it would incur, debts that would be beyond its ability to pay as such debts matured.

160. The Trustee may avoid the Pre-Petition Reconciliation under section 548(a)(1)(B) of the Bankruptcy Code.

161. The Trustee may recover, for the benefit of the Debtor's estate, the Pre-Petition Reconciliation or its value from FSO.

162. Under sections 550(a) and (f) of the Bankruptcy Code, within one year after the Court enters judgment avoiding the Pre-Petition Reconciliation, the Trustee may bring an action to avoid any subsequent transfer of Pre-Petition Reconciliation to any immediate or mediate transferee, including but limited to any of the Defendants named herein. The Trustee expressly reserves the right to bring such additional actions.

COUNT 6

Avoidance and Recovery of Transfers Pursuant to §§ 548(a)(1)(A) and 550(a) of the Bankruptcy Code/Alternatively § 544(b) of the Bankruptcy Code and 740 ILCS § 160/5(a) (Pre-Petition Reconciliation) (Defendant FSO)

163. Plaintiff restates and re-alleges paragraphs 1 through 128 of this Complaint as though fully set forth herein.

164. The Pre-Petition Reconciliation constituted a transfer of interests in the Debtor's property within two years of the Petition Date.

165. The Pre-Petition Reconciliation was made, mediately or immediately, to FSO.

166. FSO benefitted from the Pre-Petition Reconciliation because it reduced its indebtedness to the Debtor.

167. The Pre-Petition Reconciliation was made with the actual intent to hinder or delay the Debtor's creditors. Among other reasons, (i) the Pre-Petition Reconciliation was made with the intent to prevent creditors during an expected bankruptcy case from recovering the Pre-Petition Reconciliation from FSO, (ii) the transfer was made to an insider, and (iii) the Debtor was insolvent and facing significant claims from creditors including the Bond Trustee and the holders of its secured notes.

168. The Trustee may avoid Pre-Petition Reconciliation under section 548(a)(1)(A) of the Bankruptcy Code.

169. The Trustee may recover, for the benefit of the Debtor's estate, the Pre-Petition Reconciliation or its value from FSO.

170. Under sections 550(a) and (f) of the Bankruptcy Code, within one year after the Court enters judgment avoiding the Pre-Petition Reconciliation, the Trustee may bring an action to avoid any subsequent transfer of Pre-Petition Reconciliation to any immediate or mediate transferee, including but limited to any of the Defendants named herein. The Trustee expressly reserves the right to bring such additional actions.

COUNT 7

Avoidance and Recovery of Constructive Fraudulent Transfers Under §§ 548(a)(1)(B) and 550(a) of the Bankruptcy Code/Alternatively § 544(b) of the Bankruptcy Code and 740 ILCS § 160/5(a) (May 2023 ERTC Transfer) (Defendant FSO)

171. Plaintiff restates and re-alleges paragraphs 1 through 128 of this Complaint as though fully set forth herein.

172. The transfer of ERTC funds from FVS's account to FSO's account in May 2023 detailed herein (the "**May 2023 ERTC Transfer**") constituted a transfer of interest in the Debtor's property within two years of the Petition Date.

173. The May 2023 ERTC Transfer was made, mediately or immediately, to FSO.

174. FSO benefited from the benefitted from the May 2023 ERTC Transfer.

175. The Debtor received less than reasonably equivalent value in exchange for May 2023 ERTC Transfer.

176. The Debtor was insolvent on the dates the May 2023 ERTC Transfer took place.

177. At the time the May 2023 ERTC Transfer was made, the Debtor was engaged in business or a transaction, or was about to engage in business or a transaction, for which the Debtor's remaining property was an unreasonably small capital.

178. At the time the May 2023 ERTC Transfer was made, the Debtor intended to incur, or believed that it would incur, debts that would be beyond its ability to pay as such debts matured.

179. The Trustee may avoid the May 2023 ERTC Transfer under section 548(a)(1)(B) of the Bankruptcy Code.

180. The Trustee may recover, for the benefit of the Debtor's estate, the May 2023 ERTC Transfer or its value from FSO.

181. Under sections 550(a) and (f) of the Bankruptcy Code, within one year after the Court enters judgment avoiding the May 2023 ERTC Transfer , the Trustee may bring an action to avoid any subsequent transfer of May 2023 ERTC Transfer to any immediate or mediate transferee, including but limited to any of the Defendants named herein. The Trustee expressly reserves the right to bring such additional actions.

COUNT 8

Avoidance and Recovery of Transfers Pursuant to §§ 548(a)(1)(A) and 550(a) of the Bankruptcy Code/Alternatively § 544(b) of the Bankruptcy Code and 740 ILCS § 160/5(a) (Defendant FSO)

182. Plaintiff restates and re-alleges paragraphs 1 through 128 of this Complaint as though fully set forth herein.

183. The May 2023 ERTC Transfer constituted a transfer of interests in the Debtor's property within two years of the Petition Date.

184. The May 2023 ERTC Transfer was made, mediately or immediately, to FSO.

185. FSO benefitted from the May 2023 ERTC Transfer.

186. The May 2023 ERTC Transfer was made with the actual intent to hinder or delay the Debtor's creditors. Among other reasons, (i) May 2023 ERTC Transfer was made with the intent to prevent creditors during an expected bankruptcy case from recovering the Debtor's ERTC assets, (ii) the transfer was made to an insider, and (iii) the Debtor was insolvent and facing significant claims from creditors including the holders of its secured notes.

187. The Trustee may avoid May 2023 ERTC Transfer under section 548(a)(1)(A) of the Bankruptcy Code.

188. The Trustee may recover, for the benefit of the Debtor's estate, the May 2023 ERTC Transfer or its value from FSO.

189. Under sections 550(a) and (f) of the Bankruptcy Code, within one year after the Court enters judgment avoiding the May 2023 ERTC Transfer, the Trustee may bring an action to avoid any subsequent transfer of May 2023 ERTC Transfer to any immediate or mediate transferee, including but limited to any of the Defendants named herein. The Trustee expressly reserves the right to bring such additional actions.

COUNT 9

Unjust Enrichment
(Defendant FSO)

190. Plaintiff restates and re-alleges paragraphs 1 through 128 of this Complaint as though fully set forth herein.

191. By withholding the ERTC assets and eliminating FSO's receivable to the Debtor, FSO was enriched in an amount exceeding $16 million, as FSO's $8.9 million intercompany liability to the Debtor was eliminated, it wrongfully withheld the Debtor's $7.7 million ERTC assets, and assessed unjust Post-Petition Management Fees after the Petition Date.

192. Eliminating FSO's intercompany liability and withholding the Debtor's ERTC assets enriched FSO at the expense of FVS and its creditors.

193. It would be against equity and good conscience to permit FSO to retain the ERTC Assets and benefit from the elimination of the intercompany liability, which assets or benefit they obtained only by virtue of its own misconduct, as described above.

COUNT 10

Conversion
(Defendant FSO)

194. Plaintiff restates and re-alleges paragraphs 1 through 128 of this Complaint as though fully set forth herein.

195. FSO exerted a distinct act of dominion over the Debtor's asset, the ERTC Assets, by, among other things, refusing to transfer the portion of ERTC assets generated by the Debtor to the Debtor and using the Debtor's assets to pay FSO's legal fees and fund a DIP facility.

196. This act of dominion was wrongful because the ERTC Assets was the Debtor's property and critical source of recovery for creditors.

197. The conversion by FSO proximately caused the Debtor to suffer injury.

COUNT 11

Claim Disallowance - § 502(b)(1) and (d) of the Bankruptcy Code
(Defendant FSO)

198. Plaintiff restates and re-alleges paragraphs 1 through 128 of this Complaint as though fully set forth herein.

199. FSO submitted a proof of claim in this case.

200. The Debtor does not owe any amounts to FSO and therefore its proof of claim should be disallowed pursuant to section 502(b)(1) of the Bankruptcy Code and applicable state law.

201. In addition, FSO is the transferee or the beneficiary of transfers by the Debtor that are avoidable and/or recoverable from FSO under the Bankruptcy Code or applicable state law.

202. Under section 502(d) of the Bankruptcy Code, any claims held by FSO must be disallowed unless FSO turns over the avoidable transfers or their value to the Debtor.

COUNT 12

Avoidance of DIP Loan Obligations
(Defendant FSO)

203. Plaintiff restates and re-alleges paragraphs 1 through 128 of this Complaint as though fully set forth herein.

204. The DIP Order provided that: "The Debtor has agreed and represented to the Bond Trustee, the Committee and all other parties-in-interest that its entry into the DIP Term Sheet shall not waive its rights and/or interests (if any) to claim that the DIP Funds are property of its bankruptcy estate and, in the event it is determined that that the DIP Funds are property of the Debtor, that its ability to use such funds are not subject to the terms and conditions of this Order or the DIP Term Sheet." (*Id.* § F(iv).)

205. The funds used to fund the DIP loan were the Debtor's funds and accordingly the DIP Order is not enforceable.

206. Pursuant section 3 of the DIP Order, the Debtor paid interest, fees, and expenses to or for the benefit of FSO totaling at least $3.0 million which payments are not authorized because the DIP Agreement is not enforceable. All of the payments made pursuant to the DIP Agreement should be returned to the estate. In addition, all of the protections afforded to FSO pursuant to the DIP Agreement, including any claims against the estate, should be avoided and declared of no force and effect.

COUNT 13

Alter Ego/Veil Piercing
(Defendant FSO)

207. Plaintiff restates and re-alleges paragraphs 1 through 128 of this Complaint as though fully set forth herein.

208. FSO treated the Debtor as a mere instrumentality or alter ego.

209. FSO used the Debtor to commit a fraud or wrong against the Debtor's creditors because it disregarded the Debtor's separate corporate existence when it altered the Debtor's books and records to eliminate its liability to the Debtor and misappropriated $7.7 million in the Debtor's ERTC assets. It furthered its misconduct and misuse of the corporate form by creating the pretense of a false loan to the Debtor, and forcing the Debtor to enter into a settlement agreement that for the sole benefit of FSO to the detriment of the Debtor and its estate.

210. FSO is now attempting to rely upon the Debtor's separate corporate existence to cause the Debtor's creditors to recover only a fraction of the amounts they are owed.

211. Absent piercing the corporate veil to enable the Debtor's creditors to recover their allowed claims against FSO, the Debtor's creditors will suffer an unjust loss.

COUNT 14

Breach of Fiduciary Duty
(Defendant Flynn)

212. Plaintiff restates and re-alleges paragraphs 1 through 128 of this Complaint as though fully set forth herein.

213. At all times relevant to this Complaint, Flynn was Chief Executive Officer of the Debtor.

214. As CEO, Flynn owed a duty of loyalty to the Debtor, and was obligated to act in good faith and in the best interest of the Debtor.

215. As CEO, Flynn owed an obligation to deal honestly and fairly with the Debtor.

216. Flynn breached his fiduciary duties to the Debtor by engaging in the conduct described with particularity in this Complaint, by directing Nyberg to eliminate FSO's $8.9 million obligation to the Debtor, by causing FSO to retain the Debtor's share of the ERTC Assets, and by taking actions or failing to stop actions that benefited FSO to the prejudice and detriment of the Debtor.

217. As a proximate result of Flynn's breaches of his fiduciary duties, FVS was damaged in an amount exceeding $16 million.

COUNT 15

Breach of Fiduciary Duty
(Defendant Nyberg)

218. Plaintiff restates and re-alleges paragraphs 1 through 128 of this Complaint as though fully set forth herein.

219. At all times relevant to this Complaint, Nyberg served as an officer or *de facto* officer of the Debtor.

220. Nyberg owed a duty of loyalty to the Debtor, and was obligated to act in good faith and in the best interest of the Debtor.

221. Nyberg owed an obligation to deal honestly and fairly with the Debtor.

222. Nyberg breached his fiduciary duties to the Debtor by engaging in the conduct described with particularity in this Complaint, by eliminating FSO's $8.5 million intercompany obligation to the Debtor, and by taking actions or failing to stop actions that benefited FSO to the prejudice and detriment of the Debtor.

223. As a proximate result of Flynn's breaches of his fiduciary duties, the Debtor was damaged in an amount exceeding $8 million.

COUNT 16

Aiding and Abetting Breach of Fiduciary Duty
(Defendant Nyberg)

224. Plaintiff restates and re-alleges paragraphs 1 through 128 of this Complaint as though fully set forth herein.

225. At all times relevant to this Complaint, Flynn was CEO of the Debtor and FSO.

226. As CEO, Flynn owed a duty of loyalty to the Debtor, and was obligated to act in good faith and in the best interest of the Debtor.

227. As CEO, Flynn owed an obligation to deal honestly and fairly with the Debtor.

228. Flynn breached his fiduciary duties to the Debtor by engaging in the conduct described with particularity in this Complaint; by directing Nyberg to eliminate FSO's $8.9 million intercompany obligation to FVS, by causing FSO to retain the Debtor's share of the ERTC assets, and by taking actions or failing to stop actions that benefited FSO to the prejudice and detriment of the Debtor.

229. Nyberg knew that Flynn was breaching his fiduciary duties and substantially assisted Flynn in breaching his duties because Nyberg was the primary individual responsible for reconciling the FSO intercompany liability.

230. The breaches of fiduciary duty by Flynn, aided and abetted by Nyberg, proximately caused the Debtor to suffer over $16 million in damages that was not in the best interests of the Debtor and its creditors.

COUNT 17

Breach of Fiduciary Duty
(Defendants Rivera, Schlinkmann, Sheahan)

231. Plaintiff restates and re-alleges paragraphs 1 through 128 of this Complaint as though fully set forth herein.

232. At all times relevant to this Complaint, Rivera was chair of the Debtor's board of directors, Schlinkmann was a member of the Debtor's board of directors, and Sheahan was a member of the Debtor's Board.

233. As members of the Debtor's Board, Rivera, Schlinkmann, and Sheahan owed a duty of loyalty to the Debtor, and was obligated to act in good faith and in the best interest of the Debtor.

234. As members of the Debtor's Board, Rivera, Schlinkmann, and Sheahan owed an obligation to deal honestly and fairly with the Debtor.

235. Rivera, Schlinkmann, and Sheahan breached their fiduciary duties to the Debtor by engaging in the conduct described with particularity in this Complaint and by taking actions or failing to stop actions that benefited FSO to the prejudice and detriment of the Debtor.

236. As a proximate result of Rivera's, Schlinkmann's, and Sheahan's breaches of their fiduciary duties, the Debtor was damaged in an amount exceeding $16 million.

COUNT 18

Aiding and Abetting Breach of Fiduciary Duty
(Defendant Rivera, Schlinkmann, Sheahan)

237. Plaintiff restates and re-alleges paragraphs 1 through 128 of this Complaint as though fully set forth herein.

238. At all times relevant to this Complaint, Rivera was chair of the Debtor's Board, Schlinkmann was a member of the Debtor's Board, and Sheahan was a member of the Debtor's Board.

239. As CEO, Flynn owed a duty of loyalty to the Debtor, and was obligated to act in good faith and in the best interest of the Debtor.

240. As CEO, Flynn owed an obligation to deal honestly and fairly with the Debtor.

241. Flynn breached his fiduciary duties to the Debtor by engaging in the conduct described with particularity in this Complaint; by directing Nyberg to eliminate FSO's $8.9 million obligation to the Debtor; by failing to remit to the Debtor its share of the ERTC Assets; and by taking actions or failing to stop actions that benefited FSO to the prejudice and detriment of the Debtor.

242. At all times relevant to this Complaint, Nyberg served as an officer or *de facto* officer of the Debtor.

243. Nyberg owed a duty of loyalty to the Debtor, and was obligated to act in good faith and in the best interest of the Debtor.

244. Nyberg owed an obligation to deal honestly and fairly with the Debtor.

245. Nyberg breached his fiduciary duties to the Debtor by engaging in the conduct described with particularity in this Complaint; by eliminating FSO's $8.5 million intercompany

obligation to the Debtor; and by taking actions or failing to stop actions that benefited FSO to the prejudice and detriment of the Debtor

246. Rivera, Schlinkmann, and Sheahan knew that Flynn and Nyberg were breaching their fiduciary duties because their activity was described at the January 9, 2024 Board meeting.

247. Rivera, Schlinkmann, and Sheahan substantially assisted Flynn's and Nyberg's breaches of fiduciary duties by ratifying their actions and failing to investigate causes of action for the benefit of the Debtor.

248. The breaches of fiduciary duty by Flynn and Nyberg, aided and abetted by Rivera, Schlinkmann, and Sheahan, proximately caused the Debtor to suffer over $16 million in damages.

COUNT 19

Breach of Fiduciary Duty
(Defendants Delanois, Trimble, Roehll)

249. Plaintiff restates and re-alleges paragraphs 1 through 128 of this Complaint as though fully set forth herein.

250. At all times relevant to this Complaint, Delanois was chair of the FSO Board, Trimble was a member of the FSO Board, and Roehll was a member of the FSO Board.

251. FSO was the Debtor's sole shareholder, and as members of the FSO Board, Delanois, Trimble, and Roehll owed a duty of loyalty to the Debtor, and was obligated to act in good faith and in the best interest of the Debtor.

252. FSO was the Debtor's sole shareholder, and as members of the FSO Board, Delanois, Trimble, and Roehll owed an obligation to deal honestly and fairly with the Debtor.

253. Delanois, Trimble, and Roehll breached their fiduciary duties to the Debtor by engaging in the conduct described with particularity in this Complaint and by taking actions or failing to stop actions that benefited FSO to the prejudice and detriment of the Debtor.

254. As a proximate result of Delanois's, Trimble's, and Roehll's breaches of their fiduciary duties, the Debtor was damaged in an amount exceeding $16 million.

COUNT 20

Aiding and Abetting Breach of Fiduciary Duty
(Defendant Delanois, Trimble, Roehll)

255. Plaintiff restates and re-alleges paragraphs 1 through 128 of this Complaint as though fully set forth herein.

256. At all times relevant to this Complaint, Delanois was chair of the FSO Board, Trimble was a member of the FSO Board, and Roehll was a member of the FSO Board.

257. As CEO, Flynn owed a duty of loyalty to the Debtor, and was obligated to act in good faith and in the best interest of the Debtor.

258. As CEO, Flynn owed an obligation to deal honestly and fairly with the Debtor.

259. Flynn breached his fiduciary duties to the Debtor by engaging in the conduct described with particularity in this Complaint; by directing Nyberg to eliminate FSO's $8.9 million obligation to the Debtor; by failing to remit to the Debtor its share of the ERTC Assets; and by taking actions or failing to stop actions that benefited FSO to the prejudice and detriment of the Debtor.

260. At all times relevant to this Complaint, Nyberg served as an officer or *de facto* officer of the Debtor.

261. Nyberg owed a duty of loyalty to the Debtor, and was obligated to act in good faith and in the best interest of the Debtor.

262. Nyberg owed an obligation to deal honestly and fairly with the Debtor.

263. Nyberg breached his fiduciary duties to the Debtor by engaging in the conduct described with particularity in this Complaint; by eliminating FSO's $8.5 million intercompany

obligation to the Debtor; and by taking actions or failing to stop actions that benefited FSO to the prejudice and detriment of the Debtor

264. Delanois, Trimble, and Roehll knew that Flynn and Nyberg were breaching their fiduciary duties because their activity was described at the January 9, 2024 board meeting.

265. Delanois, Trimble, and Roehll substantially assisted Flynn's and Nyberg's breaches of fiduciary duties by ratifying their actions and failing to investigate causes of action for the benefit of the Debtor.

266. The breaches of fiduciary duty by Flynn and Nyberg, aided and abetted by Delanois, Trimble, and Roehll, proximately caused the Debtor to suffer over $16 million in damages

COUNT 21

Accounting
(Defendant FSO)

267. Plaintiff restates and re-alleges paragraphs 1 through 128 of this Complaint as though fully set forth herein.

268. Without an accounting from FSO, the Trustee does not have an adequate remedy at law.

269. Defendants Flynn, Nyberg, Rivera, Schlinkmann, and Sheahan breached their fiduciary duties to the debtor as described with particularity in this Complaint, by causing FSO to retain the Debtor's share of the ERTC Assets, by causing FSO to eliminate its $8.9 million obligation to the Debtor, and by taking actions or failing to stop actions that benefited FSO to the prejudice and detriment of the Debtor.

270. The Trustee must determine where FSO transferred (a) the Debtor's ERTC assets, and (b) the funds FSO retained by eliminating its $8.9 million obligation to the Debtor.

271. The transfers between the Debtor and FSO involved mutual, complex accounts.

272. The Trustee requests that FSO account for all money received from the Debtor.

COUNT 22

Injunctive Relief
(Defendant FSO)

273. Plaintiff restates and re-alleges paragraphs 1 through 128 of this Complaint as though fully set forth herein.

274. FSO has and may in the future disburse the funds that belong to the Debtor that it is improperly holding to evade any judgment the Trustee might obtain.

275. The Trustee will suffer irreparable harm if FSO is allowed to transfer such funds.

276. The balance of harms favors the Trustee as FSO will suffer no harm if it is barred from disbursing funds that belong to the estate.

277. The public interest favors ensuring that FSO not be allowed to convert and misappropriate funds that are funds which belong to the Debtor and its estate.

278. The Trustee is entitled to a preliminary and permanent injunction freezing FSO's assets to prevent the further dissipation of the Debtor's funds.

PRAYER FOR RELIEF

WHEREFORE, the Trustee prays for relief and judgment, as follows:

A. Awarding compensatory damages in favor of the Trustee against all Defendants, jointly and severally, for all damages sustained because of Defendants' wrongdoing, in an amount to be proven at trial, including interest and costs;

B. Disallowing the claim of FSO;

C. Disallowing FSO's claims under the DIP Order and directing FSO to return all amounts paid to or on behalf of FSO under the DIP Order to be returned to the estate;

D. Ordering an accounting by FSO;

E. Permanently enjoining FSO from disbursing assets that belong to the Debtor's estate;

F. Awarding the Trustee her reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

G. Granting the Debtor such other and further relief as the Court may deem just and proper.

Respectfully submitted,

CATHERINE STEEGE, not individually but solely as Chapter 7 Trustee for the bankruptcy estate of Evangelical Retirement Homes of Greater Chicago, Incorporated,

By: */s/ Catherine Steege*
One of her Attorneys

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Counsel for the Chapter 7 Trustee

Dated: April 11, 2024

EXHIBIT 1

EXCLUSIVE ADMINISTRATIVE SERVICES AND PERSONNEL LEASE AGREEMENT

THIS EXCLUSIVE ADMINISTRATIVE SERVICES AND PERSONNEL LEASE AGREEMENT (this "Agreement") is made as of November 13, 2017 (the "Effective Date") by and between **Friendship Senior Options, NFP**, an Illinois not-for-profit corporation ("Parent") and **Evangelical Retirement Homes of Greater Chicago, Inc. d/b/a Friendship Village of Schaumburg**, an Illinois not-for-profit corporation ("FVS" or "Organization").

FVS and Parent enter this Agreement on the basis of the following facts, understandings and intentions:

A. FVS and Parent are nonstock corporations organized and operated for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

B. FVS and Parent are part of a system of affiliated entities providing for the delivery of healthcare services to individuals in Illinois and such entities are operated under the common direction and control of Parent, which is the sole corporate member of FVS.

C. FVS provides skilled nursing and residential and care services (collectively, the "Services") for individual residents (collectively, the "Residents").

D. FVS and Parent entered into that certain Administrative Services Agreement dated May 19, 2010 (the "2010 Agreement") under which Parent provided to FVS certain management and administrative services.

E. FVS desires to continue to obtain certain management and administrative services and lease all clinical and non-clinical personnel needed by FVS in connection with the operations of FVS' business from Parent and Parent desires to continue to provide such services and lease such personnel to FVS in accordance with the terms and subject to the conditions set forth in this Agreement.

F. FVS and Parent desire to replace, in its entirety, the 2010 Agreement with this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises herein made, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties, the parties hereto agree as follows:

1. Management and Administrative Services. Subject to the terms and conditions contained in this Agreement, Parent shall, on an exclusive basis, provide FVS with certain management and administrative services and lease clinical and non-clinical personnel employed or independently contracted by Parent needed by FVS in connection with the operations of FVS' business (collectively, the "Personnel") to FVS as more fully described below (collectively, the "Administrative Services"), which may be amended by the parties in writing from time to time. The Personnel shall exclude any corporate management personnel, including, but not limited to,

Parent's Chief Financial Officer and Vice President of Marketing, and other management personnel as designated by Parent in its sole discretion (collectively, "Management Personnel").

1.1 Corporate Management. Parent shall provide Management Personnel, expertise, and direction as may be necessary to achieve Organization's business objectives.

1.2 Personnel Lease. Parent shall lease the Personnel to FVS on a full-time basis subject to the following:

1.2.1 Direction and Control. The Personnel shall be and remain throughout the Term, leased personnel of Parent and the Personnel may be disciplined, transferred, or discharged in Parent's sole discretion; provided, however, while the Personnel are providing the Services to FVS pursuant to the terms of this Agreement, the Personnel shall be subject to direction and instruction from FVS as if the Personnel were employed by FVS.

1.2.2 Termination and Replacement of Personnel. FVS shall report to Parent any professional, technical, or other deficiencies in the Personnel. FVS shall have the right to request the replacement of any Personnel whom FVS reasonably believes does not have the requisite skills and qualifications for the Services required to be rendered by such Personnel, or for whom good cause exists for the replacement of such Personnel. Any such Personnel shall be replaced in Parent's sole discretion.

1.2.3 Workers Compensation. To the extent required by Applicable Law, FVS and Parent shall each maintain workers compensation insurance coverage on the Personnel for the Services rendered by such Personnel to either party.

1.2.4 Wages, Payroll Taxes. All salary, wages, benefits, payroll taxes, and unemployment compensation taxes payable with respect to the Personnel and attributable to the Services provided by such Personnel on behalf of FVS shall be allocated as an Operating Expense (as defined herein) of FVS. The compensation to be paid to the Personnel for the performance of such Services shall be determined by Parent in the exercise of its sole and absolute discretion. Notwithstanding the foregoing, to the extent required by Applicable Law, FVS represents and warrants that it will maintain and provide to Parent accurate and complete time records reflecting the time spent by Personnel performing the Services on behalf of FVS in compliance with all Applicable Law.

1.3 Financials. The Parent shall also provide financial reporting, cash management, investment oversight, and oversight and guidance in treasury related functions of the Organization and assist Organization in the performance of Organization's annual audit of financials.

1.4 Human Resources. Parent shall provide all necessary human resources support for Organization, including the processing of payroll for all Personnel and administration of fringe and other benefits to such Personnel.

1.5 Information Technology. Parent will provide the management and operational oversight of all of the information technology needs of Organization.

1.6 Marketing. Parent shall manage the marketing and public relations services to help the Organization promote its programs and services. The Parent assumes no responsibility for the outcomes of the marketing programs developed through the marketing services provided by Parent to FVS under this Agreement.

1.7 Risk Management. Parent will determine appropriate insurance policies and coverage for Organization to obtain and maintain in connection with the operation of its business and provide risk management and corporate compliance services for the Organization.

1.8 Equipment and Supplies. Parent shall assist FVS in the purchase of, or purchase on FVS' behalf, the equipment or supplies used by FVS in connection with the operation of its business.

1.9 Third Party and Resident Billing and Collection Services.

1.9.1 Appointment. FVS hereby appoints Parent as its agent to bill and collect all sums due and payable to FVS for the Services provided by FVS from third party payors and Residents, as applicable.

1.9.2 Compliance. Parent will use commercially reasonable efforts to collect monies owed on the bills for the Services provided to FVS' Residents ("Accounts") from third party payors including, but not limited to, commercial insurers and federal health care programs, and Residents, as applicable, in accordance with FVS' fee schedules, written policies and procedures, and all applicable federal, state and local laws, regulations and ordinances; applicable federal, state, and local wage and hour laws; professional and ethical standards of the clinical Personnels' professions; third party payor requirements, policies, and guidance; accreditation and credentialing standards; federal and state fraud and abuse laws; state fee-splitting prohibitions and requirements; state and federal privacy and security requirements, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act, and their implementing regulations (collectively, "HIPAA"); and the rules, regulations, policies, and bylaws of FVS, in each as adopted and amended, from time to time (collectively, "Applicable Law"). FVS shall provide copies to Parent of FVS' fee schedules and written policies and procedures that Parent must comply with under this Agreement.

1.9.3 Documentation. To the extent required, for all Accounts, FVS will provide the procedure, diagnosis, and other codes for each applicable professional Service and Parent will complete billing based upon the information submitted by FVS. FVS will be solely responsible for obtaining all clinical and other data required to support the codes, and any required authorizations, certifications, or

any other documentation required by third party payors or Residents, as applicable, in connection with furnishing of the professional Services to FVS' Residents.

1.9.4 Billing. Parent will, on behalf of FVS and in FVS' name, bill and collect from third party payors and Residents, as applicable, for the Services provided to FVS' Residents. All claims submitted to third party payors by Parent on behalf of FVS will use FVS' applicable payor billing number(s). Parent does not guarantee that FVS may bill for or collect payment for the Services. FVS acknowledges and agrees that it shall not hold Parent liable for any failure of any third party payors, Residents, or other responsible party to make any payment or reimbursement to FVS for the Services.

1.9.5 Collection. Parent will collect, receive and endorse, in the name of FVS, and on behalf of FVS, all cash, notes, checks, money orders, insurance payments, and any other payments received as payment on the Accounts. Parent will deposit all amounts collected on behalf of FVS for the Accounts into a separate bank account designated by FVS ("Bank Account"), which Bank Account will be under FVS' sole control. Further, FVS may at any time modify or revoke these disposition instructions for the funds to be deposited to the Bank Account. Parent and FVS will not commingle the funds to be deposited in the Bank Account with Parent's funds or with any other FVS' funds.

1.9.6 Resident and Billing Records. Parent will supervise and maintain custody of copies of FVS' Residents' medical records and billing and collection records required for performance of the Administrative Services in accordance with Applicable Law and the terms and conditions of the business associate agreement substantially in the form attached hereto as **Exhibit A** and incorporated by this reference.

1.10 Contract Negotiations. Parent will advise FVS with respect to, and negotiate and manage, on FVS' behalf, all contractual arrangements with third parties as are reasonably necessary and appropriate for the operation of FVS.

1.11 Licenses, Permits, Certifications, Accreditations. FVS shall be solely responsible for obtaining and maintaining all federal, state, and local licenses, permits, certifications, and accreditations required for or in connection with its operations (collectively, "Licenses"). However, upon FVS' request, Parent will provide advice and assistance to FVS with respect to obtaining and maintaining any the Licenses.

2. Independent Contractor Relationship; Independent Professional Judgment.

2.1 Independent Contractor Relationship. In carrying out its duties hereunder, Parent shall be an independent contractor of FVS and, except as stated herein, shall not be subject to any right of control, or any control in fact, by FVS with respect to the methods by which Parent carries out its duties hereunder. Further, with respect to any discretion permitted or contemplated as being exercised herein by Parent, Parent shall

exercise such discretion based on what it deems to be reasonably necessary or appropriate from time to time for the effective operation of FVS.

2.2 Independent Professional Judgment. FVS and the clinical Personnel shall, at all times, retain ultimate control and authority for the professional Services provided to and for FVS' Residents. Nothing contained herein shall be construed as allowing Parent to exercise control or authority over the independent professional judgment of such clinical Personnel. To the extent that any act or service herein required of Parent should be construed by a court or regulatory body to constitute the practice of medicine or other healthcare profession, the requirement to perform that act or service by Parent shall be deemed waived and unenforceable.

3. Compensation for the Administrative Services.

3.1 Management Fee. In consideration for the Administrative Services, the Organization shall pay the Parent an amount equal to 15.63 percent of FVS' annual Operating Expenses (as defined herein) excluding depreciation, amortization and interest expense (the "Management Fee") within thirty (30) days from the end of FVS' applicable fiscal year during which the Administrative Services were provided.

3.2 Expenses.

3.2.1 FVS' Expenses. Parent shall use FVS funds to pay for all third party payments or expenses incurred by FVS including, but not limited to, expenses related to: Personnel payroll, benefits, and other expenses; insurance; license fees; equipment; supplies; maintenance fees; vendor fees; services fees; and any other costs or expenses incurred to operate FVS' day-to-day operations (collectively, "Operating Expenses"). Parent may, but shall not be obligated to, advance its own funds to pay such Operating Expenses or to perform those obligations hereunder requiring such funds to the extent such funds are not available in FVS' Bank Account. The parties acknowledge and agree that: (a) the Operating Expenses shall not include payroll, benefits, or other expenses incurred by Parent related to Management Personnel; and (b) the payment of FVS' Operating Expenses are not part of its Management Fee.

3.2.2 Parent's Expenses Related to Administrative Services. All expenses incurred by Parent in connection with the provision of the Administrative Services (collectively, "Administrative Expenses" and together with Operating Expenses, the "Expenses") shall be paid by FVS within ten (10) business days from receipt of an invoice from Parent. The parties acknowledge and agree that the payment of Parent's Administrative Expenses incurred in connection with the provision of the Administrative Services are not part of its Management Fee.

3.3 Acknowledgment. The parties acknowledge and agree that the Management Fee and payment of the Expenses set forth in this Section 3 are representative of the fair market value for the Administrative Services rendered by Parent

and are not determined in a manner that takes into account the volume or value of any referrals or business otherwise generated between the parties for which payment is made in whole or part under Medicare, Medicaid, or any other federal or state governmental healthcare program.

4. Accounting, Records, Reports.

4.1 Financial Records. Parent shall provide oversight of recordkeeping and assist Organization in establishing policies and procedures related to record retention. Organization shall provide Parent, upon prior written notice and during regular business hours, reasonable access to such records, accounts and books and to all vouchers, files and all other material pertaining to FVS' business necessary for Parent to provide the Administrative Services. The Organization shall be solely responsible for ensuring compliance with IRS and other Applicable Law regarding record retention and being able to provide documentation to ensure compliance with auditing requirements.

4.2 Financial Reports. Parent shall furnish to FVS, as requested by FVS, unaudited financial statements including the following: a Balance Sheet, a Profit and Loss statement showing the results of the operations of the business for the preceding month. The Parent will also ensure that income detail and expense detail, aged receivables, bank reconciliations, check register, and any other statements for the business are issued monthly or as reasonably requested by the Organization. All reports shall be consistently prepared in accordance with sound accounting principles.

5. Indemnification. Each party shall protect, defend without cost, indemnify and hold harmless the other party from and against any and all loss, cost, damage, liability and expense (including court costs and reasonable attorneys' fees) arising out of gross negligence or willful act or omission of the other party; provided, however, neither party shall be obligated to, indemnify the other party for any such loss, cost damage, liability or expense arising out of gross negligence or willful act or omission of the other party. Each party shall protect, defend, indemnify and hold harmless the other party, its officers, employees and agents from and against any and all loss, cost, damage, liability and expense (including court costs and reasonable attorneys' fees) arising out of any act or omission of the other party including, without limitation, a material breach or default by the other party hereunder that is not cured within thirty (30) days of days of receipt of notice of such material breach by the non-breaching party. Notwithstanding any other provision in this Agreement, Parent shall not have liability under this Section 5 in excess of the aggregate Management Fee paid to Parent under this Agreement. The provisions of this Section 5 shall survive the termination of this Agreement for any reason.

6. Term and Termination.

6.1 Term. The initial term of this Agreement shall commence on the Effective Date and continue for a twelve (12) month period (the "Initial Term"). After the Initial Term, this Agreement shall automatically renew and continue in full force and effect for successive periods of twenty-four (24) months (each a "Renewal Term" and collectively with the Initial Term, the "Term"), unless terminated by either party in accordance with Section 6.2, Section 6.3, Section 6.4, or Section 6.5.

6.2 Termination Without Cause by Parent. Parent may, at any time during the Term of this Agreement and any extension thereof, terminate this Agreement without cause with ninety (90) days written notice to FVS. Such termination shall be effective with or upon receipt of written notice of such termination given or thereafter upon such other date as specified in such written notice.

6.3 Termination For Cause. Either party may terminate this Agreement for cause in the event that the other party materially breaches a term of this Agreement and such breach is not cured within thirty (30) days of receipt of notice of such material breach by the non-breaching party.

6.4 Mutual Termination. This Agreement may be terminated at any time by mutual, written agreement of the parties effective as of the date mutually agreed to by the parties.

7. Obligations after Termination. Upon the termination of this Agreement:

7.1 Management Fee and Expenses. All Management Fees and Expenses accrued through, but unpaid, as of the effective date of this Agreement shall be immediately paid by Organization to Parent. Except as otherwise set forth in this Agreement, neither party shall have any further obligations to the other party under this Agreement after the effective date of termination.

7.2 Books and Records. Parent shall immediately deliver to the Organization all books and records of the Organization not previously transmitted.

7.3 Cooperation. Parent shall cooperate with the Organization in the orderly transfer and assumption of the management responsibilities of the business during the next ninety (90) day period.

8. Confidentiality and Nondisclosure. Each party shall hold in strictest confidence all "Confidential Information" of the disclosing party and shall only use and disclose such Confidential Information to the extent necessary to perform the Services and obligations under this Agreement. For purposes of this Agreement, "Confidential Information" shall include, without limitation: Resident accounts, Resident lists, Resident files, copyrighted items, trade secrets, business assets, medical records, patents, processes, machines, technical documentation, computer programs, business plans, marketing plans, programs and techniques, pricing data, accounting data, financial data, financial institution files, technical expertise and know how, tangible or intangible items which either party works on or develops during the Term, this Agreement (including, without limitation, any and all terms contained herein and any and all attachments and exhibits incorporated by reference hereby).

9. Miscellaneous.

9.1 Captions. The captions of this Agreement are inserted only for the purpose of convenient reference and do not define, limit or prescribe the scope or intent of this Agreement or any part hereof.

9.2 Applicable Law. The Agreement shall be construed in accordance with the laws of the State of Illinois without regard to its conflict of law provisions.

9.3 Entire Agreement. This Agreement embodies the entire understanding of the parties and there are no further agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof.

9.4 Amendments. No provision of this Agreement may be altered, waived, modified or changed unless in writing, signed by the parties hereto, and no alleged verbal agreements, modifications or understandings shall be enforceable.

9.5 Assignment. Neither party may assign its rights and obligations under this Agreement to any third party without the prior written consent of the other party.

9.6 Notices. All notices and other communications required or permitted to be given hereunder shall be in writing and may be delivered by hand, by facsimile, by email, by email in .pdf format or similar format, by nationally recognized private courier, or by United States mail. Notices delivered by mail shall be deemed given three (3) business days after being deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested. Notices delivered by hand shall be deemed delivered when actually delivered. Notices given by nationally recognized private courier shall be deemed delivered on the date delivery is promised by the courier. Notices given by facsimile or by email with a confirmation or acknowledgment of transmission (including any response to such transmission) shall be deemed given when transmitted. All notices shall be addressed as follows:

If to FVS:

Evangelical Retirement Homes of Greater Chicago, Inc. d/b/a Friendship Village of Schaumburg
350 Schaumburg, Illinois 60194
Attn: Vice President and Chief Financial Officer
Telephone: (847) 884-5371
Email: mike.flynn@myfso.org

If to Parent:

Friendship Senior Options, NFP
350 Schaumburg Road
Schaumburg, Illinois 60194
Attn: Vice President and Chief Financial Officer
Telephone: (847) 884-5371
Email: mike.flynn@myfso.org

Any party thereto may change its address for the service of notice hereunder by delivering written notice of said change to the other party hereunder, in the manner provided above, at least ten (10) days prior to the effective date of such change.

9.7 Survival. Notwithstanding the termination of this Agreement, the parties acknowledge the provisions of Section 3 (Compensation for the Administrative Services), Section 4 (Accounting, Records, Reports), Section 5 (Indemnification), Section 8 (Confidentiality and Nondisclosure), and Section 9 (Miscellaneous) shall survive such termination.

9.8 Compliance with Applicable Law. The parties expressly acknowledge that it is, and shall continue to be, their intent to fully comply with Applicable Law. Parent and FVS each represents and warrants that that neither it nor any of their employees, directors, officers, managers, independent contractors, or agents are: (i) excluded, debarred, or otherwise ineligible to participate in Federal health care programs, as defined in 42 U.S.C. §1320a-7b(f); and (ii) under investigation or otherwise aware of any circumstances that may result in it being excluded from participation in federal health care programs. Each party shall immediately notify the other party of any change in the status of this representation and warranty. Any breach of this Section 9.8 shall give either party the right to terminate this Agreement immediately for cause.

9.9 Change in Law. The parties further acknowledge and agree that at any time during the Term of this Agreement if, in the reasonable judgment of either party, state or federal statutes, case law, or regulations, the interpretation of any of the foregoing, the adoption of new federal or state legislation, is likely to materially and adversely affect the manner in which either party may perform its obligations under this Agreement, the parties shall immediately enter into good faith negotiations regarding a new service arrangement that complies with the law, regulation or policy at issue and that approximates as closely as possible the position of the parties prior to the change. In the event that such negotiations are unsuccessful, either party may terminate this Agreement upon thirty (30) days' prior written notice.

9.10 Access to Records. To the extent required by law, upon the written request of the Secretary of the U.S. Department of Health and Human Services, the U.S. Comptroller General or any of their duly authorized representatives to one party ("Requested/Disclosing Party"), that Requested/Disclosing Party shall make available those contracts, books, documents and records necessary to verify the nature and extent of the costs of providing the Administrative Services under this Agreement. Such inspection shall be available for up to four (4) years after the rendering of such Administrative Services. If Requested/Disclosing Party is requested to disclose books, documents or records pursuant to this Section 9.10 for any purpose, Requested/Disclosing Party shall notify the other Party to this Agreement ("Receiving Party") of the nature and scope of such request, and Requested/Disclosing Party shall make available, upon written request of Receiving Party, all such books, documents or records. Requested/Disclosing Party shall indemnify and hold harmless Receiving Party if any amount of reimbursement is denied or disallowed because of Requested/Disclosing Party's failure to comply with the obligations set forth in this Section 9.10. Such indemnity shall include, but not be limited to, the amount of reimbursement denied, plus any interest, penalties and legal costs. If Requested/Disclosing Party carries out any of the duties of this Agreement thorough a subcontract with a value of $10,000 or more over a twelve (12) month period with a related individual or organization, Requested/Disclosing Party agrees to include this requirement in any such subcontract. This Section 9.10 is included pursuant to and is governed by the requirements of 42 U.S.C. § 1395x(v)(1) and the regulations thereto. No attorney-client, accountant-client, or other legal privilege will be deemed to have been waived by Requesting/Disclosing Party or Receiving Party by virtue of this Agreement.

9.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

9.12 Recital; Attachments; Exhibits. All recitals, attachments, and exhibits to this Agreement are incorporated herein by reference.

9.13 Authority of Signatory. Each signatory represents that such signatory is fully authorized to enter into the terms and conditions of this Agreement and to legally bind the Party on whose behalf the signature is proffered.

9.14 Waiver of Breach. The failure or delay of either Party to insist upon compliance of any provision hereof will not operate as, and shall not be construed as, a waiver of any subsequent breach, irrespective of whether such breach occurs under similar or dissimilar circumstances.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

FRIENDSHIP SENIOR OPTIONS, NFP

By: _____

Name: Stephen Yenchek
Title: President and Chief Executive Officer

EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC. D/B/A FRIENDSHIP VILLAGE OF SCHAUMBURG

By: _____

Name: Stephen Yenchek
Title: President and Chief Executive Officer, Friendship Senior Options, NFP

EXHIBIT A

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("Agreement") is entered into between by and between **Evangelical Retirement Homes of Greater Chicago, Inc. d/b/a Friendship Village of Schaumburg**, an Illinois not-for-profit corporation (the "**Covered Entity**") and **Friendship Senior Options, NFP**, an Illinois not-for-profit corporation ("**Business Associate**"), with an effective date of _____, 20___ ("**Effective Date**"). This Agreement sets out the responsibilities and obligations of Business Associate as a business associate of Covered Entity under the Health Insurance Portability and Accountability Act ("**HIPAA**") and the Health Information Technology for Economic and Clinical Health Act ("**HITECH Act**").

RECITALS:

A. Covered Entity and Business Associate are parties to an agreement pursuant to which Business Associate provides certain management and administrative support services to Covered Entity ("**Administrative Services**") pursuant to that certain Management and Administrative Services Agreement of even date herewith.

B. In conjunction with Administrative Services, Covered Entity may make available to Business Associate Protected Health Information of Individuals, which Business Associate may only Use or Disclose in accordance with this Agreement.

AGREEMENT:

Business Associate and Covered Entity agree to the terms and conditions of this Agreement in order to comply with the rules on handling of Protected Health Information under the HIPAA Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Part 164, Subpart E ("**Privacy Rule**"), the HIPAA Security Standards, 45 C.F.R. Part 160 and Part 164, Subpart C ("**Security Rule**"), and the HIPAA Breach Notification Regulations, 45 C.F.R. Part 164, Subpart D ("**Breach Notification Rule**"), all as amended from time to time.

1. DEFINITIONS

a. **Terms Defined in Regulation:** Unless otherwise provided in this Agreement, all capitalized terms in this Agreement will have the same meaning as provided under the Privacy Rule, the Security Rule and the Breach Notification Rule.

b. **Protected Health Information or PHI:** Protected Health Information ("**PHI**") means PHI that is received from Covered Entity, or created, maintained or transmitted on behalf of Covered Entity, by Business Associate.

2. USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION

a. **Performance of Administrative Services:** Business Associate will Use or Disclose PHI only for those purposes necessary to perform the Administrative Services, or as otherwise expressly permitted in this Agreement or Required by Law, and will not further Use or Disclose such PHI.

b. **Subcontractors:** Business Associate agrees that, in accordance with 45 C.F.R. § 164.502(e)(1), if Business Associate's Subcontractor creates, receives, maintains or transmits PHI on behalf of Business Associate, Business Associate will enter into an agreement with such Subcontractor that contains substantially the same restrictions and conditions on the Use and Disclosure of PHI as contained in this Agreement.

c. **Business Associate Management, Administration and Legal Responsibilities:** Business Associate may Use PHI for Business Associate's management and administration, or to carry out Business Associate's legal responsibilities. Business Associate may Disclose PHI to a third party for such purposes only if: (1) the Disclosure is Required by Law; or (2) Business Associate secures written assurance from the receiving party that the receiving party will: (i) hold the PHI confidentially; (ii) Use or Disclose the PHI only as Required by Law or for the purposes for which it was Disclosed to the recipient; and (iii) notify the Business Associate of any other Use or Disclosure of PHI.

d. **Data Aggregation and De-Identification:** Business Associate may Use PHI to perform data aggregation services as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B). Business Associate may also de-identify PHI in accordance with 45 C.F.R. § 164.514.

e. **Covered Entity Responsibilities:** To the extent Business Associate is to carry out Covered Entity's obligations under the Privacy Rule, Business Associate will comply with the requirements of the Privacy Rule that apply to Covered Entity's compliance with such obligations.

3. SAFEGUARDS FOR PROTECTED HEALTH INFORMATION

a. **Adequate Safeguards:** Business Associate will implement and maintain appropriate safeguards to prevent any Use or Disclosure of PHI for purposes other than those permitted by this Agreement, including administrative, physical and technical safeguards to protect the confidentiality, integrity, and availability of any electronic protected health information ("ePHI"), if any, that Business Associate creates, receives, maintains, and transmits on behalf of Covered Entity.

b. **Compliance with HIPAA Security Rule:** Business Associate will comply with the applicable requirements of the HIPAA Security Rule.

4. REPORTS OF IMPROPER USE OR DISCLOSURE OF PROTECTED HEALTH INFORMATION, SECURITY INCIDENTS AND BREACHES

a. **Use or Disclosure Not Permitted by This Agreement:** Business Associate will report in writing to Covered Entity any Use or Disclosure of PHI for purposes other than those permitted by this Agreement within ten (10) business days of Business Associate's learning of such Use or Disclosure.

b. **Security Incidents:** Business Associate will report in writing to Covered Entity any Security Incident of which Business Associate becomes aware. Specifically, Business Associate will report to Covered Entity any successful unauthorized access, Use, Disclosure, modification, or destruction of ePHI or interference with system operations in an information system containing ePHI of which Business Associate becomes aware within ten (10) business days of Business Associate learning of such Security Incident. Business Associate also will report the aggregate number of unsuccessful, unauthorized attempts to access, Use, Disclose, modify, or destroy ePHI or interfere with system operations in an information system containing ePHI, of which Business Associate becomes aware, provided that: (i) such reports will be provided only as frequently as the parties mutually agree, but no more than once per month; and (ii) if the definition of "Security Incident" under the Security Standards is amended to remove the requirement for reporting "unsuccessful" attempts to Use, Disclose, modify or destroy ePHI, the portion of this Section 4 addressing the reporting of unsuccessful, unauthorized attempts will no longer apply as of the effective date of such amendment.

c. **Breaches of Unsecured PHI:** Business Associate will report in writing to Covered Entity any Breach of Unsecured Protected Health Information, as defined in the Breach Notification Rule, within ten (10) business days of the date Business Associate learns of the incident giving rise to the Breach. Business Associate will provide such information to Covered Entity as required in the Breach Notification Rule.

5. ACCESS TO PROTECTED HEALTH INFORMATION

a. **Covered Entity Access:** To the extent Business Associate maintains PHI in a Designated Record Set that is not duplicative of a Designated Record Set maintained by Covered Entity, Business Associate will make such PHI available to Covered Entity within ten (10) business days of a request by Covered Entity for access to such PHI.

b. **Individual Access:** If an Individual makes a request for access directly to Business Associate, Business Associate will within ten (10) business days forward such request in writing to Covered Entity. Covered Entity will be responsible for making all determinations regarding the grant or denial of an Individual's request for PHI and Business Associate will make no such determinations. Only Covered Entity will release PHI to an Individual pursuant to such a request, unless Covered Entity directs Business Associate to do so.

6. AMENDMENT OF PROTECTED HEALTH INFORMATION

a. **Covered Entity Request:** To the extent Business Associate maintains PHI in a Designated Record Set that is not duplicative of a Designated Record Set maintained by Covered Entity, Business Associate will provide such PHI to Covered Entity for amendment within ten (10) business days of receiving a request from Covered Entity to amend an Individual's PHI. Alternatively, if Covered Entity's request includes specific instructions on how to amend the PHI, Business Associate will incorporate such amendment into the PHI it holds in a Designated Record Set within ten (10) business days of receipt of the Covered Entity's request.

b. **Individual Request:** If an Individual makes a request for amendment directly to Business Associate, Business Associate will within ten (10) business days forward such request in writing to Covered Entity. Covered Entity will be responsible for making all determinations regarding amendments to PHI and Business Associate will make no such determinations unless Covered Entity directs Business Associate to do so.

7. ACCOUNTING OF DISCLOSURES OF PROTECTED HEALTH INFORMATION

a. **Disclosure Records:** Business Associate will keep a record of any Disclosure of PHI that Business Associate makes, if Covered Entity would be required to provide an accounting to Individuals of such Disclosures under 45 C.F.R. § 164.528. Business Associate will maintain its record of such Disclosures for six (6) years from the date of the Disclosure.

b. **Data Regarding Disclosures:** For each Disclosure for which it is required to keep a record under paragraph 7(a), Business Associate will record and maintain the following information: (1) the date of Disclosure; (2) the name of the entity or person who received the PHI and the address of such entity or person, if known; (3) a description of the PHI Disclosed; and (4) a brief statement of the purpose of the Disclosure.

c. **Provision to Covered Entity:** Within ten (10) business days of receiving a notice from Covered Entity, Business Associate will provide to Covered Entity its records of Disclosures.

d. **Request by Individual:** If an Individual requests an accounting of Disclosures directly from Business Associate, Business Associate will forward the request and its record of Disclosures to Covered Entity within ten (10) business days of Business Associate's receipt of the Individual's request. Covered Entity will be responsible for preparing and delivering the accounting to the Individual. Business Associate will not provide an accounting of its Disclosures directly to any Individual, unless directed by Covered Entity to do so.

8. ACCESS TO BOOKS AND RECORDS

Business Associate will make its internal practices, books and records on the Use and Disclosure of PHI available to the Secretary to the extent required for determining compliance with the Privacy Rule, the Security Rule, or the Breach Notification Rule.

9. TERMINATION

Covered Entity may terminate this Agreement upon material breach of this Agreement. Covered Entity will provide Business Associate with written notice of the breach of this Agreement and afford Business Associate the opportunity to cure the breach to the satisfaction of Covered Entity within thirty (30) days of the date of such notice. If Business Associate fails to timely cure the breach, as determined by Covered Entity in its sole discretion, Covered Entity may terminate this Agreement.

10. RETURN OR DESTRUCTION OF PROTECTED HEALTH INFORMATION

a. **Return or Destruction of PHI:** Within thirty (30) days of termination of this Agreement, Business Associate will return to Covered Entity all PHI that Business Associate or its Subcontractors maintain in any form or format. Alternatively, Business Associate may, upon Covered Entity's consent, destroy all such PHI and provide Covered Entity with written documentation of such destruction.

b. **Retention of PHI if Return or Destruction is Infeasible:** If Business Associate believes that returning or destroying PHI at the termination of this Agreement is infeasible, it will provide written notice to Covered Entity within thirty (30) days of the effective date of termination of this Agreement. Such notice will set forth the circumstances that Business Associate believes makes the return or destruction of PHI infeasible and the measures that Business Associate will take for assuring the continued confidentiality and security of the PHI. Business Associate will extend all protections, limitations and restrictions of this Agreement to Business Associate's Use or Disclosure of the PHI retained after termination of this Agreement and will limit further Uses or Disclosures of such PHI to those purposes that make the return or destruction of the PHI infeasible.

11. MISCELLANEOUS

a. **Compliance with Laws:** The parties are required to comply with federal and state laws. If this Agreement must be amended to secure such compliance, the parties will meet in good faith to agree upon such amendments. If the parties cannot agree upon such amendments, then either party may terminate this Agreement upon thirty (30) days' written notice to the other party.

b. **Construction of Terms:** The terms of this Agreement will be construed in light of any applicable interpretation or guidance on the Privacy Rule, the Security Rule or the Breach Notification Rule issued by HHS.

c. **No Third Party Beneficiaries:** Nothing in this Agreement will confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

d. **Notices:** All notices required under the Agreement will be given in writing and will be delivered by (1) personal service, (2) first class mail, or (3) messenger or courier. All notices shall be addressed and delivered to the contact designated in the signature block, or other address provided by the party from time to time in writing to the other party. Notices given by mail will be deemed for all purposes to have been given forty-eight hours after deposit with the United States Postal Service. Notices delivered by any other authorized means will be deemed to have been given upon actual delivery.

e. **Entire Agreement:** This Agreement constitutes the entire agreement between the parties with regard to the Privacy Rule, the Security Rule and the Breach Notification Rule, there are no understandings or agreements relating to this Agreement that are not fully expressed in this Agreement and no change, waiver or discharge of obligations arising under this Agreement will be valid unless in writing and executed by the party against whom such change, waiver or discharge is sought to be enforced.

f. **Written Agreement:** This Agreement will be considered an attachment to the underlying agreement or arrangement and is incorporated as though fully set forth within the underlying agreement or arrangement. This Agreement will govern in the event of conflict or inconsistency with any provision of the underlying agreement or arrangement.

g. **Counterparts and Signature:** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and when taken together shall constitute one agreement. Facsimile and electronic signatures shall be deemed to be original signatures for all purposes of this Agreement.

h. **Choice of Law:** The validity, construction and effect of this Agreement will be governed by the laws of the State of Illinois without giving effect to that state's conflict of laws rules. Any Dispute will be resolved in a forum located in the State of Illinois.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

COVERED ENTITY	**BUSINESS ASSOCIATE**
By:_____	By:_____
Print Name:_____	Print Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

Contacts for Notices under this Agreement:

Print Name:_____	Print Name:_____
Title:_____	Title:_____
Address:_____	Address:_____
_____	_____
_____	_____
Phone:_____	Phone:_____

EXHIBIT 2

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

In re:	)	Chapter 11
	)	
EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INCORPORATED d/b/a FRIENDSHIP VILLAGE OF SCHAUMBURG,	)	Case No. 23-07541
	)	
Debtor.	)	

Remotely held deposition of MICHAEL FLYNN taken before CAROL CONNOLLY, CSR, CRR, and Notary Public, pursuant to the Federal Rules of Civil Procedure for the United States District Courts pertaining to the taking of depositions, commencing at 10:15 a.m. on the 22nd day of December, A.D., 2023.

A All the funds really -- FSO is the common pay master, so all of the funds actually came in under FSO as a common pay master to the parent organization, the entire amount came to FSO.

Q The 11 million you're referring to?

A The 11 million, exactly.

Q But of that some portion of that related to expenses for employees who worked at Friendship of Schaumburg, FVS, right, and some portion relate to employees who work at other sites at -- that FSO was involved with, is that correct?

A That is correct.

Q Can you tell me what portion of the 11 million related to employee expenses at the debtor FVS?

A At FVS, it was roughly about 7.5 million.

Q What does the remainder of the 11 relate to?

A The remainder relates to, you know, other entities which would have been GreenFields Senior Options, and we have a small foundation as well.

Q Do you know how much of the 11 million related to GreenFields?

A I'm going to go from memory. Probably roughly about 3 million, if I remember correctly.

Q Okay. And then -- so that's -- then it's about

the facility, correct?

A Correct.

Q But those employees get their paycheck from -- they get the paycheck from FSO or from FVS?

A From FSO.

Q But the employees who work on site at FVS, the cost of their salary is funded directly by the debtor, correct, by FVS?

A Yes, that is correct.

Q So when you say FSO is a pass through, that means that even though FSO is the one paying the employees, 100 percent of that cost of their salary is funded directly by the entity where they work on site, in this case FVS, correct?

A Correct.

Q And which of the entities reports the expenses for those employees on their tax returns to your knowledge?

A The payroll tax returns are all completed at the FSO level since they're the ones that are paying it, but the 990 tax returns, the expenses are reported on the 990 tax returns by the entity that they work at.

Q So, in other words, if you have someone who is working on site at FVS, even though they are paid by FSO,

A Yes.
Q What is the current amount of that liability?
A There is no current liability because we reconciled at the end of the year.
Q Well, where does it say in here it was reconciled at the end of the year? Why would this be recorded as a liability if you're saying there was an offsetting amount owed by FVS to FSO? Where is that liability on here?
A That reconciliation happened after this tax return was filed.
Q When?
A That was reconciled in March or April of 2023.
Q Well, so what payments occurred -- if you had a liability, some journal entry had to be recorded to make the liability go away.
A Yeah --
Q What was the journal entry to make it go away?
A It would have been on Friendship Village's books. It would have been a credit to the receivable and a debit to an expense because again those are expenses that were paid by Friendship Senior Options or could have been a capital item. I mean -- I can't tell you specifically all the parts of the journal entry, but

and we're looking at whatever source of cash we had to help meet these requirements.

Q But it was FVS that was going to have to pay those expenses, right?

A Correct.

Q And they would -- the anticipation would be they would pay it with the ERTC credits once they received them from FSO via the pass through?

A That was definitely a thought I had so I wanted to start planning, but we never did get to that point. The board -- at this point the board said we want to retain those ERTC funds so we could get through the bankruptcy process and not spend it on anything related to the community at this point because we just didn't have the cash resources to take that chance.

Q Wait a minute. At this point. What -- At this point in August of 2022?

A Correct, yes.

Q So in August of 2022 you're sending an email --

A I'm sorry. August of 2022. Yeah, in August of 2022 I -- I got to put my calendar hat back on. I apologize. In August of 2022 before, you know -- at that point we weren't far down the track as we are currently. I was expecting we were going to be able to use those

A No.
Q So it was only as you got closer to the bankruptcy that FSO decided it would like to keep that money for itself?
A That's correct. I'll just qualify, not keep for itself. Again, to use it to help us get through the bankruptcy process.
Q But help you, but to take money out of the bankruptcy estate where it could be used to benefit all the creditors of the estate in accordance with the bankruptcy rules and instead just keep it so FSO could administer it to itself?
MR. RABUCK: Objection to form.
MR. SCHOEN: Q Is that correct?
A That's correct.
MR. SCHOEN: If we could pull up Tab 19, please.
(Exhibit 16 marked as requested)
MR. SCHOEN: Q You have Exhibit 16 in front of you?
A Yes.
Q Do you recognize this as a Draft Asset Purchase agreement that was prepared by the Polsinelli law firm dated January 5th, 2023?
A Yes.
Q And who did Polsinelli represent at that point

A Correct, yes.

Q She says: I know it's an IRS issue, but is it possible that Senator Durbin could intercede for FV, Friendship Village?

Do you see that reference?

A Yes.

Q She says that -- in a preceding sentence, she says: This payment would keep us from moving towards bankruptcy.

Do you see that?

A Yes.

Q How would the payment -- the $7.2 million payment keep FVS from moving to bankruptcy?

A Again, this is her comments, but, again, you know, the more cash we had available to Friendship Village level to help pay could buy us time and maybe recover, that's kind of what was going -- that's what was going through her mind.

Q You didn't tell her you shouldn't have sent this because FSO is planning to keep whatever ERTC credits are received so you shouldn't tell Senator Durbin that we need to get this money quickly to save FVS because this is money that we're going to keep, you never said that?

A No, no.
Q Because at this time, even at the end of April of 2023, your expectation still was that as soon as those ERTC credits were received that FSO would immediately pay the 7 million plus attributable to FVS to FVS, correct?
A Correct.
MR. SCHOEN: If we could mark Tab 24 as an exhibit, please.
(Exhibit 20 marked as requested)
MR. SCHOEN: Q Do you have Exhibit 20 in front of you?
A Yes, I do.
Q Do you recognize this as the motion papers seeking approval from the bankruptcy court of the DIP loan?
A Yes.
Q And this is after -- does it accord with your recollection the debtor FVS filed for bankruptcy Chapter 11 on June 9th, 2023?
A That is correct.
Q This filing -- you can see if you scroll up to the top, you can see that the date that this document was filed is June 24th, 2023. So this is about 6 or 7 weeks after the bankruptcy filing?

negotiated?

A Well, absolutely, absolutely.

Q So who led the negotiations for the debtor?

A Debtor's counsel would have been involved and then the board members from Friendship Village, there's three board members on the board. And then on the Friendship Senior side it would be counsel for Friendship Senior Options, then the three board members from Friendship Senior Options. I'm not a voting member so I have no say in the resolution.

Q Did you have any involvement in these negotiations at all?

A No, I really didn't. I just -- I was an observer.

Q So who was -- Who was counsel for the debtor in these negotiations?

A That would be Bruce and Polsinelli both. They're co-counsel for the debtor.

Q Who was counsel for FSO in this?

A That would have been Cooley, Eric Walker.

Q And was any explanation provided to you of the basis for the debtor's position in this paper that it was willing to take these ERTC proceeds as a loan instead of as the pass-through payment that it was previously

expecting?

A They -- the board -- I'm going from recollection. They were comfortable with this because they felt it would get them to -- gave them the opportunity to get through the bankruptcy process and have the funds available to pay potential costs associated with that.

Q Well, you understand that you were the CEO of the debtor at the time this was negotiated, correct?

A That's correct.

Q You understood you had a fiduciary duty to maximize the assets of the debtor's estate for the benefit of all creditors, correct?

A Correct.

Q And in accordance with that duty did you ever say to anyone involved in this process, that we, the debtor, have a claim to these ERTC funds because absent the bankruptcy they would have been paid to us directly as a pass through since we paid the expenses that generated those funds?

A I did not make that statement, no.

Q Are you aware of anyone else making that statement?

A No.

Q And you didn't ask that question, you didn't think you had a duty to ask that question given your fiduciary duties as CEO of the debtor entity?

A I did not.

Q Was Polsinelli ever counsel to FSO to your knowledge?

A Yeah. One of the partners of Polsinelli actually started out as corporate counsel for FSO prior to the bankruptcy process.

Q When did that engagement happen?

A Pre-bankruptcy.

Q Like when pre-bankruptcy?

A Probably around April I'd say.

Q Why don't we go off the record and take a short break.

(Off the record)

MR. SCHOEN: Q Mr. Flynn, of the ERTC funds attributable to FVS payroll that FSO is still holding, have any of those funds been used to pay legal fees of FSO in connection with the bankruptcy?

A We have been using some of those funds, yes, to fund various costs. I'm sure part of it was for legal fees, yes.

Q How much -- because I had asked before, you

STATE OF ILLINOIS)
) SS:
COUNTY OF C O O K)

The within and foregoing deposition of the aforementioned witness was taken before CAROL CONNOLLY, CSR, CRR and Notary Public, at the place, date and time aforementioned.

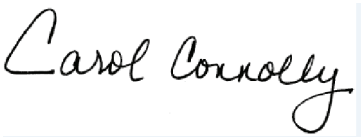
There were present during the taking of the deposition the previously named counsel.

The said witness was first duly sworn and was then examined upon oral interrogatories; the questions and answers were taken down in shorthand by the undersigned, acting as stenographer and Notary Public; and the within and foregoing is a true, accurate and complete record of all of the questions asked of and answers made by the forementioned witness, at the time and place hereinabove referred to.

Before completion of the deposition, review of the transcript {} was {X} was not requested. If requested, any changes made by the deponent, {and provided to the reporter} during the period allowed are appended hereto.

The undersigned is not interested in the within case, nor of kin or counsel to any of the parties.

Witness my official signature and seal as Notary Public in and for Cook County, Illinois on this 28th day of December, 2023 A.D.



CAROL CONNOLLY, CSR, CRR
CSR No. 084-003113
Notary Public
One North Franklin Street
Suite 3000
Chicago, Illinois 60606
Phone: (312) 386-2000

EXHIBIT 3

From: Mike Flynn[Mike.Flynn@myFSO.org]
Sent: Mon 6/5/2023 1:21:18 PM Coordinated Universal Time
To: Cole Celenza[CCelenza@wyseadvisorsllc.com]; Dopkelaw LLC[bd@DopkeLaw.com]
Cc: Mike Wyse[mwyse@wyseadvisorsllc.com]; Michael Franciosa[mfranciosa@wyseadvisorsllc.com]; Bobby Guy[BGuy@Polsinelli.com]
Subject: RE: FVS

FSO did not book any receivable from FVS Our process was to charge FVS what was necessary to cover costs not to exceed the contractual amount due.

Mike Flynn
Chief Executive Officer
Friendship Senior Options

Mike.Flynn@myFSO.org | Phone: (847) 884-5007 | Cell: (847) 436-5726
www.FriendshipSeniorOptions.org

From: Cole Celenza <CCelenza@wyseadvisorsllc.com>
Sent: Sunday, June 4, 2023 6:27 PM
To: Dopkelaw LLC <bd@DopkeLaw.com>
Cc: Mike Wyse <mwyse@wyseadvisorsllc.com>; Michael Franciosa <mfranciosa@wyseadvisorsllc.com>; Bobby Guy <bguy@polsinelli.com>; Mike Flynn <Mike.Flynn@myFSO.org>
Subject: RE: FVS

We will have to confirm the accounting with Jeff.

Cole Celenza
Wyse Advisors LLC
51 JFK Parkway
First Floor West
Short Hills, NJ 07078
Mobile: (609) 204-0860
www.wyseadvisorsllc.com

From: Dopkelaw LLC <bd@DopkeLaw.com>
Sent: Sunday, June 4, 2023 7:25 PM
To: Cole Celenza <CCelenza@wyseadvisorsllc.com>
Cc: Mike Wyse <mwyse@wyseadvisorsllc.com>; Michael Franciosa <mfranciosa@wyseadvisorsllc.com>; Bobby Guy <bguy@polsinelli.com>; Mike Flynn <Mike.Flynn@myFSO.org>
Subject: RE: FVS

Cole and Team:

Many thanks for this.

So FSO was overpaid by $1.4 MM? Was that booked in the intercompany account?

Bruce Dopke, Member
Dopkelaw LLC
1535 W. Schaumburg Road
Schaumburg, IL 60194
Tel: 847-524-4811
bd@dopkelaw.com

From: Cole Celenza <CCelenza@wyseadvisorsllc.com>
Sent: Sunday, June 4, 2023 6:15 PM
To: Dopkelaw LLC <bd@DopkeLaw.com>
Cc: Mike Wyse <mwyse@wyseadvisorsllc.com>; Michael Franciosa <mfranciosa@wyseadvisorsllc.com>; Bobby Guy <bguy@polsinelli.com>; Mike Flynn <Mike.Flynn@myFSO.org>
Subject: RE: FVS

Please find the management calculation for the fiscal years 2019 through 2022 attached. Per our calculation, an approximate surplus of $1.4 million has been paid (refer to line 4 of the *Mgmt Fee* tab in the attached). We have an outstanding request for the FY23 P&L, and will update once received. We are available anytime to discuss.

Mike Flynn – Is there supporting schedules for the monthly management fees for comparison?

Cole Celenza
Wyse Advisors LLC
51 JFK Parkway

First Floor West
Short Hills, NJ 07078
Mobile: (609) 204-0860
www.wyseadvisorsllc.com

From: Mike Wyse <mwyse@wyseadvisorsllc.com>
Sent: Saturday, June 3, 2023 10:02 AM
To: Cole Celenza <CCelenza@wyseadvisorsllc.com>; Michael Franciosa <mfranciosa@wyseadvisorsllc.com>
Cc: Bobby Guy <bguy@polsinelli.com>; Dopkelaw LLC <bd@DopkeLaw.com>; Mike Flynn <Mike.Flynn@myFSO.org>
Subject: Fwd: FVS

We can definitely look into it...

Mike Wyse
Wyse Advisors LLC
51 JFK Parkway
First Floor West
Short Hills, NJ 07078
Mobile: (917) 553-5883
www.wyseadvisorsllc.com

From: Dopkelaw LLC <bd@DopkeLaw.com>
Sent: Saturday, June 3, 2023 9:38 AM
To: Mike Wyse <mwyse@wyseadvisorsllc.com>
Cc: 'Mike Flynn' <mike.flynn@myfso.org>; Bobby Guy <BGuy@Polsinelli.com>
Subject: FVS

Mike W:

We have an assignment for you and your staff. We would like to know whether FVS underpaid the amount due to FSO under its management agreement in the fiscal years ending on March 31, 2022 and 2023. The second question is whether the shortfall (if there was one) was recorded as a debt which FVS owed to FSO on the intercompany account and the amount of the intercompany transaction(s).

I've attached a copy of the management agreement that was put in place on Nov. 17, 2017 and is still in effect. The compensation provisions are on p. 5. The Management Fee is 15.63% of a subset of running the operation which are defined as "Operating Expenses" in the first sentence of par. 3.2.1.

Mike F. has indicated that there were times, especially after January of 2021, that the payments that FVS paid FSO for its management fee were less than the 15.63% of "Operating Expenses." We would be very much interested in that number, and any information which would increase FVS' intercompany debt to FSO.

Please call me about this to confirm that you can do this (or not). This is a high priority ask.

Bruce

Bruce Dopke, Member
Dopkelaw LLC
1535 W. Schaumburg Road, Ste. 204
Schaumburg, IL 60194
847-524-4811
bd@dopkelaw.com

EXHIBIT 4

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

In re:

EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INCORPORATED d/b/a FRIENDSHIP VILLAGE OF SCHAUMBURG,

Debtor.

Chapter 11

Case No. 23-07541

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REMOTE VIDEO DEPOSITION OF

MICHAEL FLYNN

April 9, 2024

9:05 a.m. Central

Stenographically Reported By:

Deanna Amore - CRR, RPR, CSR - 084-003999
~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~

the document, it's page 6. Now -- sorry.
BY MR. SCHOEN:
Q. Do you see Section 3.2.2?
There's a reference to "Parent's Expenses Related to Administrative Services."
A. Yes.
Q. And it says that -- that such administrative expenses together with operating expenses shall be paid by GreenFields within ten business days from the receipt of an invoice from parent.
Do you see that?
A. Yes, I do.
Q. Are you aware of FSO ever providing any invoices to GreenFields or FVS for administrative expenses?
MR. WALKER: Object to the form. Lack of foundation.
THE WITNESS: No, I'm not.
BY MR. SCHOEN:
Q. To the best of your knowledge, that never occurred?
MR. WALKER: Object to the form. Lack of foundation.
THE WITNESS: No, I'm not aware that we

actually provided invoices.
BY MR. SCHOEN:
Q. You've never seen one in all the time you served as CFO and then CEO of FVS and FSO; correct?
MR. WALKER: Object to the form. Lack of foundation.
THE WITNESS: Correct.
BY MR. SCHOEN:
Q. Whose responsibility was it to prepare those invoices?
MR. FLYNN: Object to the form. Lack of foundation.
THE WITNESS: We didn't actually do invoices. We just passed costs through the company account.
BY MR. SCHOEN:
Q. And you did that all along the way from 2017 onward?
MR. WALKER: Object to the form. Lack of foundation.
THE WITNESS: It wasn't done routinely. It was usually at the end of our fiscal year we'd true it up.
BY MR. SCHOEN:
Q. And it was something that FSO trued up at the end of every fiscal year?

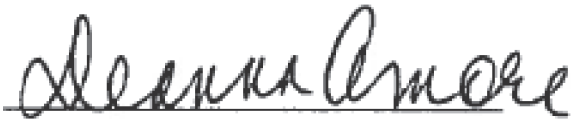
C E R T I F I C A T E

I, DEANNA AMORE, a Shorthand Reporter and notary public, within and for the State of Illinois, County of DuPage, do hereby certify:

That MICHAEL FLYNN, the witness whose examination is hereinbefore set forth, was first duly sworn by me and that this transcript of said testimony is a true record of the testimony given by said witness.

I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of April 2024.



Deanna M. Amore, CRR, RPR, CSR

EXHIBIT 5

From: Mike.Flynn@myFSO.org[Mike.Flynn@myFSO.org]
Sent: Fri 5/18/2018 5:03:39 PM Coordinated Universal Time
To: Ray.Gerke@myFSO.org[Ray.Gerke@myFSO.org]
Subject: RE: Net Entrance Fee Receipts

Thanks Ray, we do need to true up the benefit allocation to each entity for March. I hope that gets us to where we need to be. We are so close. If FSO expenses are below budget, we can reduce the management fee allocation to FVS and that could get us there as well.

Mike Flynn
Vice President & Chief Financial Officer
Friendship Senior Options

Mike.Flynn@myFSO.org | Phone: (847) 884-5371
www.FriendshipSeniorOptions.org

From: Ray Gerke
Sent: Friday, May 18, 2018 11:51 AM
To: Mike Flynn
Cc: Richard Zielinski; Jeff Nyberg
Subject: RE: Net Entrance Fee Receipts

Mike;

I apologize for the delay in responding; I had therapy this morning so I didn't get in until just before 10 this morning.

Entrance Fees:
The Entrance Fees reported in the Cash Flow and Financial Ratios tie very closely to the number Jeff had provided us; Jeff provided a reconciliation to us this morning and we're looking into this small difference now. Once we're done, it should tie exactly to Jeff's reconciliation.

Note Lori's EF worksheet was never intended to provide an EF number; it's purpose was to tie out DEA balances to the G/L. Jeff mentioned that 3 of the Entrance Fees on Lori's spreadsheet got reversed during the year; 1 was a death and 2 were move-outs. So, her worksheet is not accurate as far as Entrance Fees are concerned. Jeff said once the year is closed, he is going to sit with Lori to see if procedures can be put in place to automate/have PCC track Entrance Fees and maybe DEAs as well.

DSCR:
My calculations show we need another $337K in Entrance Fees or Profit to be able to get a 1.2 DSCR.

- We (Jeff and I) spent time together last night looking at accruals and other items to see if we could find $337K. Here is what is still open:
  - The health insurance accrual is not finalized. Jeff asked HR for the IBNR report for March and I think he is expecting to get it from Cheryl today. However, ady adjustment would only affect FSO unless we did another benefit "true-up"
  - The PTO accrual adjustment (PTO lost @ year-end) still needs to be booked, but Jeff said the $ amount is not that material.
- Note the following:
  - The Benefits "True-up" in November allocated an additional $1.3M; FVS got almost an additional $1.0 M
  - The Reallocation in Management Fees increased the monthly FVS management fee from about $451K to $617K

Board Reports:
I need to update the Cash Flows in the Board Report to reflect what Adaptive shows for March. I will let you know once those changes have been completed. It shouldn't take too long.

Thanks, Mike.

Ray Gerke
Director of Financial Planning
Friendship Senior Options

Ray.Gerke@myFSO.org | Phone: (847) 884-5190
www.FriendshipSeniorOptions.org

From: Mike Flynn
Sent: Friday, May 18, 2018 8:56 AM
To: Ray Gerke; Richard Zielinski
Subject: Net Entrance Fee Receipts

Can you verify that the net entrance fee receipts are accurately reported in the cash flow and financial ratios. I know we had a difference between what Lori shows as received versus what is calculated via Adaptive. Per Lori's reconciliation, entrance fees received is $17,353,110 and refunds are $10,424,754 for a net of $6,928,356.

We need to be sure that we meet our debt service coverage calculation and if my numbers are correct, we should have no problem. If we are short, we need to work with Jeff to see if some accruals can be reduced.

Thanks

Mike Flynn
Vice President & Chief Financial Officer
Friendship Senior Options

Mike.Flynn@myFSO.org | Phone: (847) 884-5371
www.FriendshipSeniorOptions.org

EXHIBIT 6

From: Mike.Flynn@myFSO.org[Mike.Flynn@myFSO.org]
Sent: Wed 8/15/2018 3:55:40 PM Coordinated Universal Time
To: Andrew.Foust@mackayshields.com[Andrew.Foust@mackayshields.com]
Subject: RE: Friendship Village of Schaumburg Investor Questions

Andrew,

Thanks for sending me these questions in advance of the call. I will respond to you as well as include in my comments on the call so we are consistent.

1. The practice that our organization has had in place is to charge back affiliates 100% of the cost of the parent organization through a management fee. The method for this allocation was changed during the GreenFields refinancing to place less of a burden on GreenFields. As a result, the fee charged to FVS was increased to make up the difference. We booked the change on FVS financials. The burden of this added cost (unbudgeted) would have prevented FVS from meeting its DSC ratio. The Board passed a resolution to forgive management fees to the extent necessary to meet covenants. This was reflected in the audited financials after the preliminary results were posted.
2. I am in process of forecasting net entrance fees as we speak. Through June, we are slightly ahead of budget for new entrance fee receipts amounting to approximately $4.9M with a budget of $4.6M. We refunded $5.5M against a budget of $2.4M. At this time, we have an approximate $2.6M in additional refunds that will go out before fiscal year end. (We budgeted a total of $9.1M in refunds.) This amount is based on units that have been resold but the new resident has not moved in yet. The refund liability is down nearly $3M from its high point last year so we expect the pace of refunds to slow significantly. I will be able to provide more details on the forecast for the fiscal year when we have our call. Currently I am still in process of completing that forecast.

We will talk about plans in place to increase sales as well as on the call.

Again, I really appreciate the questions. It helps so I can do the analysis, if necessary in advance of the call.

Mike Flynn
Vice President & Chief Financial Officer
Friendship Senior Options

Mike.Flynn@myFSO.org | Phone: (847) 884-5371
www.FriendshipSeniorOptions.org

From: Andrew Foust [mailto:Andrew.Foust@mackayshields.com]
Sent: Wednesday, August 15, 2018 10:28 AM
To: Mike Flynn
Subject: RE: Friendship Village of Schaumburg Investor Questions

Mike,

Thank you very much for your thorough responses to my questions in June. We look forward to a public call with investors to discuss the audited financials. I have reviewed the audit for 3/31/2018 as well as the Q1 2019 #'s ending June 30th, 2019 and had some additional questions.

1. Why is the FY18 variance for professional fees for Friendship Village of Schaumburg so different between the audited (4.726mm expenses for FSV) and the unaudited numbers (7.09mm expenses for FSV)? Were the management fees charged by FSO revised to allow for a lower amount in the audited numbers for FSV? For the 1st quarter ending June 30th, 2018, unaudited professional fees are up again at 1.953mm or ~7.81mm annualized. Given the impact the fees have on Debt Service Coverage Ratio, we would appreciate any insight you have on the accounting.

2. Net entrance fee turnover for Q1 '19 was negative. It seems that the Gross marketing and sales results have outpaced move-ins consistently each year for the past few years. Is this due to cancellations? If so, could we possibly see sales data on a net basis?

Regards,

Andy

Andrew Foust

Director
MacKay Municipal Managers ™

MacKay Shields LLC | 155 Village Blvd | Suite 305 | Princeton, NJ 08540
Office: 609.750.8374
Andrew.Foust@mackayshields.com
www.mackayshields.com

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From: Mike Flynn <Mike.Flynn@myFSO.org>
Sent: Wednesday, June 6, 2018 8:07 AM
To: Andrew Foust <Andrew.Foust@mackayshields.com>
Subject: RE: Friendship Village of Schaumburg Investor Questions

Hi Andrew, below are responses to your questions. I reached out to BB&T as well, to determine how to communicate this information to all bond holders. I will prepare a write up with the responses below as well as BB&T will coordinate an investor call. John Franklin and I will be at the CARF Financial Advisory Panel Meeting tomorrow and Friday so the call will likely occur next week. If you would like any more specifics, please let me know I will include that in my write up.

Thanks for reaching out.

Mike Flynn
Vice President & Chief Financial Officer
Friendship Senior Options

Mike.Flynn@myFSO.org | Phone: (847) 884-5371
www.FriendshipSeniorOptions.org

1. Can you provide insight into how the organization arrived at the annual debt service amount for FY18 (~6.25mm. The 6.25mm represents interest payments made in FY 2018. With the refinancing, principal that was due during the fiscal year was settled up during the refinancing so at March 31, 2018, there was no principal due, just interest.

2. How did the organization arrive at the 2.96mm payment on the FSO Guaranteed debt? The $2.96mm represents 3% of the net asset value which is the allowable asset transfer amount under the Indenture. Can you confirm the FSO guaranteed debt is secured by the Friendship Village of Schaumburg mortgage? Yes, the debt is guaranteed by the FVS mortgage.

3. My understanding when the deal priced was that the organization anticipated achieving the rate covenant of 1.20x coverage based on a pro-forma MADS of 8.5mm. Can you discuss the increases in expenses and lower revenues that led to the underperformance in the second half of the year with only 7.6mm net income available for debt service? The primary reasons for the decrease in net income available for debt service is:

- New move-ins fell short of projections resulting in $1.2MM less collected in entrance fees

- We had an unusually high number of employee health insurance claims that reached the stop loss limit that significantly drove up our health insurance cost.
  - Mid-year adjustments were made to entry level positions to attract and retain staff. FVS is in a highly competitive labor market for this pool of workers so compensation adjustments were required. We did and continue to retain and attract these workers now the comp levels are in line with market.

Entrance Fees
4. The FY19 budget forecasts over $9mm in net entrance fee coverage vs under 6mm for FY18. What factors do the organization believe will be present in FY2019 that will lead to increased turnover to achieve this goal that were not present in FY18?
For FY 2019 we have projected 4 garden home move-ins, 35 Bridgewater Place move-ins, 50 Bridgegate move-ins and 12 assisted living life care move-ins. These sales volumes are consistent with prior year life care sales (with the exception of FY 2018). The sales volume was multiplied by the average entrance fee price to arrive at the budget. FVS has budgeted the necessary marketing and sales dollars and resources to meet these goals.

From: Andrew Foust [mailto:Andrew.Foust@mackayshields.com]
Sent: Tuesday, June 05, 2018 10:56 AM
To: Mike Flynn
Subject: Friendship Village of Schaumburg Investor Questions

Mike,

I am analyst with MacKay Shields and left a message earlier today. We participated in the Series 2017 FVS refinancing in December and had the following

questions below. If you are willing to address our questions below regarding the 3/31/18 full FY18 fiscal un-audited numbers published last week and the FY19 budget any insight you provide would greatly appreciated. The best # to reach me at is 609-750-8371.

1. Can you provide insight into how the organization arrived at the annual debt service amount for FY18 (~6.25mm) .

2. How did the organization arrive at the 2.96mm payment on the FSO Guaranteed debt? Can you confirm the FSO guaranteed debt is secured by the Friendship Village of Schaumburg mortgage?

3. My understanding when the deal priced was that the organization anticipated achieving the rate covenant of 1.20x coverage based on a pro-forma MADS of 8.5mm. Can you discuss the increases in expenses and lower revenues that led to the underperformance in the second half of the year with only 7.6mm net income available for debt service?

Entrance Fees

4. The FY19 budget forecasts over $9mm in net entrance fee coverage vs under 6mm for FY18. What factors do the organization believe will be present in FY2019 that will lead to increased turnover to achieve this goal that were not present in FY18?

Regards,

Andy

Andrew Foust

Director

MacKay Municipal Managers ™

MacKay Shields LLC | 155 Village Blvd | Suite 305 | Princeton, NJ 08540

Office: 609.750.8374

Andrew.Foust@mackayshields.com

www.mackayshields.com

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EXHIBIT 7

Message

From: Jeff Nyberg [Jeff.Nyberg@myFSO.org]
Sent: 6/1/2023 8:00:42 PM
To: Mike Flynn [Mike.Flynn@myFSO.org]
Subject: FW: Due From Affiliate

FYI

Jeff Nyberg
Controller
Friendship Senior Options

Jeff.Nyberg@myFSO.org | P: (847) 843-4259| F: (847) 884-5718
www.FriendshipSeniorOptions.org

From: Jeff Nyberg
Sent: Thursday, May 12, 2022 10:59 AM
To: Arnab Bagchi <Arnab.Bagchi@myFSO.org>
Subject: RE: Due From Affiliate

That is correct. 100% was utilized for covid related expenditures.

Jeff Nyberg
Controller
Friendship Senior Options

Jeff.Nyberg@myFSO.org | P: (847) 843-4259| F: (847) 884-5718
www.FriendshipSeniorOptions.org

From: Arnab Bagchi <Arnab.Bagchi@myFSO.org>
Sent: Thursday, May 12, 2022 10:56 AM
To: Jeff Nyberg <Jeff.Nyberg@myFSO.org>
Subject: FW: Due From Affiliate

Jeff

PPP Fund ($3.9M) was taken as revenue but stimulus fund ($1.6M) was not.

As I see the a/c 2250 00 is showing a balance of $226,000 at 3/32/22. Should I therefore assume that ~$1.4M was spent in Covid related expense?

arnab

From: Mike Flynn <Mike.Flynn@myFSO.org>
Sent: Thursday, May 12, 2022 10:34 AM
To: Arnab Bagchi <Arnab.Bagchi@myFSO.org>
Subject: RE: Due From Affiliate

I thought all the COVID related revenues and expenses were being coded to an FSO reserve account. Entries were made last fiscal year that recorded the PPP funds as below the line revenue. Was this revenue offset by the COVI related expenses. If not, we likely overstated the revenue.

Mike Flynn
Chief Executive Officer
Friendship Senior Options

Mike.Flynn@myFSO.org | Phone: (847) 884-5007 | Cell: (847) 436-5726
www.FriendshipSeniorOptions.org

From: Arnab Bagchi <Arnab.Bagchi@myFSO.org>
Sent: Wednesday, May 11, 2022 4:54 PM
To: Mike Flynn <Mike.Flynn@myFSO.org>
Cc: Jeff Nyberg <Jeff.Nyberg@myFSO.org>
Subject: RE: Due From Affiliate

Mike

Jeff & I did some research and here is our finding:

- Between March 20 and March 22, FVS Receivable from FSO went up by 3.9M (from 4.9M to 8.8M)
- This increase is driven by $3.9M PPP Fund which is accounted in FVS as Receivable from FSO… and FSO never transferred the funds it to FVS
- During the same time period, FSO cash balance went up by only $0.3M (from 0.3M to 0.6M)
- Since FSO did not return the PPP Funds, by implication, it used up $3.6M ($3.9M receipt - $0.3M cash balance increase) of the funds for its own use. The question is where?
- Relevant to note that as of March 2020, FSO had only $0.3M cash while having $2.5M of A/c Payable, $1.3M of Accrued Exp and $1.0M of LoC

We therefore analyzed the FSO Balance sheet to find the following usage of cash by way of increased receivable or reduced liabilities:
- $1M of LoC paydown (LoC Balance went from $1.0M to $0M)
- $1M funding for GreenFields (Receivable from FVMC went up from $0.3M to $1.3M)
- $2M+ reduction in Accounts Payable (went from $2.5M to $0.3M)… Jeff is analyzing to identify the areas where we had so much reduction in AP (one of them is possibly benefits due to structural change)

Jeff will share more about the drivers of AP reduction soon. Please let us know if you have questions, need more details or want to discuss further.

arnab

From: Mike Flynn <Mike.Flynn@myFSO.org>
Sent: Monday, May 9, 2022 1:26 PM
To: Arnab Bagchi <Arnab.Bagchi@myFSO.org>; Jeff Nyberg <Jeff.Nyberg@myFSO.org>
Subject: RE: Due From Affiliate

What is creating the increase? The management fee revenue is sufficient to cover corporate operating expenses so why does the intercompany continue to increase?

From: Arnab Bagchi <Arnab.Bagchi@myFSO.org>
Sent: Monday, May 9, 2022 1:20 PM

To: Mike Flynn <Mike.Flynn@myFSO.org>; Jeff Nyberg <Jeff.Nyberg@myFSO.org>
Subject: RE: Due From Affiliate

Jeff

Here is how the numbers moved over the years/quarters:

Mar 20 $4.9M
Mar 21 $6.5M

Jun 21 $7.6M
Sep 21 $8.2M
Dec 21 $8.2M
Mar 22 $8.8M

From: Mike Flynn <Mike.Flynn@myFSO.org>
Sent: Monday, May 9, 2022 1:10 PM
To: Jeff Nyberg <Jeff.Nyberg@myFSO.org>; Arnab Bagchi <Arnab.Bagchi@myFSO.org>
Subject: Due From Affiliate

Can you explain what is included in the FVS balance sheet account Due from Affiliate? The balance increased $2.3M in FY 2022.

Thanks

Mike Flynn
Chief Executive Officer
Friendship Senior Options

Mike.Flynn@myFSO.org | Phone: (847) 884-5007 | Cell: (847) 436-5726
www.FriendshipSeniorOptions.org

EXHIBIT 8

DAC Bond®

Municipal Market Disclosure Information Cover Sheet

This Filing Applies to:

1. Illinois Finance Authority, Revenue Bonds (Friendship Village of Schaumburg), Series 2017, $122,550,000, Dated: December 28, 2017
45204EB31, 45204EA57, 45204EA65, 45204EA73

TYPE OF FILING:

If information is also available on the Internet, give URL: www.dacbond.com

WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply)

Financial / Operating Data Disclosures

Rule 15c2-12 Disclosure

- ☐ Annual Financial Information & Operating Data (Rule 15c2-12)
- ☐ Audited Financial Statements or ACFR (Rule 15c2-12)
- ☐ Failure to provide as required

Additional / Voluntary Disclosure

- ☑ Quarterly / Monthly Financial Information

2023 Q4 Quarterly Report with Officer's Certificate

- ☐ Change in Fiscal Year / Timing of Annual Disclosure
- ☐ Change in Accounting Standard
- ☐ Interim / Additional Financial Information / Operating Data
- ☐ Budget
- ☐ Investment / Debt / Financial Policy
- ☐ Information Provided to Rating Agency, Credit / Liquidity Provider or Other Third Party
- ☐ Consultant Reports

☐ Other Financial / Operating Data

Event Filing

Rule 15c2-12 Disclosure

☐ Principal / Interest Payment Delinquency
☐ Non-payment Related Default
☐ Unscheduled Draw on Debt Service Reserve Reflecting Financial Difficulties
☐ Unscheduled Draw on Credit Enhancement Reflecting Financial Difficulties
☐ Substitution of Credit or Liquidity Provider, or Its Failure to Perform
☐ Adverse Tax Opinion or Event Affecting the Tax-exempt Status of the Security
☐ Modification to the Rights of Security Holders
☐ Bond Call
☐ Defeasance
☐ Release, Substitution or Sale of Property Securing Repayment of the Security
☐ Rating Change
☐ Tender Offer / Secondary Market Purchases
☐ Merger / Consolidation / Acquisition and Sale of All or Substantially All Assets
☐ Bankruptcy, insolvency, receivership or similar event
☐ Successor, Additional or Change in Trustee
☐ Failure to Provide Event Filing Information as Required
☐ Financial Obligation - Incurrence and Agreement
☐ Financial Obligation - Event Reflecting Financial Difficulties

Additional / Voluntary Disclosure

☐ Amendment to Continuing Disclosure Undertaking
☐ Change in Obligated Person
☐ Notice to Investor Pursuant to Bond Documents
☐ Communication From the Internal Revenue Service
☐ Bid For Auction Rate or Other Securities
☐ Capital or Other Financing Plan
☐ Litigation / Enforcement Action
☐ Change of Tender Agent, Remarketing Agent or Other On-going Party
☐ Derivative or Other Similar Transaction
☐ Other Event-based Disclosures

Asset-Backed Securities Filing

Additional / Voluntary Disclosure

☐ Initial Asset-Backed Securities Disclosure (SEC Rule 15Ga-1(c)(1))

☐ Quarterly Asset-Backed Securities Disclosure (SEC Rule 15Ga-1(c)(2)(i))

☐ Annual Asset-Backed Securities Disclosure (SEC Rule 15Ga-1(c)(2)(ii))

☐ Other Asset-Backed Securities Disclosure (e.g. notice of termination of duty to file reports pursuant to SEC Rule 15Ga-1(c)(3))

Disclosure Dissemination Agent Contact:

Name: DAC
Address: 315 East Robinson Street
Suite 300
City: Orlando
State: FL
Zip Code: 32801-1674
Telephone: 407 515 - 1100
Fax: 407 515 - 6513
Email Address: emmaagent@dacbond.com
Relationship to Issuer: Dissemination Agent

Certification Authorized By:

/s/ Mike Flynn
Name: Mike Flynn
Title: Chief Financial Officer
Entity: Friendship Village of Schaumburg, IL

Friendship Village of Schaumburg (FVS)

Quarterly Investor Report

For the 12 Months Ending March 31, 2023

May 26, 2023

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Introduction

This report reflects marketing, sales activity and financial performance for the quarter ending March 31, 2023.

Marketing and Sales Report - Quarterly Results

FY2023 Occupancy: Month end March 31, 2023

Neighborhood	Capacity	Actual Occupancy	Occupancy %
Bridgegate	339	212	62.5%
Bridgewater Place	168	111	66.1%
Crosswell Trace	28	27	96.4%
Total Independent Living	**535**	**350**	**65.4%**
Willows Assisted Living	**109**	**91**	**83.5%**
Briarwood Healthcare Center	**199**	**120**	**60.3%**
Total	**843**	**561**	**66.5%**

FY2023 Deposits: YTD March 31, 2023

Neighborhood	Current Quarter Gross Budgeted Deposits	Current Quarter Gross Actual Deposits	YTD FY2023 Gross Actual Deposits	YTD FY2022 Gross Actual Deposits
Bridgegate	/	13	35	34
Bridgewater Place	/	2	13	14
Crosswell Trace	/	1	4	1
Total Independent Living	**24**	**16**	**52**	**49**
Willows Assisted Living	**3**	**4**	**6**	**8**

FY2023 Cancellations: YTD March 31, 2023

Neighborhood	Total Quarter Budgeted Cancellations	Current Quarter Actual Cancellations	YTD FY2023 Actual Cancellations	YTD FY2022 Actual Cancellations
Bridgegate	1	4	13	7
Bridgewater Place	1	2	3	6
Crosswell Trace	1	0	0	3
Total Independent Living	**3**	**6**	**16**	**16**
Willows Assisted Living	1	0	2	3

FY2023 Cancellations: January, February, March (by month)

Neighborhood	January Cancellations	February Cancellations	March Cancellations	Current Quarter Cancellations
Bridgegate	0	3	1	4
Bridgewater Place	2	0	0	2
Crosswell Trace	0	0	0	0
Total Independent Living	**2**	**3**	**1**	**6**
Willows Assisted Living	0	0	0	0

FY2023 External Move-ins: YTD March 31, 2023

Neighborhood	Current Quarter Budgeted Move-Ins	Current Quarter Actual Move-Ins	YTD FY2023 Actual Move-Ins	YTD FY2022 Actual Move-ins
Bridgegate	/	4	29	34
Bridgewater Place	/	0	12	16
Crosswell Trace	/	1	3	1
Total Independent Living	**26**	**5**	**44**	**51**
Willows Assisted Living	1	3	5	7

FY2023 Transitions: YTD March 31, 2023

Bridgegate	**Assisted Living**	**Memory Support**	**Health care**	**Transfer to BWP**	**Transfer to BG**	**Expired**	**Moved Out**	**Total Transitions**
Current quarter transitions	7	1	4	0	0	1	0	**13**
YTD FY2023	**19**	**2**	**11**	**0**	**0**	**3**	**6**	**41**
Avg. per month FY2023								**3.4**
FY2022 budget avg.								**7.7**
YTD FY2022	15	1	6	0	0	14	7	**43**
Avg. per month FY2022								**3.6**

Bridgewater Place	**Assisted Living**	**Memory Support**	**Health care**	**Transfer to Bridgegate**	**Transfer to BWP**	**Expired**	**Moved Out**	**Total Transitions**
Current quarter transitions	2	0	3	0	0	3	2	**10**
YTD FY2023	**6**	**1**	**6**	**0**	**0**	**5**	**5**	**23**
Avg. per month FY2023								**1.9**
FY2023 budget avg.								**7.7**
YTD FY2022	12	2	3	0	0	5	3	**25**
Avg. per month FY2022								**2.1**

Financial Overview

Financial Disclosure

The information provided in this quarterly financial report will briefly cover the unaudited financial results for the 4th quarter of Fiscal Year 2023, January 1, 2023 through March 31, 2023. There are two sets of unaudited financial reports: one covers the obligated group, Friendship Village of Schaumburg (FVS); the other reflects the consolidated financial report that combines Friendship Senior Options (FSO) with all of its subsidiary entities. Effective February 1, 2023, the sponsorship of Greenfields of Geneva was transferred to Lifespace. The Consolidated Statement of Operations includes 10 months of GreenFields Actual and Budgeted results and The Statement of Cash Flows includes 10 months of GreenFields Actual results. The Consolidated Statement of Financial Position excludes GreenFields. We share this information with our investors and interested parties to disclose the financial status of the obligated community and the consolidated financial results of Friendship Senior Options, the parent company.

Liquidity Ratio

The Liquidity Ratio for the obligated group is based on the unaudited financials for the current quarter ending March 31, 2023, and the unaudited financials for the prior quarter ending December 31, 2022. The Days Cash on Hand ratio (DCOH) of 38.6 at March 31, 2023 is below the minimum covenant level of 150.0 Days. The table below presents the comparison of the year-to-date (YTD) actual Liquidity Ratios for the current quarter and the prior quarter to the covenant minimums, based on the definitions in the Master Trust Indenture (MTI). Average expense per day increased 3.4% or $5,113 in the current quarter from $148,398 to $153,511 per day. The primary reason for the miss in covenant is the low occupancy and also the lack of move-ins and the corresponding new entrance fees associated with the lifecare sale.

Liquidity Ratio (Days Cash on Hand)

Calculation of Days Cash on Hand (Year To Date) Friendship Village Obligated Group as of March 31, 2023	03/31/23 Current Month 12 Months DCOH	12/31/22 Current Month 9 Months DCOH
Cash and Cash Equivalents	939,583	1,671,730
Adjustments:	-	-
Total Cash & Cash Equivalents	939,583	1,671,730
Unrestricted Long Term Investments	4,988,967	4,805,709
Less: Encumbered Investments (Credit Line)	-	-
Obligated Group's Total Cash & Investments used in DCOH	5,928,550	6,477,438
Expenses Used in DCOH	56,031,515	40,809,479
Number of Calendar Days	365	275
Average Expense per Day	153,511	148,398
Days Cash on Hand Ratio - MTI	38.6	43.6
Covenant Minimum Level	*150.0*	*150.0*
Testing Date (September 30th & March 31st)	*Yes*	*No*

Debt Service Coverage Ratio

March 2023's 12-month rolling average Debt Service Coverage Ratio (DSCR) of 0.04 is below the prior quarters 12-month average, and well below the Covenant Limit of 1.20. The current quarter saw a decrease of $2.6M of funds available for debt service. Net Entrance Fee receipts were lower than the prior quarter by $1.0M and Income from Operations available for Debt Service was lower by $1.6M driven by lower investment income and higher operating expenses due to inflation. There has been consistent result in sales and move-in resulting in regular Entrance Fee flow in the current fiscal year but an uncertain macro environment contributed to a slower move-in rate (note both quarters are computed on a rolling 12-month basis).

Calculation of Debt Service Coverage (12 month rolling average) Friendship Village Obligated Group as of March 31, 2023	03/31/23 Current Month 12 month DSCR	12/31/22 Current Month 12 month DSCR
Income from Operations Available for Debt Service	(4,681,987)	(3,091,674)
Entrance Fees Received, Net of Refunds	5,027,202	6,009,182
Funds Available for Debt Service	345,215	2,917,508
Debt Service with LOC Fees	8,778,706	8,638,706
Funded Debt Service		
Obligated Group's Debt Service Requirement	8,778,706	8,638,706
YTD Debt Service Coverage Ratio - MTI	0.04	0.34
Covenant Minimum Level	*1.20*	*1.20*
Testing Date (March 31st only)	*Yes*	*No*
YTD Debt Service Coverage Ratio - Revenue Only	(0.53)	(0.36)

Obligated Group Unaudited Financial Results

The year-to-date (YTD) net results as of March 31, 2023, reflect a decrease in Net Assets of approximately ($13.8M) compared to a budgeted loss of ($7.9M). Compared to the same period a year ago (March 31, 2022), the loss for the current fiscal year worsened by ($2.7M) compared to the prior year (year-to-date) period which experienced a decrease in Net Assets of $11.1M.

Current YTD Operating Revenue is unfavorable to budget by $0.9M including Investment Income which is unfavorable to budget by $1.6M YTD. Healthcare (HCC) Revenue is favorable to budget by $1.8M year-to-date (YTD), Independent Living (IL) revenue is unfavorable by ($0.4M) while Assisted Living (AL) revenue is unfavorable by ($0.8M).

Current YTD Operating Expenses (excluding Interest and Depreciation) are unfavorable to budget by approximately $2.6M or 4.3%, and are $3.7M or 6.1% higher than operating expenses from a year ago, March 2022 YTD. The increase over the prior year can be attributed to the impact of inflation in our operating expenses, especially on Salaries & Benefits. The table below shows the breakdown of operating expense by category and the variance to budget as well as the prior year. A reorganization in the management of dining services has rendered year-over-year numbers not comparable at a line item level, especially for Salaries and benefits, Professional fees and Dietary expenses.

Expense Category	FY 23 YTD Actual Thru 03/31/23	FY 23 YTD Budget Thru 03/31/23	Last Year Actual Thru 03/31/22	$ Variance YTD from Budget	% Variance YTD from Budget	$ Variance YTD from Prior Year	% Variance YTD from Prior Year
Salaries and benefits	20,258,407	19,154,162	22,910,915	(1,104,245)	-5.77%	2,652,508	11.58%
Supplies and other	8,536,511	7,412,120	7,485,841	(1,124,391)	-15.17%	(1,050,669)	-14.04%
Dietary	1,411,812	1,768,283	2,245,221	356,471	20.16%	833,408	37.12%
Professional fees	14,262,852	13,291,618	7,709,337	(971,234)	-7.31%	(6,553,514)	-85.01%
Repairs and maintenance	1,301,525	1,369,476	1,430,219	67,951	4.96%	128,694	9.00%
Utilities and telephone	2,106,349	2,399,328	2,445,496	292,979	12.21%	339,147	13.87%
Insurance	1,522,113	1,086,000	1,296,809	(436,113)	-40.16%	(225,303)	-17.37%
Real estate taxes	808,241	670,000	696,118	(138,241)	-20.63%	(112,123)	-16.11%
Interest	5,823,706	5,750,000	5,823,706	(73,706)	-1.28%	0	0.00%
Depreciation and amortization	7,827,358	8,160,000	8,202,969	332,642	4.08%	375,611	4.58%
Provision for bad debts	306,042	460,100	224,982	154,058	33.48%	(81,059)	-36.03%

Friendship Village Census Summary & Reconciliation

Friendship Village of Schaumburg
Census Summary and Reconciliation
3/1/2023 - 3/31/2023

Level of Care / Location	3/1/2023	Move-Ins			Transitions	3/31/2023	Average Daily Census	Total Available Units	Occupancy
Independent Living:									
Bridgegate	213	3			4	212	212.45	339	62.67%
Bridgewater Place	114	0			3	111	113.61	168	67.63%
Garden Homes	27	0			0	27	27.00	28	96.43%
Total IL	**354**	**3**			**7**	**350**	**353.06**	**535**	**65.99%**
Assisted Living & Memory Support:		Internal	External	Total					
Assisted Living	64	4	0	4	1	67	64.90	85	76.36%
Memory Support	24	0	0	0	0	24	24.00	24	100.00%
Total Assisted Living & Memory Support	**88**	**4**	**0**	4	**1**	**91**	**88.90**	**109**	**81.56%**
Healthcare Center:		Internal	External	Total					
Special Care - Private Pay	1	0	0	0	0	1			
General HCC - Private Pay	3	2	0	2	0	5			
Special Care	15	1			0	16	16.55	20	82.74%
General HCC	104	63			69	98	110.65	179	61.81%
Total Healthcare Center	**123**	**66**			**69**	**120**	**127.19**	**199**	**63.92%**
Total	**565**	**73**			**77**	**561**	**569.16**	**843**	**67.52%**

Management Discussion & Analysis related to Occupancy

Note that the discussion below compares year-to-date census as of March 31, 2023 (current quarter-end) to year-to-date census as of December 31, 2023 (prior quarter-end)

Independent Living

For all independent living (IL) combined, the average year-to-date (YTD) census for the quarter ending March 2023 was 364.4 units (68.1% of 535 total IL units) occupied, which was 8.8 units below budget of 373.2 units (69.8%). Compared to the prior quarter ended December 2022, the March YTD census was lower by 1.9 units (0.5%).

For Bridgegate (IL), the average YTD census was 219.0 units (64.6% of 339 units) occupied, which was 6.0 units below budget of 225.01 (66.4%). Compared to the prior quarter ended December 2022, the March 2023 YTD census was lower by (1.0) units (0.4%).

For Bridgewater Place (IL), the average YTD census was 119.8 units (71.3% of 168 units) occupied, which was 1.3 units below budget of 121.2 units (72.1%). Compared to the prior quarter ended December 2022, the March 2023 YTD census was lower by 1.4 units (1.1%)

For Croswell Trace Garden Homes (IL), the average YTD census was 25.6 units (91.3% of 28 units) occupied, which was 1.4 units below budget of 27 (91.3%) units occupied. There are five waitlist depositors for the Garden Homes. The March 2023 YTD census was higher by (0.4) units or (1.7%) than the prior quarter ended December 2022 of 25.2 units.

Assisted Living

For all of Assisted living (AL & MS) combined, the average YTD census for the quarter ending March 2023 was 89.2 units (81.8% of 109 total AL units) occupied, which was (10.8) units (10.8%) below budget of 100 units (91.7%). Compared to the prior quarter ended December 2022 census of 90.6 units occupied, the March YTD census was lower by (1.4) units (1.5%).

In the traditional Assisted Living (AL) unit, the average YTD census was 66.9 units (78.7% of 85 units) occupied, which was (10.1) units below budget of 77.0 units (90.6%). Compared to the prior quarter ended December 2022, the March YTD census was lower by 1.5 units (2.2%).

In the Memory Support (MS) unit within Assisted Living, the average YTD census was 22.3 units (93.0% of 24 units) occupied, which was (0.7) units below budget of 23.0 (95.8%). Compared to the prior quarter, the March YTD census was higher by 0.1 units (0.5%).

Healthcare Center (Skilled Nursing Unit)

For the Healthcare Center (HCC), the average YTD census for the quarter ended March 2023 was 129.6 residents (65.1% of 199 total HCC residents) occupied, which was 2.1 residents above budget of 127.5 residents (64.1%). Compared to the prior quarter ended December 2022, the March YTD census was lower by 0.2 residents (-.2%).

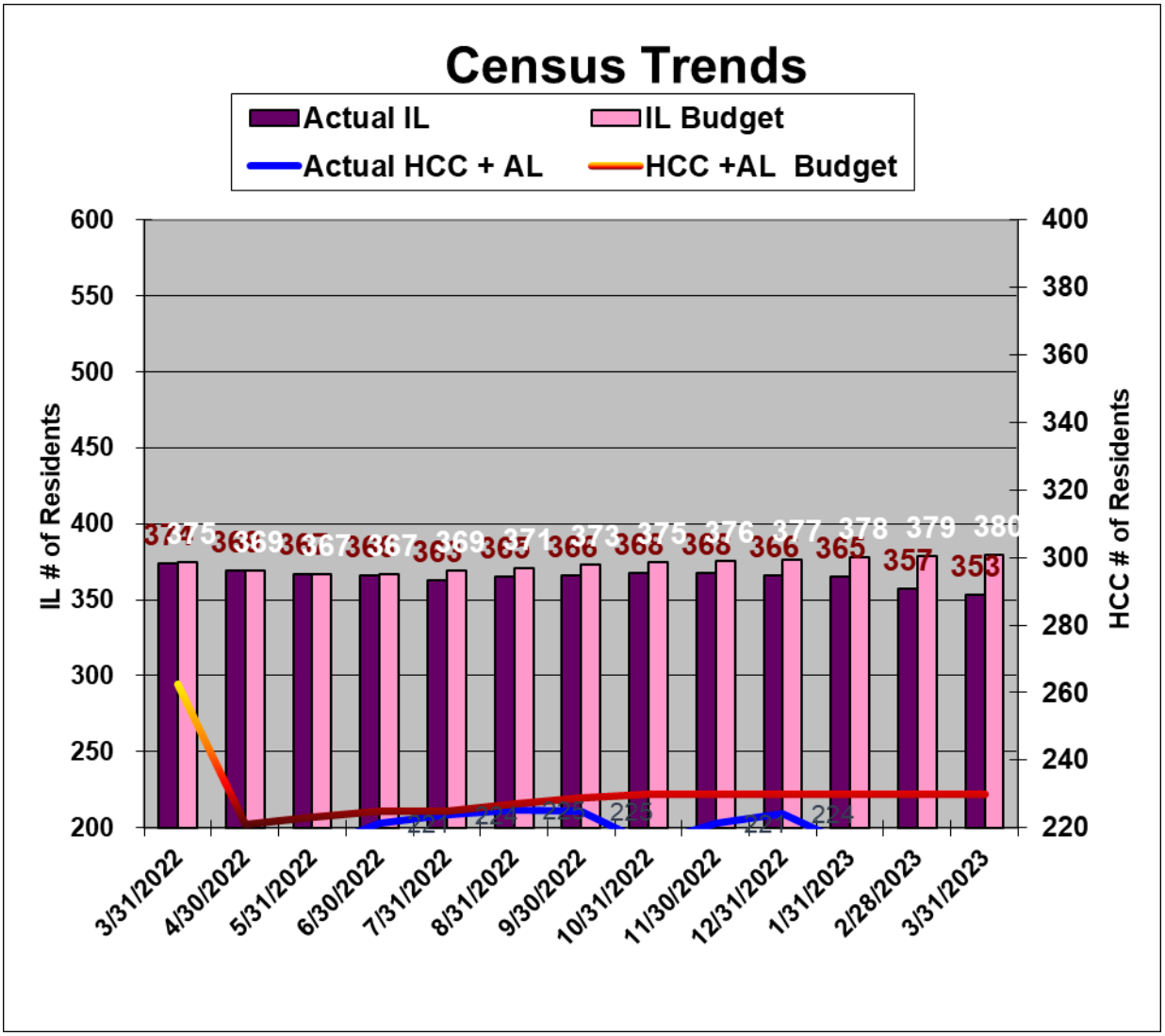
By payer, the Medicare Part A average YTD census for the current quarter was 40.0 residents (30.9% payer mix) which is an increase of 2.0 residents from the prior quarter's average of 38.0 residents (29.3% payer mix) and was 14.5 residents above the YTD budget of 25.5 residents (20.0% payer mix) for the current quarter.

Medicaid average YTD census for the current quarter was 35.1 residents (27.1% payer mix), 2.0 residents above the budget of 33.1 residents (26.0% payer mix). Compared to the prior quarter, Medicaid occupancy increased 1.0 residents from the prior quarter's 36.1 residents (27.8% payer mix).

Contract, also known as Life Care, was below budget for the current quarter, with 47.3 residents (36.5% payer mix), (10.1) residents below a budget of 57.4 residents (45.0% payer mix). Compared to the prior quarter, Contract (Life Care) occupancy decreased 0.7 residents from the prior quarter's 47.9 residents (36.9% payer mix).

Private Pay, also known as Self Pay, was below budget for the current quarter, with 7.2 residents (5.5% payer mix), (4.3) residents below budget of 11.4 residents (9.0% payer mix). Compared to the prior quarter, Private Pay occupancy decreased 0.6 residents from the prior quarter's 7.8 residents (6.0% payer mix).

The graph on the following page provides a pictorial view of census over the past 13 months for the community:


Census Trends
Actual IL
IL Budget
Actual HCC + AL
HCC +AL Budget
IL # of Residents
HCC # of Residents
600
550
500
450
400
350
300
250
200
400
380
360
340
320
300
280
260
240
220
374
369
367
363
365
366
368
368
366
365
357
353
3/31/2022
4/30/2022
5/31/2022
6/30/2022
7/31/2022
8/31/2022
9/30/2022
10/31/2022
11/30/2022
12/31/2022
1/31/2023
2/28/2023
3/31/2023

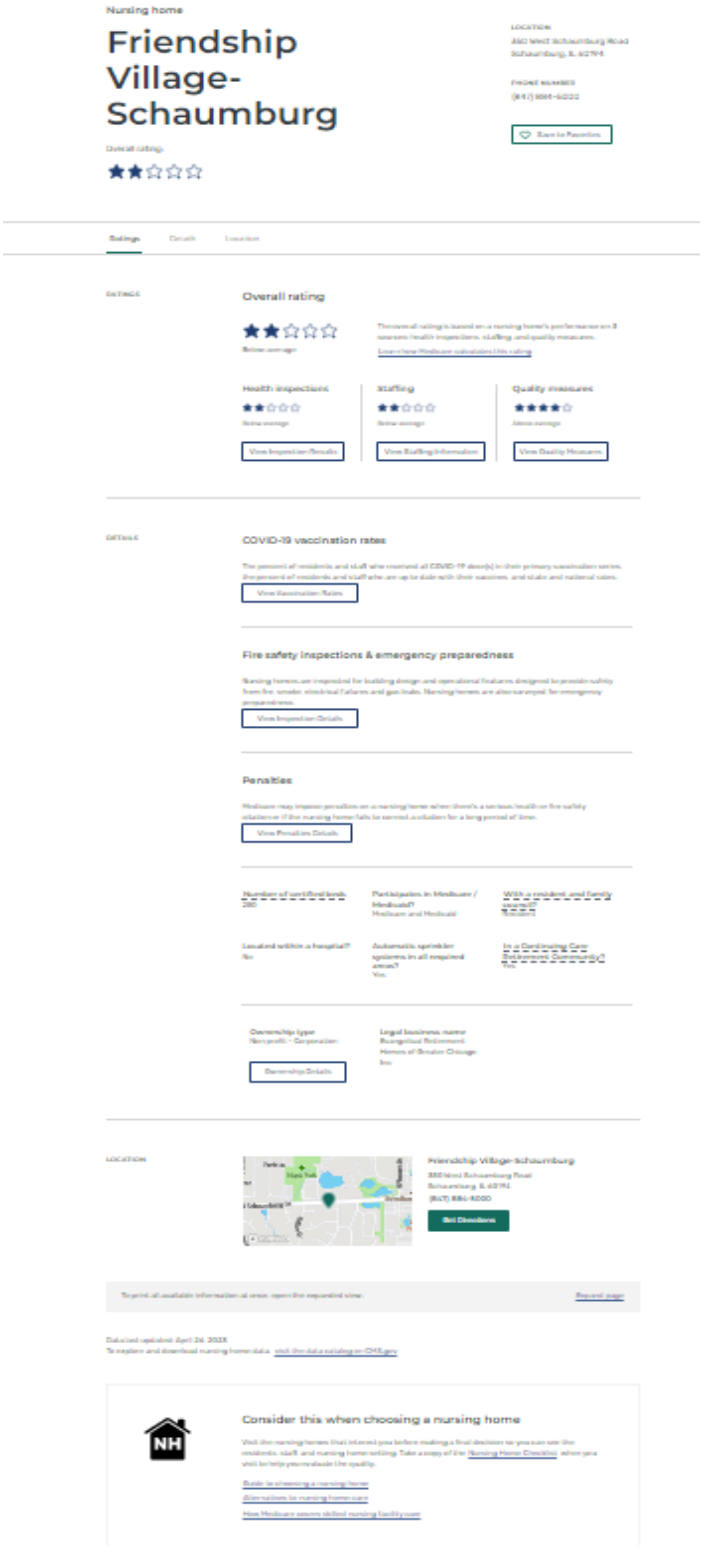
Friendship Village of Schaumburg
Briarwood Healthcare Daily Rates
FY 2023 Daily Rates

	Per Day	
Level of Care	Semi-Private	Private
Health Care	$ 485.00	$ 576.00
Reflections Special Care	$ 492.00	$ 583.00

Friendship Village of Schaumburg
Construction Updates
Quarter Ended March 31, 2023

Friendship Village of Schaumburg has not constructed any new Facilities during this quarter. Note that monies borrowed under the December 2017 Bond Issuance were not obtained for the purpose of constructing new facilities.

CMS 5-Star Rating as of May 23, 2023



We've Got Big News to Share

BEST NURSING HOMES
U.S.News & WORLD REPORT
2020-21

Briarwood Healthcare Center at Friendship Village was recently named as one of ***U.S. News and World Report's*** **2020-2021 "Best Nursing Homes" for Long-Term Care and Short-Term Rehabilitation.** This recognition is based on an evaluation of resident care, safety, health inspections, staffing, and the community's COVID response. This is the third time Friendship Village has received this honor.

Friendship Village is among just 4.5% of communities nationally to receive recognitions for both short-term rehabilitation and long-term care.



Friendship Village
SCHAUMBURG
FriendshipVillage.org

OTHER AWARDS AND ACCREDITATIONS:

- **CARF Accredited Life Plan Community**
- **Named Top 5 Nursing Homes in Illinois 2020 by *Newsweek***
- **"Best of the Best Retirement/Assisted Living Communities" and "The Best Place to Work" by the *Daily Herald* Readers' Choice Awards**
- **2018 NuStep Silver Pinnacle Award for Excellence**
- **SeniorAdvisor.com's Best of 2018 Award for Independent Living, Assisted Living, Nursing Home and Alzheimer's Care**
- **2019 Best of Schaumburg Award for Best Retirement Community**

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Friendship Village of Schaumburg
Obligated Group
Officer's Certificate
March 31, 2023

Friendship Village
SCHAUMBURG

Jay Smith
Corporate Trust Specialist
Corporate Trust & Escrow Services
UMB Bank, N.A., as Bond Trustee
120 S 6th Street
Suite 1400
Minneapolis, MN 55402

Computershare Trust Company, N.A.
as agent for Wells Fargo Bank, N.A
Minhtam Pham
CTS Account Associate
Corporate Trust Services
600 Fourth Street South 7th Floor
Minneapolis, MN 55415
MAC N9300-073

Re: Illinois Finance Authority Revenue Bonds, Series 2017 Revenue Bonds
Evangelical Retirement Homes of Greater Chicago, Incorporated *doing business as*
Friendship Village of Schaumburg (the "Obligated Group Representative")
Certificate of No Default for the Quarter Ending 03/31/2023

The undersigned duly authorized officer of the Obligated Group Representative hereby certifies as follows to demonstrate compliance with certain provisions of the Master Trust Indenture dated as of July 15, 2005, as amended, between Wells Fargo Bank, National Association, as Master Trustee and the Obligated Group (the "Master Indenture"):

This Certificate is being delivered with respect to the following:

- Quarter ended March 31, 2023 (a "Testing Period")

Capitalized terms used but not defined in this Certificate shall have the meanings set forth in the Master Trust Indenture.

(Unless otherwise indicated, all calculations are made in accordance with accounting principles generally accepted in the United States of America.)

350 W. Schaumburg Road • Schaumburg, Illinois 60194
Phone: (847) 884-5000 • Fax: (847) 884-5473 • www.FriendshipVillage.org
A Friendship Senior Options Community

(a) **Historical Debt Service Coverage Ratio** ***per Section 409 of the Master Indenture***

Net Revenues Available for Debt Service (A)...	$ 345,215
Annual Debt Service (B)	$8,778,706
Historical Debt Service Coverage Ratio (A/B)	0.04

Is the Historical Debt Service Coverage Ratio of the Borrower an amount at least equal to the Required Coverage Level for the applicable period?

_____ (Y) __X__ (N)

In order to meet the Historical Debt Service Coverage Ratio requirement, did the Obligated Group receive any funds from the Guarantor or any other Affiliate during the Testing Period?

_____ (Y) __X__ (N)

If yes, please identify the amount of such funds received and the entity that advanced such funds: $ -0-

(b) **Days Cash on Hand** ***per Section 425 of the Master Indenture***

Total Cash & Investments Used in DCOH (A).....	$5,928,550
Average Expense per Day (B)	$153,511
Days Cash on Hand (A/B)	38.6

Is the Days' Cash on Hand of the Borrower an amount at least equal to the Days' Cash on Hand requirement for the applicable period?

_____ (Y) __X__ (N)

In order to achieve the Days' Cash on Hand requirement, did the Borrower receive any funds from the Sole Member?

_____ (Y) __X__ (N)

If yes, please identify the amount of such funds received from the Sole Member:

$ -0-

In order to achieve the Days' Cash on Hand requirement, did the Borrower defer any Management Fees due to the Sole Member?

_____ (Y) __X__ (N)

If yes, please identify the amount of such funds deferral: $ -0-

(c) Certifications: To the best of the undersigned's knowledge, (1) the financial statements provided to the Trustee with this Certificate fairly set forth the financial position and results of operations of the Obligated Group as of the date and for the period covered by such financial statements, (2) the Obligated Group is in compliance with the terms, provisions and conditions of the Master Indenture and complies with all of the applicable requirements of Section 3 of the Continuing Disclosure Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand, this 26th day of May, 2023.

EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INCORPORATED, as Obligated Group Representative

By: Michael A Flynn

Name: Michael A. Flynn

Title: Chief Executive Officer

Appendix A

Friendship Village of Schaumburg
Obligated Group Financials
March 31, 2023

Unaudited

Friendship Village
Obligated Group Statement of Financial Position
ASSETS

	3/31/2023	3/31/2022	Change
Current Assets			
Cash and cash equivalents	939,583	2,886,733	(1,947,149)
Assets whose use is limited or restricted - required for current liabilities	2,207,924	2,754,290	(546,366)
Receivables less allowance for doubtful accounts	2,025,213	1,807,716	217,496
Entrance fees receivable	-	-	-
Other receivables	-	(8,844)	8,844
Inventories	116,713	122,280	(5,568)
Prepaid expenses	938,162	136,425	801,737
Total Current Assets	**6,227,594**	**7,698,600**	**(1,471,006)**
Assets whose use is limited or restricted, net of amounts required for current liabilities:			
Held by trustee under bond indenture agreement	-	-	-
Donor restricted investments	-	-	-
Total noncurrent assets whose use is limited or restricted	**-**	**-**	**-**
Land, buildings and equipment, net of accumulated depreciation	89,762,015	93,862,422	(4,100,407)
Long-term investments	4,988,967	8,364,047	(3,375,080)
Due from Affiliates	8,891,455	8,805,521	85,934
Total assets	**109,870,031**	**118,730,589**	**(8,860,558)**
LIABILITIES AND NET ASSETS			
Current Liabilities			
Current installments of long-term debt	8,450,000	5,495,000	2,955,000
Accounts payable	2,357,241	1,887,378	469,863
Accrued expenses:			
Payroll and employee benefits	1,122,351	1,304,744	(182,393)
Property taxes	502,746	449,468	53,278
Interest	5,111,920	744,140	4,367,780
Other	492,741	259,838	232,904
Entrance fee refunds	17,747,191	14,011,295	3,735,896
Entrance fee deposits	1,424,947	1,538,637	(113,690)
Total Current Liabilities	**37,209,138**	**25,690,500**	**11,518,638**
Long-Term Debt, less current installments and unamortized bond discount	104,421,960	107,205,352	(2,783,393)
Due to Affiliates	1,910,197	2,235,229	(325,032)
Entrance Fees			
Deferred revenue from nonrefundable entrance fees	(10,456,730)	(9,083,765)	(1,372,965)
Refundable entrance fees	102,241,807	104,297,011	(2,055,203)
Total Long Term Liabilities	**198,117,235**	**204,653,827**	**(6,536,592)**
Total Liabilities	**235,326,373**	**230,344,327**	**4,982,046**
Net assets (deficit)			
Unrestricted	(125,456,342)	(111,613,738)	(13,842,604)
Total net assets (deficit)	(125,456,342)	(111,613,738)	(13,842,604)
Total Liabilities and Net Assets (Deficit)	**109,870,031**	**118,730,589**	**(8,860,558)**

Friendship Village
Obligated Group Statement of Operations
March 31, 2023

	FY 23 MTD Actual 03/31/23	FY 23 MTD Budget 03/31/23	$ Variance MTD from Budget	FY 23 YTD Actual Thru 03/31/23	FY 23 YTD Budget Thru 03/31/23	Last Year Actual Thru 03/31/22	$ Variance YTD from Budget	% Variance YTD from Budget	$ Variance YTD from Prior Year	% Variance YTD from Prior Year	FY 23 Annual Budget
Revenue, gains and other support:											
Net independent service revenue	1,120,078	1,447,413	(327,335)	16,730,384	17,079,092	16,479,234	(348,708)	-2.04%	251,150	1.52%	17,079,092
Net assisted living service revenue	573,595	699,900	(126,305)	7,676,198	8,398,800	7,502,293	(722,602)	-8.60%	173,905	2.32%	8,398,800
Net health care service revenue	1,710,424	1,511,770	198,654	19,620,751	17,792,370	17,735,801	1,828,381	10.28%	1,884,949	10.63%	17,792,370
Home Health	53,856	69,500	(15,644)	719,266	834,000	806,373	(114,734)	-13.76%	(87,107)	-10.80%	834,000
Amortization of entrance fees	597,309	400,000	197,309	4,719,473	4,800,000	4,979,127	(80,527)	-1.68%	(259,654)	-5.21%	4,800,000
Contributions	-	-	-	-	-	-	-		-		-
Investment income	(77,232)	100,000	(177,232)	(454,186)	1,200,000	1,130,493	(1,654,186)	-137.85%	(1,584,679)	-140.18%	1,200,000
Net assets released from restrictions used for operations	-	-	-	-	-	-	-		-		-
Other revenue	109,933	87,500	22,433	1,279,510	1,050,000	1,115,353	229,510	21.86%	164,157	14.72%	1,050,000
Total revenue, gains and other support	4,087,963	4,316,083	(228,120)	50,291,396	51,154,262	49,748,674	(862,866)	-1.69%	542,722	1.09%	51,154,262
Total Revenue, excluding investment income -->	***4,165,194***	***4,216,083***	***(50,889)***	***50,745,581***	***49,954,262***	***48,618,181***	***791,319***	***1.58%***	***2,127,400***	***4.38%***	***49,954,262***
Operating expenses											
Salaries and benefits	1,704,063	1,606,444	(97,619)	20,258,407	19,154,162	22,910,915	(1,104,245)	-5.77%	2,652,508	11.58%	19,154,162
Supplies and other	1,008,942	634,668	(374,274)	8,536,511	7,412,120	7,485,841	(1,124,391)	-15.17%	(1,050,669)	-14.04%	7,412,120
Dietary	137,611	147,351	9,740	1,411,812	1,768,283	2,245,221	356,471	20.16%	833,408	37.12%	1,768,283
Professional fees	1,687,708	1,104,426	(583,282)	14,262,852	13,291,618	7,709,337	(971,234)	-7.31%	(6,553,514)	-85.01%	13,291,618
Repairs and maintenance	90,945	120,844	29,899	1,301,525	1,369,476	1,430,219	67,951	4.96%	128,694	9.00%	1,369,476
Utilities and telephone	256,498	192,438	(64,060)	2,106,349	2,399,328	2,445,496	292,979	12.21%	339,147	13.87%	2,399,328
Insurance	154,348	90,500	(63,848)	1,522,113	1,086,000	1,296,809	(436,113)	-40.16%	(225,303)	-17.37%	1,086,000
Real estate taxes	258,241	55,833	(202,407)	808,241	670,000	696,118	(138,241)	-20.63%	(112,123)	-16.11%	670,000
Interest	485,309	479,167	(6,142)	5,823,706	5,750,000	5,823,706	(73,706)	-1.28%	0	0.00%	5,750,000
Depreciation and amortization	439,521	680,000	240,479	7,827,358	8,160,000	8,202,969	332,642	4.08%	375,611	4.58%	8,160,000
Provision for bad debts	46,177	38,900	(7,277)	306,042	460,100	224,982	154,058	33.48%	(81,059)	-36.03%	460,100
Total operating expenses	6,269,362	5,150,571	(1,118,791)	64,164,915	61,521,087	60,471,614	(2,643,828)	-4.30%	(3,693,301)	-6.11%	61,521,087
Total operating expenses, excluding Interest & depreciation	***5,344,532***	***3,991,404***	***(1,353,128)***	***50,513,851***	***47,611,087***	***46,444,939***	***(2,902,764)***	***-6.10%***	***(4,068,912)***	***-8.76%***	***47,611,087***
Non-Salary expenses, excluding interest & depreciation -->	***3,640,469***	***2,384,960***	***(1,255,509)***	***30,255,444***	***28,456,925***	***23,534,024***	***(1,798,519)***	***-6.32%***	***(6,721,419)***	***-28.56%***	***28,456,925***
Operating income (loss)	(2,181,399)	(834,488)	(1,346,911)	(13,873,519)	(10,366,825)	(10,722,941)	(3,506,694)	-33.83%	(3,150,579)	-29.38%	(10,366,825)
Other changes in unrestricted net assets:											
Change in net unrealized gains and losses	111,306	-	111,306	22,859	-	(1,155,420)	22,859		1,178,280		-
Gain/(Loss) from Insurance Claims	-	-	-	8,056	-	362,633	8,056		(354,577)	(1)	-
Increase (decrease) in unrestricted net assets	(2,070,093)	(834,488)	(1,235,605)	(13,842,604)	(10,366,825)	(11,109,914)	(3,475,779)	-33.53%	(2,732,691)	-24.60%	(10,366,825)

Note A: Investment Income includes realized gains of ($572,805)and Interest & dividend income of $118,619

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Obligated Group: Friendship Village

Statements of Cash Flows

Fiscal Year to Date Ended March 31, 2023 and 2022

	Actual 03/31/23	Actual 03/31/22
Cash Flows from Operating Activities		
Net Profit/(loss)	(13,842,604)	(11,109,914)
Increase (decrease) in temporarily restricted net assets	-	-
Increase (decrease) in permanently restricted net assets		
Change in net assets (defecit)	(13,842,604)	(11,109,914)
Adjustments to reconcile change in net assets to		
net cash provided by (used in) operating activities:		
Depreciation	7,647,899	8,019,194
Amortization of bond discount	179,459	183,775
Amortization of entrance fees	(4,719,473)	(4,979,127)
Provision for bad debts	306,042	224,982
Change in unrealized (gains) and losses	(22,859)	1,155,420
(Gain)/Loss from Insurance Claims	-	-
Changes in assets and liabilities:		
Resident accounts receivable & Other Receivables	(609,472)	(1,767,835)
Inventory of supplies, prepaid expenses	(805,013)	487
Accounts payable & Other Payables	30,873	(990,483)
Accrued expenses	4,471,568	(384,133)
Net cash provided by (used in) operating activities	**(7,363,580)**	**(9,647,634)**
Cash Flows from Investing Activities		
Net sales (purchases) of assets whose use is limited or restricted	546,366	4,639,558
Net sales (purchases) of long-term investments	3,397,939	660,585
Acquisition of land, buildings and equipment, net	(3,547,225)	(2,599,101)
Net cash provided by (used in) investing activities	**397,080**	**2,701,041**
Cash Flows from Financing Activities		
Proceeds from refundable entrance fees	11,007,769	14,435,514
Refunds paid on entrance fees	(5,980,567)	(7,972,549)
Net cash provided by (used in) financing activities	**5,019,350**	**6,462,965**
Net (decrease) increase in cash and cash equivalents	**(1,947,150)**	**(483,627)**
Cash and cash equivalents at beginning of year	2,886,733	3,370,360
Cash and cash equivalents at end of year (end of current period)	939,583	2,886,733

Appendix B

Friendship Village of Schaumburg Obligated Group Census Indicators March 31, 2023

Unaudited

Friendship Village of Schaumburg
Census Summary
Quarters Ending March 31, 2023 and December 31, 2022

Quarter Census:

	12/31/2022 Prior Qtr Avg. Actual	3/31/2023 Current Qtr Avg. Actual	Payer Mix	Occ %	Current Qtr Avg. Budget	Payer Mix	Occ %	Unit Capacity
Total Census	**587.44**	**572.48**		67.9%	**608.50**		72.2%	**843**
Garden Homes	25.72	26.85		95.9%	27.00		96.4%	28
Independent Living - BG	218.75	216.08		63.7%	228.48		67.4%	339
Independent Living - BWP (Note A)	122.57	115.70		68.9%	123.03		73.2%	168
	341.32	331.78		65.4%	351.50		69.3%	507
Independent Living Sub-Total	367.04	358.63		67.0%	378.50		70.7%	535
Assisted Living								
Assisted Living Unit	63.02	62.31		73.3%	77.00		90.6%	85
Memory Support Unit (See Note B)	22.41	22.70		94.6%	23.00		95.8%	24
	85.43	85.01		78.0%	100.00		91.7%	109
Health Care Center								
Medicare	41.91	46.08	35.8%		26.00	20.0%		
Medicaid	39.01	32.16	25.0%		33.80	26.0%		
Contract	46.62	45.27	35.1%		58.50	45.0%		
Private Pay	7.44	5.33	4.1%		11.70	9.0%		
Total	134.97	128.85	100.0%	64.7%	130.00	100.0%	65.3%	199

Year-to-Date Census:

	12/31/2022 Prior Qtr YTD Actual	3/31/2023 Current Qtr YTD Actual	Payer Mix	Occ %	YTD Budget Mar-23	Payer Mix	Occ %	Unit Capacity
Total Census	**586.74**	**583.17**		69.2%	**600.67**		71.3%	**843**
Garden Homes	25.15	25.57		91.3%	27.00		96.4%	28
Independent Living - BG	219.95	218.98		64.6%	225.01		66.4%	339
Independent Living - BWP (Note A)	121.19	119.82		71.3%	121.16		72.1%	168
	341.14	338.80		66.8%	346.17		68.3%	507
Independent Living Sub-Total	366.29	364.37		68.1%	373.17		69.8%	535
Assisted Living								
Assisted Living Unit (See Note B)	68.44	66.91		78.7%	77.00		90.6%	85
Memory Support Unit (See Note B)	22.18	22.31		93.0%	23.00		95.8%	24
	90.62	89.21		81.8%	100.00		91.7%	109
Health Care Center								
Medicare	38.03	40.04	30.9%		25.50	20.0%		
Medicaid	36.13	35.13	27.1%		33.15	26.0%		
Contract	47.93	47.26	36.5%		57.38	45.0%		
Private Pay	7.75	7.15	5.5%		11.48	9.0%		
Total	129.83	129.59	100.0%	65.1%	127.50	100.0%	64.1%	199

Note A: Bridgewater Place (BWP) opened mid-June 2007
Note B: Memory support unit opened May 2005

Appendix C

Friendship Senior Options
Consolidated Financials
March 31, 2023

Unaudited

Consolidated Friendship Senior Options
Statements of Financial Position
ASSETS

	3/31/2023	3/31/2022	Change
Current Assets			
Cash and cash equivalents	2,154,158	5,153,382	(2,999,224)
Assets whose use is limited or restricted - required for current liabilities	2,207,924	5,833,616	(3,625,692)
Receivables less allowance for doubtful accounts	2,025,213	2,435,460	(410,247)
Entrance fees receivable	-	873	(873)
Other receivables	-	(29,119)	29,119
Inventories	116,713	145,075	(28,362)
Prepaid expenses	2,157,388	830,020	1,327,367
Total Current Assets	**8,661,395**	**14,369,305**	**(5,707,911)**
Assets whose use is limited or restricted, net of amounts required for current liabilities:			
Held by trustee under bond indenture agreement	424,739	12,013,893	(11,589,154)
Total noncurrent assets whose use is limited or restricted	**424,739**	**12,013,893**	**(11,589,154)**
Land, buildings and equipment, net of accumulated depreciation	92,024,611	163,287,512	(71,262,901)
Investment in insurance captive	163,727	163,727	-
Investment in Affiliate	-	-	-
Long-term investments	5,106,366	8,489,714	(3,383,348)
Notes Receivable from Affiliate	3,247,327	3,247,327	-
Total assets	**109,217,917**	**201,571,478**	**(92,353,561)**
LIABILITIES AND NET ASSETS			
Current Liabilities			
Current installments of long-term debt	8,450,000	10,920,000	(2,470,000)
Line of Credit Payable	-	-	-
Accounts payable	2,883,110	2,817,930	65,180
Accrued expenses:	-		
Payroll and employee benefits	1,663,979	2,475,803	(811,824)
Property taxes	502,746	942,437	(439,691)
Interest	5,111,920	2,839,946	2,271,973
Other	1,143,930	515,599	628,331
Entrance fee refunds	17,747,191	19,482,612	(1,735,421)
Entrance fee deposits	1,424,947	2,131,922	(706,975)
Total Current Liabilities	**38,927,823**	**42,126,250**	**(3,198,427)**
Long-Term Debt, less current installments and unamortized bond discount	104,421,960	172,131,237	(67,709,277)
Due to Affiliates	1,882,151	2,235,229	(353,078)
Notes Payable to Affiliate	-	-	-
Entrance Fees	-		
Deferred revenue from nonrefundable entrance fees	(10,456,730)	(10,833,048)	376,318
Refundable entrance fees	102,241,807	155,281,638	(53,039,831)
Total Long Term Liabilities	**198,089,188**	**318,815,056**	**(120,725,868)**
Total Liabilities	**237,017,012**	**360,941,306**	**(123,924,294)**
Net assets (deficit)			
Unrestricted	(127,877,910)	(159,410,967)	31,533,057
Temporarily restricted	78,816	41,139	37,676
Permanently restricted	-	-	-
			-
Total net assets (deficit)	(127,799,094)	(159,369,828)	31,570,734
Total Liabilities and Net Assets (Deficit)	**109,217,917**	**201,571,478**	**(92,353,561)**

Friendship Senior Options
Consolidated Statements of Operations
March 31, 2023

	FY 23 MTD Actual 03/31/23	FY 23 MTD Budget 03/31/23	$ Variance MTD from Budget	FY 23 YTD Actual Thru 03/31/23	FY 23 YTD Budget Thru 03/31/23	Last Year Actual Thru 03/31/22	$ Variance YTD from Budget	% Variance YTD from Budget	$ Variance YTD from Prior Year	% Variance YTD from Prior Year	FY 23 Annual Budget
Revenue, gains and other support:											
Net independent service revenue	1,120,078	1,447,413	(327,335)	21,538,011	22,414,092	22,245,525	(876,081)	-3.91%	(707,514)	-3.18%	22,414,092
Net assisted living service revenue	573,595	699,900	(126,305)	11,211,009	12,580,275	12,258,418	(1,369,266)	-10.88%	(1,047,409)	-8.54%	12,580,275
Net health care service revenue	1,710,424	1,511,770	198,654	24,565,298	22,472,370	23,336,813	2,092,928	9.31%	1,228,485	5.26%	22,472,370
Home Health	53,856	69,500	(15,644)	719,266	834,000	806,373	(114,734)	-13.76%	(87,107)	-10.80%	834,000
Amortization of entrance fees	597,309	400,000	197,309	6,812,354	6,300,000	7,475,822	512,354	8.13%	(663,468)	-8.87%	6,300,000
Contributions	11,692	24,083	(12,392)	140,867	289,000	95,035	(148,133)	-51.26%	45,832	48.23%	289,000
Investment income	(74,111)	109,333	(183,445)	(274,165)	1,478,667	1,464,784	(1,752,832)	-118.54%	(1,738,949)	-118.72%	1,478,667
Net assets released from restrictions used for operations	(9,876)	-	(9,876)	(9,876)	-	(7,860)	(9,876)		(2,016)		-
Other revenue	112,640	87,500	25,140	1,397,460	1,142,000	1,344,313	255,460	22.37%	53,147	3.95%	1,142,000
Total revenue, gains and other support	**4,095,606**	**4,349,500**	**(253,893)**	**66,100,224**	**67,510,404**	**69,019,223**	**(1,410,180)**	**-2.09%**	**(2,918,999)**	**-4.23%**	**67,510,404**
Operating expenses											
Salaries and benefits	1,845,622	1,884,787	39,165	29,452,684	28,083,344	34,723,708	(1,369,340)	-4.88%	5,271,024	15.18%	28,083,344
Supplies and other	1,036,874	766,539	(270,336)	11,246,556	10,098,122	10,604,684	(1,148,434)	-11.37%	(641,872)	-6.05%	10,098,122
Dietary	137,899	147,486	9,587	1,912,349	2,501,229	3,239,888	588,880	23.54%	1,327,539	40.97%	2,501,229
Professional fees	1,712,709	726,705	(986,005)	13,345,914	11,845,081	4,351,128	(1,500,833)	-12.67%	(8,994,786)	-206.72%	11,845,081
Repairs and maintenance	90,945	120,844	29,899	1,982,532	2,097,515	2,214,439	114,983	5.48%	231,907	10.47%	2,097,515
Utilities and telephone	261,445	194,769	(66,676)	2,808,842	3,122,449	3,361,061	313,607	10.04%	552,219	16.43%	3,122,449
Insurance	174,244	90,500	(83,744)	2,380,816	1,486,000	1,791,544	(894,816)	-60.22%	(589,273)	-32.89%	1,486,000
Real estate taxes	258,241	55,833	(202,407)	1,158,241	1,028,333	1,093,901	(129,907)	-12.63%	(64,339)	-5.88%	1,028,333
Interest	485,309	525,000	39,691	9,964,367	9,983,333	10,979,657	18,967	0.19%	1,015,291	9.25%	9,983,333
Depreciation and amortization	439,623	685,834	246,211	10,067,746	10,521,671	10,857,101	453,925	4.31%	789,355	7.27%	10,521,671
Provision for bad debts	46,177	38,900	(7,277)	324,940	498,400	281,204	173,460	34.80%	(43,736)	-15.55%	498,400
Total operating expenses	**6,489,087**	**5,237,196**	**(1,251,891)**	**84,644,986**	**81,265,477**	**83,498,315**	**(3,379,509)**	**-4.16%**	**(1,146,671)**	**-1.37%**	**81,265,477**
Operating income (loss)	**(2,393,481)**	**(887,697)**	**(1,505,784)**	**(18,544,763)**	**(13,755,073)**	**(14,479,092)**	**(4,789,689)**	**-34.82%**	**(4,065,671)**	**-28.08%**	**(13,755,073)**
Other changes in unrestricted net assets:											
Change in net unrealized gains and losses	111,055	-	111,055	20,835	-	(1,608,302)	20,835		1,629,136		-
Net assets released from restriction for PP&E acquisitions	9,876	-	9,876	9,876	-	7,860	9,876		2,016	25.65%	-
Non-Operating Gains/(Losses)	-	-	-	-	-	530,822	-		(530,822)	-100.00%	-
Gain/(Loss) on Disaffiliation	-	-	-	40,701,967	-	-	40,701,967		40,701,967		-
Equity Contribution	9,374,763	-	9,374,763	9,374,763	-	-	9,374,763		9,374,763		-
Gain/(Loss) from Insurance Claims	-	-	-	8,056	-	362,633	8,056		(354,577)	-97.78%	-
Increase (decrease) in unrestricted net assets	**7,102,213**	**(887,697)**	**7,989,909**	**31,570,734**	**(13,755,073)**	**(15,186,079)**	**45,325,807**	**329.52%**	**46,756,813**	**307.89%**	**(13,755,073)**

Case 25-00130 Doc 1-8 Filed 04/11/25 Entered 04/11/25 10:08:59 Desc Exhibit 8
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Consolidated Friendship Senior Options
Statements of Cash Flows
Fiscal Year to Date Ended March 31, 2023 and 2022

	Actual 03/31/23	Actual 03/31/22
Cash Flows from Operating Activities		
Net Profit/(loss)	(9,131,233)	(14,713,470)
Increase (decrease) in temporarily restricted net assets	-	-
Increase (decrease) in permanently restricted net assets		
Change in net assets (deficit)	(9,131,233)	(14,713,470)
Adjustments to reconcile change in net assets to		
net cash provided by (used in) operating activities:		
Depreciation	9,753,502	10,492,896
Amortization of bond discount	(42,065)	364,205
Amortization of entrance fees	(6,812,354)	(7,475,822)
Provision for bad debts	324,940	281,204
(Gain)/Loss from Insurance Claims	-	-
Changes in assets and liabilities:		
Resident accounts receivable & Other Receivables	(101,636)	429,201
Inventory of supplies, prepaid expenses	(1,654,798)	(152,096)
Accounts payable & Other Payables	309,855	(2,420,049)
Accrued expenses	6,773,356	(1,538,752)
Net cash provided by (used in) operating activities	**(601,267)**	**(13,124,380)**
Cash Flows from Investing Activities		
Net sales (purchases) of assets whose use is limited or restricted	2,524,199	5,290,904
Net sales (purchases) of long-term investments	3,404,183	259,503
Disaffiliation of GreenFields	(4,137,031)	
Acquisition of land, buildings and equipment, net	(4,021,626)	(3,356,786)
Net cash provided by (used in) investing activities	**(2,230,275)**	**2,193,620**
Cash Flows from Financing Activities		
Proceeds / repayments - Line of credit		
Repayment of long-term debt	(10,910,000)	(745,000)
Addition of Deferred Costs	817,342	-
Proceeds from refundable entrance fees	19,883,667	21,917,733
Refunds paid on entrance fees	(9,958,690)	(11,033,055)
Net cash provided by (used in) financing activities	**(167,681)**	**10,139,678**
Net (decrease) increase in cash and cash equivalents	**(2,999,223)**	**(791,082)**
Cash and cash equivalents at beginning of year	5,153,382	5,944,464
Cash and cash equivalents at end of year (end of current period)	2,154,159	5,153,382

EXHIBIT 9



February 8, 2024

Evangelical Retirement Homes of
Greater Chicago, Inc.
350 W. Schaumburg Rd.
Schaumburg, IL 60194
Attention: Mike Flynn

Dear Mike,

Enclosed is the organization's 2022 Exempt Organization return.

Specific filing instructions are as follows.

FORM 990 RETURN:

This return has qualified for electronic filing. After you have reviewed the return for completeness and accuracy, please sign, date and return Form 8879-TE to our office. We will transmit the return electronically to the IRS and no further action is required. Please return Form 8879-TE to us as soon as possible, but no later than by February 15, 2024 the filing deadline.

In addition, tax-exempt organizations must make available for public inspection a copy of their annual returns for the preceding three years and exemption application, if applicable. An organization generally must furnish filings to anyone who requests them in person or in writing. An exempt organization may meet this requirement by posting all the documents on its website or at another organizations site as part of a database of similar materials. Specific requirements must be met to meet this exception.

For public inspection purposes, organizations are required to provide a copy of their annual returns (Form 990) for the last three years and their exemption application (Form 1023 or 1024) to anyone who requests them. You must provide the entire 990, 990-T, if applicable, and all filed Schedules. However, the names and addresses of the donors may be omitted from the Public Inspection copy of Schedule B.

A few final reminders relating to your tax return filings:

- There are substantial penalties for failure to properly disclose and report foreign financial accounts and foreign activity. Please make sure you have informed us of any foreign financial accounts or foreign activity so that we have the necessary information to complete any required disclosures or filings.
- Be sure to review the returns prior to signing as you have final responsibility for all information included in the returns. Please contact us if you have any questions or concerns.
- We recommend you keep a paper or electronic copy of your tax returns permanently. Supporting documentation should be kept for a minimum of seven years based on IRS guidance.

CLA exists to create opportunities – for our clients, our people, and our communities. We value our relationship with you and thank you for your trust and confidence in allowing us to serve you. If we can assist you in making strategic, informed decisions in areas of tax or beyond, please contact us as questions arise throughout the year.

Sincerely,

CliftonLarsonAllen LLP

EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC.

FORM 990 INCOME TAX RETURN

FOR YEAR ENDED MARCH 31, 2023

Form **8879-TE**

Department of the Treasury
Internal Revenue Service

IRS e-file Signature Authorization for a Tax Exempt Entity

For calendar year 2022, or fiscal year beginning APR 1 , 2022, and ending MAR 31 , 20 23

Do not send to the IRS. Keep for your records.
Go to www.irs.gov/Form8879TE for the latest information.

OMB No. 1545-0047

2022

Name of filer EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC.

EIN or SSN [redacted]

Name and title of officer or person subject to tax MICHAEL FLYNN
PRESIDENT & CEO

Part I Type of Return and Return Information

Check the box for the return for which you are using this Form 8879-TE and enter the applicable amount, if any, from the return. Form 8038-CP and Form 5330 filers may enter dollars and cents. For all other forms, enter whole dollars only. If you check the box on line **1a, 2a, 3a, 4a, 5a, 6a, 7a, 8a, 9a,** or **10a** below, and the amount on that line for the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b, 5b, 6b, 7b, 8b, 9b,** or **10b,** whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than one line in Part I.

1a	**Form 990** check here	X	b	**Total revenue,** if any (Form 990, Part VIII, column (A), line 12)	1b 50,389,165.
2a	**Form 990-EZ** check here		b	**Total revenue,** if any (Form 990-EZ, line 9)	2b
3a	**Form 1120-POL** check here		b	**Total tax** (Form 1120-POL, line 22)	3b
4a	**Form 990-PF** check here		b	**Tax based on investment income** (Form 990-PF, Part V, line 5)	4b
5a	**Form 8868** check here		b	**Balance due** (Form 8868, line 3c)	5b
6a	**Form 990-T** check here		b	**Total tax** (Form 990-T, Part III, line 4)	6b
7a	**Form 4720** check here		b	**Total tax** (Form 4720, Part III, line 1)	7b
8a	**Form 5227** check here		b	**FMV of assets at end of tax year** (Form 5227, Item D)	8b
9a	**Form 5330** check here		b	**Tax due** (Form 5330, Part II, line 19)	9b
10a	**Form 8038-CP** check here		b	**Amount of credit payment requested** (Form 8038-CP, Part III, line 22)	10b

Part II Declaration and Signature Authorization of Officer or Person Subject to Tax

Under penalties of perjury, I declare that [X] I am an officer of the above entity or [ ] I am a person subject to tax with respect to (name of entity) _____, (EIN) _____ and that I have examined a copy of the 2022 electronic return and accompanying schedules and statements, and, to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the return to the IRS and to receive from the IRS **(a)** an acknowledgement of receipt or reason for rejection of the transmission, **(b)** the reason for any delay in processing the return or refund, and **(c)** the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the electronic return and, if applicable, the consent to electronic funds withdrawal.

PIN: check one box only

[X] I authorize CLIFTONLARSONALLEN LLP to enter my PIN [redacted]
ERO firm name
Enter five numbers, but do not enter all zeros

as my signature on the tax year 2022 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

[ ] As an officer or person subject to tax with respect to the entity, I will enter my PIN as my signature on the tax year 2022 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Signature of officer or person subject to tax Date

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN. [redacted]
Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2022 electronically filed return indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163,** Modernized e-File (MeF) Information for Authorized IRS *e-file* Providers for Business Returns.

ERO's signature CHAD D. KUNZE Date 02/08/24

ERO Must Retain This Form - See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So

LHA **For Privacy Act and Paperwork Reduction Act Notice, see instructions.** Form **8879-TE** (2022)

202521 12-16-22

11240209 131839 A315390 2022.05080 EVANGELICAL RETIREMENT HO A3153901

Form **8868** (Rev. January 2022)

Department of the Treasury
Internal Revenue Service

Application for Automatic Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**
▶ **Go to www.irs.gov/Form8868 for the latest information.**

OMB No. 1545-0047

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.*

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print

File by the due date for filing your return. See instructions.

Name of exempt organization or other filer, see instructions.
EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC.

Taxpayer identification number (TIN)
[redacted]

Number, street, and room or suite no. If a P.O. box, see instructions.
350 W. SCHAUMBURG ROAD

City, town or post office, state, and ZIP code. For a foreign address, see instructions.
SCHAUMBURG, IL 60194

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12
Form 990-T (corporation)	07		

- The books are in the care of ▶ JEFF NYBERG
350 W SCHAUMBURG ROAD - SCHAUMBURG, IL 60194

Telephone No. ▶ 847-843-4259 Fax No. ▶

- If the organization does not have an office or place of business in the United States, check this box ..... ▶ ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ▶ ☐. If it is for part of the group, check this box ▶ ☐ and attach a list with the names and TINs of all members the extension is for.

1 I request an automatic 6-month extension of time until FEBRUARY 15, 2024, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ ☐ calendar year _____ or
▶ ☒ tax year beginning APR 1, 2022, and ending MAR 31, 2023.

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a	If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$ 0.
b	If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$ 0.
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$ 0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-TE and Form 8879-TE for payment instructions.

LHA **For Privacy Act and Paperwork Reduction Act Notice, see instructions.** Form **8868** (Rev. 1-2022)

223841 04-01-22

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
Do not enter social security numbers on this form as it may be made public.
Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public Inspection

A For the 2022 calendar year, or tax year beginning APR 1, 2022 and ending MAR 31, 2023

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Final return/ termin-ated
- ☐ Amended return
- ☐ Applica-tion pending

C Name of organization
EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC.

Doing business as FRIENDSHIP VILLAGE OF SCHAUMBURG

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
350 W. SCHAUMBURG ROAD

City or town, state or province, country, and ZIP or foreign postal code
SCHAUMBURG, IL 60194

F Name and address of principal officer: MICHAEL FLYNN
SAME AS C ABOVE

D Employer identification number
[redacted]

E Telephone number
847-884-5000

G Gross receipts $ 50,961,970.

H(a) Is this a group return for subordinates? ☐ Yes ☒ No

H(b) Are all subordinates included? ☐ Yes ☐ No
If "No," attach a list. See instructions

H(c) Group exemption number

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: WWW.FRIENDSHIPVILLAGE.ORG

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation: 1974 M State of legal domicile: IL

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: TO PROVIDE MATURE ADULTS WITH EXCEPTIONAL LIVING CHOICES.	
	2	Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.	
	3	Number of voting members of the governing body (Part VI, line 1a)	6
	4	Number of independent voting members of the governing body (Part VI, line 1b)	6
	5	Total number of individuals employed in calendar year 2022 (Part V, line 2a)	0
	6	Total number of volunteers (estimate if necessary)	180
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0.
	b	Net unrelated business taxable income from Form 990-T, Part I, line 11	0.

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	405,814.	0.
	9	Program service revenue (Part VIII, line 2g)	48,618,185.	50,745,584.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,219,740.	-364,475.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	362,633.	8,056.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	50,606,372.	50,389,165.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	22,912,503.	20,259,416.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b	Total fundraising expenses (Part IX, column (D), line 25) 0.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	37,648,348.	43,995,219.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	60,560,851.	64,254,635.
	19	Revenue less expenses. Subtract line 18 from line 12	-9,954,479.	-13,865,470.

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	118,730,594.	109,870,031.
	21	Total liabilities (Part X, line 26)	230,344,324.	235,326,372.
	22	Net assets or fund balances. Subtract line 21 from line 20	-111,613,730.	-125,456,341.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer Date

MICHAEL FLYNN, PRESIDENT & CEO
Type or print name and title

Preparer Use Only

Print/Type preparer's name [redacted] Preparer's signature [redacted] Date [redacted] Check if [redacted] PTIN [redacted]

Firm's name CLIFTONLARSONALLEN LLP Firm's EIN [redacted]

Firm's address 2021 SPRING ROAD, SUITE 200
OAK BROOK, IL 60523

Phone no. (630) 573-8600

May the IRS discuss this return with the preparer shown above? See instructions ☒ Yes ☐ No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III X

1 Briefly describe the organization's mission:
IN THE SPIRIT OF FRIENDSHIP, WE PROVIDE SENIORS WITH DISTINCTIVE HOMES AND EXCEPTIONAL SERVICES THAT RESPECT THEIR FAITH TRADITIONS, SUPPORT THEIR INDEPENDENCE AND ENHANCE THEIR WELL-BEING. OUR EXPERTISE AND RESOURCES ARE EXTENDED TO OUR PARTNERS, AFFILIATES AND THE BROADER

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ..... ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ..... ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: _____) (Expenses $ 51,630,083. including grants of $ _____) (Revenue $ 50,753,640.)
EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO DBA: FRIENDSHIP VILLAGE OF SCHAUMBURG IS A LIFE PLAN COMMUNITY PROVIDING LIVING ARRANGEMENTS AND SERVICES TO SENIORS. CAMPUS WIDE SERVICES INCLUDE DINING, ACTIVITIES, MAINTENANCE, HOUSEKEEPING, WELLNESS PROGRAMS, SUPPORTIVE SERVICES, AND 24 HOUR SECURITY. THE INDEPENDENT LIVING AREA (527 RESIDENCES) OFFERS A VARIETY OF PRIVATE LIVING ARRANGEMENTS, A FITNESS CENTER, AND OTHER AMENITIES. THE CAMPUS ALSO HAS 28 GARDEN HOMES, 85 ASSISTED LIVING APARTMENTS, 24 MEMORY SUPPORT UNITS, AND A 199 BED SKILLED HEALTH CARE FACILITY.

4b (Code: _____) (Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4c (Code: _____) (Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4d Other program services (Describe on Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses 51,630,083.

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors*? See instructions	2		X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9	X	
10	Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? *If "Yes," complete Schedule D, Part V*	10		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		X
c	Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	X	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I.* See instructions	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
22	Did the organization report more than $5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	24a	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
25a	**Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see the Schedule L, Part IV, instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of any individual described in line 28a? *If "Yes," complete Schedule L, Part IV*	28b		X
c	A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations on Schedule O for Part VI, lines 11b and 19? **Note:** All Form 990 filers are required to complete Schedule O	38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V ☐

				Yes	No
1a	Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable	1a	0		
b	Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c			

Part V **Statements Regarding Other IRS Filings and Tax Compliance** *(continued)*

			Yes	No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return 2a 0			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b		
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a		X
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation on Schedule O*	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b	If "Yes," enter the name of the foreign country _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	**Organizations that may receive deductible contributions under section 170(c).**			
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year 7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		X
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		X
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8		X
9	**Sponsoring organizations maintaining donor advised funds.**			
a	Did the sponsoring organization make any taxable distributions under section 4966?	9a		X
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b		X
10	**Section 501(c)(7) organizations.** Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12 10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities 10b			
11	**Section 501(c)(12) organizations.** Enter:			
a	Gross income from members or shareholders 11a			
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year 12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**			
a	Is the organization licensed to issue qualified health plans in more than one state? **Note:** See the instructions for additional information the organization must report on Schedule O.	13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans 13b			
c	Enter the amount of reserves on hand 13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation on Schedule O*	14b		
15	Is the organization subject to the section 4960 tax on payment(s) of more than $1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see the instructions and file Form 4720, Schedule N.	15		X
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.	16		X
17	**Section 501(c)(21) organizations.** Did the trust, or any disqualified or other person engage in any activities that would result in the imposition of an excise tax under section 4951, 4952 or 4953? If "Yes," complete Form 6069.	17		

Part VI Governance, Management, and Disclosure. *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.*

Check if Schedule O contains a response or note to any line in this Part VI X

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	6		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.				
b	Enter the number of voting members included on line 1a, above, who are independent	1b	6		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?	3		X	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6	Did the organization have members or stockholders?	6		X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		X	
b	Each committee with authority to act on behalf of the governing body?	8b		X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses on Schedule O*	9			X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe on Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe on Schedule O how this was done*	12c	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions.			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed IL

18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request ☐ Other *(explain on Schedule O)*

19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records

JEFF NYBERG - 847-843-4259

350 W SCHAUMBURG ROAD, SCHAUMBURG, IL 60194

Form 990 (2022) EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC. [redacted]

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

See the instructions for the order in which to list the persons above.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/ 1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/ 1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) MICHAEL FLYNN	16.00									
CEO	24.00			X				0.	297,935.	23,981.
(2) NANCY D MONTAVLO	1.00									
DIRECTOR OF NURSING						X		0.	156,210.	8,418.
(3) DAWN MCCLOUD	1.00									
SALES MANAGER						X		0.	146,204.	15,871.
(4) RICK A. PAISLEY	1.00									
DIR RES SUPPORT SERVICES						X		0.	130,148.	11,213.
(5) COLLEEN E. KOWALEWSKI	1.00									
DIRECTOR AL AND LIFE SERVICES						X		0.	116,599.	20,540.
(6) RENAN JAY LEANDICHO	1.00									
SUPERVISOR						X		0.	124,841.	9,056.
(7) MARY SHEAHEN	0.20									
CHAIR & SECRETARY	0.30	X		X				750.	1,200.	0.
(8) CATHERINE TARDY	0.20									
DIRECTOR	0.30	X		X				750.	1,200.	0.
(9) KATHLEEN RIVERA	0.20									
DIRECTOR & CHAIR	0.00	X		X				900.	0.	0.
(10) JEAN SCHLINKMANN	0.20									
DIRECTOR	0.00	X		X				750.	0.	0.
(11) LOREN TRIMBLE	0.20									
TREASURE	1.00	X		X				0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/ 1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/ 1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
1b Subtotal								3,150.	974,337.	89,079.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								3,150.	974,337.	89,079.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization 0

		Yes	No
3 Did the organization list any **former** officer, director, trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
MORRISON MANAGEMENT SPECIALISTS P.O. BOX 102289, ATLANTA, GA 30368	DINING SERVICE	8,137,164.
FRIENDSHIP SENIOR OPTIONS, NFP 350 W SCHAUMBURG ROAD, SCHAUMBURG, IL 60194	MANAGEMENT	6,270,000.
RIEHLE DEVELOPMENT 479 S WESTERN AVENUE, BARTLETT, IL 60103	CONTRACTOR	3,097,780.
SYMBRIA REHAB INC., 28100 TORCH PKWY, #600, WARRENVILLE, IL 60555	HEALTH CONSULTANT	2,450,850.
DAVIS HARRISON DION, 333 N MICHIGAN AVE, #2300, CHICAGO, IL 60601	ADVERTISING AGENCY	1,196,661.

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization 5

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Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f	1g $				
	h	**Total.** Add lines 1a-1f					
			Business Code				
Program Service Revenue	2a	RESIDENT SERV REVENUE	623990	45,643,308.	45643308.		
	b	AMORT. OF ENTRANCE FEES	623990	4,719,473.	4,719,473.		
	c	OTHER	623990	382,803.	382,803.		
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a-2f		50,745,584.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		208,330.			208,330.
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real / (ii) Personal				
	6a	Gross rents	6a				
	b	Less: rental expenses	6b				
	c	Rental income or (loss)	6c				
	d	Net rental income or (loss)					
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	7a				
	b	Less: cost or other basis and sales expenses	7b	572,805.			
	c	Gain or (loss)	7c	-572,805.			
	d	Net gain or (loss)		-572,805.			-572,805.
	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18	8a				
	b	Less: direct expenses	8b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities. See Part IV, line 19	9a				
	b	Less: direct expenses	9b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	10a				
	b	Less: cost of goods sold	10b				
	c	Net income or (loss) from sales of inventory					
			Business Code				
Miscellaneous Revenue	11a	GAIN FROM INSURANCE CLAIM	900099	8,056.	8,056.		
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a-11d		8,056.			
	12	**Total revenue.** See instructions		50,389,165.	50753640.	0.	-364,475.

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX X

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,800.		1,800.	
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	17,444,536.	16,242,439.	1,202,097.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	-709.	-660.	-49.	
9 Other employee benefits	2,813,789.	2,619,621.	194,168.	
10 Payroll taxes				
11 Fees for services (nonemployees):				
a Management	6,270,000.		6,270,000.	
b Legal	841,658.		841,658.	
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	89,712.	89,712.		
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)	11,041,150.	10,408,701.	632,449.	
12 Advertising and promotion	2,117,321.		2,117,321.	
13 Office expenses	412,213.	180,531.	231,682.	
14 Information technology	110,966.		110,966.	
15 Royalties				
16 Occupancy	3,038,790.	2,857,602.	181,188.	
17 Travel	50,542.	48,674.	1,868.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	4,047.	3,433.	614.	
20 Interest	5,961,706.	5,961,706.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	7,689,358.	7,304,890.	384,468.	
23 Insurance	1,522,113.	1,522,113.		
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a FOOD/MEDICINE/SUPPLIES	2,919,785.	2,919,785.		
b REPAIRS AND MAINTENANCE	1,301,525.	1,204,084.	97,441.	
c BAD DEBT EXPENSE	306,042.		306,042.	
d RESIDENT EVENTS/PROGRAM	214,722.	214,722.		
e All other expenses	103,569.	52,730.	50,839.	
25 **Total functional expenses.** Add lines 1 through 24e	64,254,635.	51,630,083.	12,624,552.	0.
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ if following SOP 98-2 (ASC 958-720)				

Form 990 (2022) EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC. [redacted] Page 11

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	4,819.	1	4,664.
	2	Savings and temporary cash investments	2,881,916.	2	934,919.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	1,798,874.	4	2,025,213.
	5	Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	122,280.	8	116,714.
	9	Prepaid expenses and deferred charges	136,424.	9	938,161.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a: 231,768,111.			
	b	Less: accumulated depreciation — 10b: 142,006,096.	93,862,423.	10c	89,762,015.
	11	Investments - publicly traded securities	11,118,337.	11	7,196,890.
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	8,805,521.	15	8,891,455.
	16	**Total assets.** Add lines 1 through 15 (must equal line 33)	118,730,594.	16	109,870,031.
Liabilities	17	Accounts payable and accrued expenses	4,645,567.	17	9,587,000.
	18	Grants payable		18	
	19	Deferred revenue	5,089,182.	19	6,637,529.
	20	Tax-exempt bond liabilities	112,700,352.	20	112,871,960.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	107,909,223.	25	106,229,883.
	26	**Total liabilities.** Add lines 17 through 25	230,344,324.	26	235,326,372.
Net Assets or Fund Balances		**Organizations that follow FASB ASC 958, check here** [X] **and complete lines 27, 28, 32, and 33.**			
	27	Net assets without donor restrictions	-111,613,730.	27	-125,456,341.
	28	Net assets with donor restrictions		28	
		Organizations that do not follow FASB ASC 958, check here [ ] **and complete lines 29 through 33.**			
	29	Capital stock or trust principal, or current funds		29	
	30	Paid-in or capital surplus, or land, building, or equipment fund		30	
	31	Retained earnings, endowment, accumulated income, or other funds		31	
	32	Total net assets or fund balances	-111,613,730.	32	-125,456,341.
	33	Total liabilities and net assets/fund balances	118,730,594.	33	109,870,031.

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Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	50,389,165.
2	Total expenses (must equal Part IX, column (A), line 25)	2	64,254,635.
3	Revenue less expenses. Subtract line 2 from line 1	3	-13,865,470.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	-111,613,730.
5	Net unrealized gains (losses) on investments	5	22,859.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	-125,456,341.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII ☐

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
	If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b		X
	If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c		
	If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Uniform Guidance, 2 C.F.R. Part 200, Subpart F?	3a		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits	3b		

SCHEDULE A (Form 990)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
Attach to Form 990 or Form 990-EZ.
Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC.

Employer identification number [redacted]

Part I Reason for Public Charity Status. (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990).)
3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
10 ☒ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions, subject to certain exceptions; and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3).** Check the box on lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.

a ☐ **Type** I. A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
f Enter the number of supported organizations .....
g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document? Yes	(iv) No	(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
Total						

Schedule A (Form 990) 2022 EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC. [redacted] Page 2

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First 5 years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2022 (line 6, column (f), divided by line 11, column (f)) 14 %

15 Public support percentage from 2021 Schedule A, Part II, line 14 15 %

16a **33 1/3% support test - 2022.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ☐

b **33 1/3% support test - 2021.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ☐

17a **10% -facts-and-circumstances test - 2022.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and **stop here.** Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization ☐

b **10% -facts-and-circumstances test - 2021.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and **stop here.** Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ☐

Schedule A (Form 990) 2022

Schedule A (Form 990) 2022 EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC. [redacted] Page 3

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	15,000.	100,000.	4176639.	405,814.	0.	4697453.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	52536750.	54142982.	51636415.	48618185.	50745584.	257679916
3 Gross receipts from activities that are not an unrelated trade or business under section 513	469,544.	369,797.	1175592.	362,633.	8,056.	2385622.
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5	53021294.	54612779.	56988646.	49386632.	50753640.	264762991
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						0.
c Add lines 7a and 7b						0.
8 **Public support.** (Subtract line 7c from line 6.)						264762991

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
9 Amounts from line 6	53021294.	54612779.	56988646.	49386632.	50753640.	264762991
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources	1356633.	1086141.	452,769.	489,778.	208,330.	3593651.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	1356633.	1086141.	452,769.	489,778.	208,330.	3593651.
11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)	96,316.					96,316.
13 **Total support.** (Add lines 9, 10c, 11, and 12.)	54474243.	55698920.	57441415.	49876410.	50961970.	268452958

14 **First 5 years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2022 (line 8, column (f), divided by line 13, column (f))	15	98.63 %
16 Public support percentage from 2021 Schedule A, Part III, line 15	16	98.39 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2022** (line 10c, column (f), divided by line 13, column (f))	17	1.34 %
18 Investment income percentage from **2021** Schedule A, Part III, line 17	18	1.56 %

19a **33 1/3% support tests - 2022.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ☒

b **33 1/3% support tests - 2021.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

Part IV Supporting Organizations

(Complete only if you checked a box on line 12 of Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

			Yes	No
1	Are all of the organization's supported organizations listed by name in the organization's governing documents? *If "No," describe in* **Part VI** *how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.*	1		
2	Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? *If "Yes," explain in* **Part VI** *how the organization determined that the supported organization was described in section 509(a)(1) or (2).*	2		
3a	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? *If "Yes," answer lines 3b and 3c below.*	3a		
b	Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? *If "Yes," describe in* **Part VI** *when and how the organization made the determination.*	3b		
c	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? *If "Yes," explain in* **Part VI** *what controls the organization put in place to ensure such use.*	3c		
4a	Was any supported organization not organized in the United States ("foreign supported organization")? *If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.*	4a		
b	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? *If "Yes," describe in* **Part VI** *how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.*	4b		
c	Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? *If "Yes," explain in* **Part VI** *what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.*	4c		
5a	Did the organization add, substitute, or remove any supported organizations during the tax year? *If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in* **Part VI,** *including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).*	5a		
b	**Type I or Type II only.** Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b		
c	**Substitutions only.** Was the substitution the result of an event beyond the organization's control?	5c		
6	Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? *If "Yes," provide detail in* **Part VI.**	6		
7	Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? *If "Yes," complete Part I of Schedule L (Form 990).*	7		
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? *If "Yes," complete Part I of Schedule L (Form 990).*	8		
9a	Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? *If "Yes," provide detail in* **Part VI.**	9a		
b	Did one or more disqualified persons (as defined on line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? *If "Yes," provide detail in* **Part VI.**	9b		
c	Did a disqualified person (as defined on line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? *If "Yes," provide detail in* **Part VI.**	9c		
10a	Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? *If "Yes," answer line 10b below.*	10a		
b	Did the organization have any excess business holdings in the tax year? *(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)*	10b		

Schedule A (Form 990) 2022 EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC. [redacted] Page 5

Part IV Supporting Organizations *(continued)*

			Yes	No
11	Has the organization accepted a gift or contribution from any of the following persons?			
a	A person who directly or indirectly controls, either alone or together with persons described on lines 11b and 11c below, the governing body of a supported organization?	11a		
b	A family member of a person described on line 11a above?	11b		
c	A 35% controlled entity of a person described on line 11a or 11b above? *If "Yes" to line 11a, 11b, or 11c, provide detail in* **Part VI.**	11c		

Section B. Type I Supporting Organizations

			Yes	No
1	Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? *If "No," describe in* **Part VI** *how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.*	1		
2	Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? *If "Yes," explain in* **Part VI** *how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.*	2		

Section C. Type II Supporting Organizations

			Yes	No
1	Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? *If "No," describe in* **Part VI** *how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).*	1		

Section D. All Type III Supporting Organizations

			Yes	No
1	Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	1		
2	Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? *If "No," explain in* **Part VI** *how the organization maintained a close and continuous working relationship with the supported organization(s).*	2		
3	By reason of the relationship described on line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? *If "Yes," describe in* **Part VI** *the role the organization's supported organizations played in this regard.*	3		

Section E. Type III Functionally Integrated Supporting Organizations

1 *Check the box next to the method that the organization used to satisfy the Integral Part Test during the year* **(see instructions).**

a ☐ The organization satisfied the Activities Test. *Complete* **line 2** *below.*

b ☐ The organization is the parent of each of its supported organizations. *Complete* **line 3** *below.*

c ☐ The organization supported a governmental entity. *Describe in* **Part VI** *how you supported a governmental entity (see instructions).*

			Yes	No
2	Activities Test. **Answer lines 2a and 2b below.**			
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? *If "Yes," then in* **Part VI identify those supported organizations and explain** *how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.*	2a		
b	Did the activities described on line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? *If "Yes," explain in* **Part VI** *the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.*	2b		
3	Parent of Supported Organizations. **Answer lines 3a and 3b below.**			
a	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? *If "Yes" or "No" provide details in* **Part VI.**	3a		
b	Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? *If "Yes," describe in* **Part VI** *the role played by the organization in this regard.*	3b		

Schedule A (Form 990) 2022 EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC. [redacted] Page 6

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (*explain in* **Part VI**). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3.	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
8 **Adjusted Net Income** (subtract lines 5, 6, and 7 from line 4)	8		

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d **Total** (add lines 1a, 1b, and 1c)	1d		
e **Discount** claimed for blockage or other factors (*explain in detail in* **Part VI**):			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d.	3		
4 Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by 0.035.	6		
7 Recoveries of prior-year distributions	7		
8 **Minimum Asset Amount** (add line 7 to line 6)	8		

Section C - Distributable Amount			Current Year
1 Adjusted net income for prior year (from Section A, line 8, column A)	1		
2 Enter 0.85 of line 1.	2		
3 Minimum asset amount for prior year (from Section B, line 8, column A)	3		
4 Enter greater of line 2 or line 3.	4		
5 Income tax imposed in prior year	5		
6 **Distributable Amount.** Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6		

7 ☐ Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).

Schedule A (Form 990) 2022

Schedule A (Form 990) 2022 EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC. [redacted] Page 7

Part V | **Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations** *(continued)*

Section D - Distributions			**Current Year**
1	Amounts paid to supported organizations to accomplish exempt purposes	1	
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2	
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3	
4	Amounts paid to acquire exempt-use assets	4	
5	Qualified set-aside amounts (prior IRS approval required - *provide details in* **Part VI**)	5	
6	Other distributions (*describe in* **Part VI**). See instructions.	6	
7	**Total annual distributions.** Add lines 1 through 6.	7	
8	Distributions to attentive supported organizations to which the organization is responsive (*provide details in* **Part VI**). See instructions.	8	
9	Distributable amount for 2022 from Section C, line 6	9	
10	Line 8 amount divided by line 9 amount	10	

Section E - Distribution Allocations (see instructions)		**(i) Excess Distributions**	**(ii) Underdistributions Pre-2022**	**(iii) Distributable Amount for 2022**
1	Distributable amount for 2022 from Section C, line 6			
2	Underdistributions, if any, for years prior to 2022 (reasonable cause required - *explain in* **Part VI**). See instructions.			
3	Excess distributions carryover, if any, to 2022			
a	From 2017			
b	From 2018			
c	From 2019			
d	From 2020			
e	From 2021			
f	**Total** of lines 3a through 3e			
g	Applied to underdistributions of prior years			
h	Applied to 2022 distributable amount			
i	Carryover from 2017 not applied (see instructions)			
j	Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
4	Distributions for 2022 from Section D, line 7: $			
a	Applied to underdistributions of prior years			
b	Applied to 2022 distributable amount			
c	Remainder. Subtract lines 4a and 4b from line 4.			
5	Remaining underdistributions for years prior to 2022, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, *explain in* **Part VI.** See instructions.			
6	Remaining underdistributions for 2022. Subtract lines 3h and 4b from line 1. For result greater than zero, *explain in* **Part VI**. See instructions.			
7	**Excess distributions carryover to 2023.** Add lines 3j and 4c.			
8	Breakdown of line 7:			
a	Excess from 2018			
b	Excess from 2019			
c	Excess from 2020			
d	Excess from 2021			
e	Excess from 2022			

Schedule A (Form 990) 2022

232027 12-09-22

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

SCHEDULE A, PART III, LINE 12, EXPLANATION FOR OTHER INCOME:

MISCELLANEOUS

2018 AMOUNT: $ 96,316.

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
Attach to Form 990.
Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization: EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC.

Employer identification number: [redacted]

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate value of contributions to (during year)		
3	Aggregate value of grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (for example, recreation or education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of a historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

		Held at the End of the Tax Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after July 25,2006, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year _____

4 Number of states where property subject to conservation easement is located _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 $ _____

(ii) Assets included in Form 990, Part X $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1 $ _____

b Assets included in Form 990, Part X $

Schedule D (Form 990) 2022 EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC. [redacted] Page 2

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange program
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☒ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☒ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment _____%
b Permanent endowment _____%
c Term endowment _____%

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) Unrelated organizations	3a(i)		
(ii) Related organizations	3a(ii)		
b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		5,446,421.		5,446,421.
b Buildings		194,709,848.	113,604,132.	81,105,716.
c Leasehold improvements				
d Equipment		21,417,954.	18,375,612.	3,042,342.
e Other		10,193,888.	10,026,352.	167,536.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10c.)*				89,762,015.

Schedule D (Form 990) 2022

232052 09-01-22

Schedule D (Form 990) 2022 EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC. [redacted]

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.)		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.)		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) DUE FROM FSO	8,556,889.
(2) DUE FROM GF	28,046.
(3) DUE FROM FVNS	306,520.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)*	8,891,455.

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) ENTRANCE FEE DEPOSITS	1,424,947.
(3) REFUNDABLE ENTRANCE FEES	102,894,739.
(4) INSTALLMENT PAYABLE	1,910,197.
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)*	106,229,883.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ... X

Schedule D (Form 990) 2022 EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC. [redacted] Page 4

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains (losses) on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART IV, LINE 1B:

THE ACTIVITY DEPARTMENT OF EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO MAINTAINS A TRUST ACCOUNT AND PETTY CASH REQUIRED BY THE STATE TO SUPPORT RESIDENTS UNDER THE PUBLIC AID PROGRAM AND TO HOLD CASH THAT RESIDENTS IN THE HEALTHCARE RELATED AREAS CAN USE FOR OUTINGS AND PERSONAL EXPENDITURES. THE ACCOUNT IS REVIEWED MONTHLY FOR ACCURACY.

PART X, LINE 2:

THE ORGANIZATION QUALIFIES AS A TAX-EXEMPT CORPORATION DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE IS EXEMPT FROM FEDERAL INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501(A) OF THE CODE.

Part XIII Supplemental Information *(continued)*

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
Attach to Form 990.
Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization: EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC.

Employer identification number: [redacted]

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
	☐ First-class or charter travel ☐ Housing allowance or residence for personal use		
	☐ Travel for companions ☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments ☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account ☐ Personal services (such as maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain 1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a? 2		
3	Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.		
	☒ Compensation committee ☒ Written employment contract		
	☒ Independent compensation consultant ☒ Compensation survey or study		
	☐ Form 990 of other organizations ☒ Approval by the board or compensation committee		
4	During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a	Receive a severance payment or change-of-control payment? 4a		X
b	Participate in or receive payment from a supplemental nonqualified retirement plan? 4b		X
c	Participate in or receive payment from an equity-based compensation arrangement? 4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
	Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.		
5	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a	The organization? 5a		X
b	Any related organization? 5b		X
	If "Yes" on line 5a or 5b, describe in Part III.		
6	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a	The organization? 6a		X
b	Any related organization? 6b		X
	If "Yes" on line 6a or 6b, describe in Part III.		
7	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III 7		X
8	Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III 8		X
9	If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? 9		

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990.** **Schedule J (Form 990) 2022**

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Schedule J (Form 990) 2022 EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC. [redacted] Page **2**

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC and/or 1099-NEC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) MICHAEL FLYNN	(i)	0.	0.	0.	0.	0.	0.	0.
CEO	(ii)	267,378.	30,000.	557.	0.	23,981.	321,916.	0.
(2) NANCY D MONTAVLO	(i)	0.	0.	0.	0.	0.	0.	0.
DIRECTOR OF NURSING	(ii)	156,210.	0.	0.	0.	8,418.	164,628.	0.
(3) DAWN MCCLOUD	(i)	0.	0.	0.	0.	0.	0.	0.
SALES MANAGER	(ii)	109,275.	0.	36,929.	0.	15,871.	162,075.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
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	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Schedule J (Form 990) 2022

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Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 3:

THE COMPENSATION OF THE ORGANIZATION'S CEO WAS DETERMINED BY METHODS USED BY A RELATED ORGANIZATION. SEE SCHEDULE O RESPONSE FOR PART VI, SECTION B, LINE 15A.

SCHEDULE K (Form 990)
Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
Attach to Form 990. Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047
2022
Open to Public Inspection

Name of the organization: EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC.

Employer identification number: [redacted]

Part I Bond Issues SEE PART VI FOR COLUMN (F) CONTINUATIONS

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pooled financing Yes	(i) Pooled financing No
A	ILLINOIS FINANCE AUTHORITY	86-1091967	45204EA31	12/28/17	2,663,389.	REFUND SERIES 2005 AND 2010 BON		X		X		X
B	ILLINOIS FINANCE AUTHORITY	86-1091967	45204EA57	12/28/17	15453622.	REFUND SERIES 2005 AND 2010 BON		X		X		X
C	ILLINOIS FINANCE AUTHORITY	86-1091967	45204EA65	12/28/17	44904946.	REFUND SERIES 2005 AND 2010 BON		X		X		X
D	ILLINOIS FINANCE AUTHORITY	86-1091967	45204EA73	12/28/17	51444163.	REFUND SERIES 2005 AND 2010 BON		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	2,663,389.	15,453,622.	44,904,946.	51,444,163.
4	Gross proceeds in reserve funds	182,430.	1,058,505.	3,075,792.	3,523,700.
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows	2,115,821.	12,276,504.	35,672,914.	40,867,730.
7	Issuance costs from proceeds	53,269.	309,072.	898,099.	1,028,883.
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	311,869.	1,809,541.	5,258,141.	6,023,850.
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2017	2017	2017	2017
		Yes / No	Yes / No	Yes / No	Yes / No
14	Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)?	X	X	X	X
15	Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)?	X	X	X	X
16	Has the final allocation of proceeds been made?	X	X	X	X
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X	X	X	X

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990.** **Schedule K (Form 990) 2022**

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Schedule K (Form 990) 2022 EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC. [redacted]

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		X
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		X		X
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X		X		X
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		%		%		%		%
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government		%		%		%		%
6	Total of lines 4 and 5		%		%		%		%
7	Does the bond issue meet the private security or payment test?	X		X		X		X	
8a	Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		X
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X		X		X		X	

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X		X		X		X
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?	X		X		X		X	
b	Exception to rebate?		X		X		X		X
c	No rebate due?		X		X		X		X
	If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X		X		X		X

Part IV Arbitrage *(continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		X
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		X
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
7 Has the organization established written procedures to monitor the requirements of section 148?		X		X		X		X

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation isn't available under applicable regulations?	X		X		X		X	

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K. See instructions.

SCHEDULE K, PART I, BOND ISSUES:
(A) ISSUER NAME: ILLINOIS FINANCE AUTHORITY
(F) DESCRIPTION OF PURPOSE: REFUND SERIES 2005 AND 2010 BONDS

(A) ISSUER NAME: ILLINOIS FINANCE AUTHORITY
(F) DESCRIPTION OF PURPOSE: REFUND SERIES 2005 AND 2010 BONDS

(A) ISSUER NAME: ILLINOIS FINANCE AUTHORITY
(F) DESCRIPTION OF PURPOSE: REFUND SERIES 2005 AND 2010 BONDS

(A) ISSUER NAME: ILLINOIS FINANCE AUTHORITY
(F) DESCRIPTION OF PURPOSE: REFUND SERIES 2005 AND 2010 BONDS

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
Attach to Form 990 or Form 990-EZ.
Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization: EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC.

Employer identification number: [redacted]

FORM 990, ITEM C, DOING BUSINESS AS:

FRIENDSHIP VILLAGE OF SCHAUMBURG

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

COMMUNITY AS AN EXPRESSION OF FRIENDSHIP.

FORM 990, PART VI, SECTION A, LINE 3:

FRIENDSHIP SENIOR OPTIONS, NFP PROVIDES STRATEGIC DIRECTION AND CRITICAL MANAGEMENT SERVICES INCLUDING EXECUTIVE, ADMINISTRATIVE, AND FINANCIAL FUNCTIONS TO EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO.

FORM 990, PART VI, SECTION A, LINE 6:

FRIENDSHIP SENIOR OPTIONS, NFP IS THE SOLE MEMBER IN THAT IT CAN APPOINT THE MEMBERS OF THE GOVERNING BODY OF EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO.

FORM 990, PART VI, SECTION A, LINE 7A:

FRIENDSHIP SENIOR OPTIONS, NFP IS THE SOLE MEMBER IN THAT IT CAN APPOINT THE MEMBERS OF THE GOVERNING BODY OF EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO.

FORM 990, PART VI, SECTION A, LINE 7B:

SECTION 2.3 OF THE BYLAWS PROVIDE FOR THE FOLLOWING EXCLUSIVE POWERS OF THE SOLE CORPORATION MEMBER:

FORM 990, PART VI, SECTION B, LINE 11B:

Name of the organization EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC.

Employer identification number [redacted]

ALL BOARD OF DIRECTOR MEMBERS RECEIVE THE FORM 990 VIA EMAIL BEFORE IT IS FILED.

FORM 990, PART VI, SECTION B, LINE 12C:

EVERY YEAR, THE BOARD MEMBERS AND MANAGEMENT TEAM RECEIVE A CONFLICT OF INTEREST POLICY. THEY HAVE TO SIGN AN ATTACHMENT STATING THAT THEY RECEIVED THE POLICY AND WHETHER OR NOT THEY ARE AWARE OF ANY CONFLICTS. ON THOSE OCCASIONS WHERE THE ISSUE ARISES, THE CONFLICT, THE POTENTIAL FOR CONFLICT, OR THE PERCEPTION OF CONFLICT IS FULLY DISCLOSED TO THE BOARD PRIOR TO DISCUSSION ON THE MATTER CALLING FOR BOARD ACTION. PRIOR TO SUCH DISCUSSION, THE BOARD HAS DETERMINED WHETHER THE PRESENCE OF OR PARTICIPATION BY THE "CONFLICTED" BOARD MEMBER IN THE DISCUSSION WILL INFLUENCE THE DISCUSSION ITSELF OR ITS OUTCOME. THE "CONFLICTED" MEMBER MAY OR MAY NOT BE EXCUSED FROM SUCH DISCUSSION. IN ALL INSTANCES, THE "CONFLICTED" BOARD MEMBER ABSTAINS FROM ANY VOTE ON THE MATTER.

FORM 990, PART VI, SECTION B, LINE 15:

THE ORGANIZATION CONDUCTS AN EXECUTIVE COMPENSATION SALARY SURVEY AT THE REQUEST OF THE FSO EXECUTIVE COMMITTEE (WHOSE RESPONSIBILITY IS EXECUTIVE COMPENSATION) AND THE FSO PRESIDENT/CEO. THE ORGANIZATION AT THE DIRECTIVE OF THE EXECUTIVE COMMITTEE CONTRACTS WITH AN INDEPENDENT, EXTERNAL COMPENSATION CONSULTANT TO PROVIDE THE SALARY SURVEY DATA AND TO ENSURE WE ARE IN COMPLIANCE WITH ALL IRS RULINGS ON EXECUTIVE COMPENSATION. WE ALSO MAINTAIN A PLAN DOCUMENT THAT IS REVIEWED ANNUALLY AND UPDATED AS REGULATIONS OF THE PLAN CONSTRUCT CHANGES. THE EXECUTIVE COMMITTEE HAS FINAL APPROVAL FOR ALL SALARY AND BENEFIT ADJUSTMENTS FOR THE EXECUTIVES.

FORM 990, PART VI, SECTION C, LINE 19:

Name of the organization EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC.

Employer identification number [redacted]

FINANCIAL STATEMENTS ARE MADE AVAILABLE THROUGH THE MAIN DESK UPON REQUEST.

THE PUBLIC IS ABLE TO OBTAIN COPIES OF THE ANNUAL REPORT WITH SUMMARIZED INFORMATION, THE GOVERNING DOCUMENTS, AND THE CONFLICT OF INTEREST POLICY UPON REQUEST.

FORM 990, PART IX, LINE 11G, OTHER FEES:

PROFESSIONAL FEES:

PROGRAM SERVICE EXPENSES	6,180.
MANAGEMENT AND GENERAL EXPENSES	532,191.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	538,371.

CONTRACTED SERVICES:

PROGRAM SERVICE EXPENSES	1,662.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	1,662.

TEMP LABOR:

PROGRAM SERVICE EXPENSES	829,980.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	829,980.

MEDICAL WASTE & RECORDS:

PROGRAM SERVICE EXPENSES	8,900.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.

Name of the organization EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC.

Employer identification number [redacted]

TOTAL EXPENSES	8,900.
CONTRACTED LABOR:	
PROGRAM SERVICE EXPENSES	1,211.
MANAGEMENT AND GENERAL EXPENSES	27,980.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	29,191.
CONSULTING EXPENSE:	
PROGRAM SERVICE EXPENSES	46,295.
MANAGEMENT AND GENERAL EXPENSES	72,278.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	118,573.
THERAPY:	
PROGRAM SERVICE EXPENSES	2,428,648.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	2,428,648.
LAB FEES:	
PROGRAM SERVICE EXPENSES	48,697.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	48,697.
MDCA:	
PROGRAM SERVICE EXPENSES	121,402.

Name of the organization EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC. | Employer identification number [redacted]

MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	121,402.
PROVIDER USER FEE:	
PROGRAM SERVICE EXPENSES	568,431.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	568,431.
MANAGEMENT FEE - ARAMARK:	
PROGRAM SERVICE EXPENSES	6,311,373.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	6,311,373.
CONTRACTED HOUSEKEEPING SVCS:	
PROGRAM SERVICE EXPENSES	35,885.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	35,885.
SPIRITUAL LIFE CONSUTING EXPENSE:	
PROGRAM SERVICE EXPENSES	37.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	37.
TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A	11,041,150.

Name of the organization EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC.

Employer identification number [redacted]

FORM 990, PART IX

FRIENDSHIP SENIOR OPTIONS, NFP IS THE COMMON PAYMASTER FOR ITS OWN EMPLOYEES AS WELL AS THOSE OF ITS RELATED ORGANIZATIONS NOTED IN SCHEDULE R. AS SUCH, FRIENDSHIP SENIOR OPTIONS HAS FILED ALL APPROPRIATE TAX RETURNS AND ISSUED FORMS W-2 WITH RESPECT TO WAGES IT HAS PAID AS COMMON PAYMASTER. EACH RELATED ORGANIZATION HAS REIMBURSED FRIENDSHIP SENIOR OPTIONS FOR ITS SHARE OF WAGES AND TAX PAYMENTS.

FORM 990, PART IX

EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC. REPORTS NO FUNDRAISING EXPENSES ON PART IX OF THE RETURN. THIS IS BECAUSE ITS RELATED PARTY, FRIENDSHIP SENIOR OPTIONS FOUNDATION, WAS CREATED IN ORDER TO PERFORM THE FUNDRAISING FUNCTIONS FOR THE ENTITY.

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization: EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC.

Employer identification number: [redacted]

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No
FRIENDSHIP SENIOR OPTIONS, NFP - [redacted] 350 W SCHAUMBURG SCHAUMBURG, IL 60194	SUPPORT	ILLINOIS	501(C)(3)	LINE 12C, III-FI	N/A		X
FRIENDSHIP VILLAGE OF MILL CREEK, NFP (THROUGH 1/31/23) - [redacted] 350 W SCHAUMBURG, SCHAUMBURG, IL 60194	LIFE PLAN COMMUNITY	ILLINOIS	501(C)(3)	LINE 10	FRIENDSHIP SENIOR OPTIONS, NFP		X
FRIENDSHIP SENIOR OPTIONS FOUNDATION - [redacted], 350 W SCHAUMBURG, SCHAUMBURG, IL 60194	SUPPORT	ILLINOIS	501(C)(3)	LINE 12A, I	FRIENDSHIP SENIOR OPTIONS, NFP		X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2022

SEE PART VII FOR CONTINUATIONS

232161 09-14-22 LHA

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Schedule R (Form 990) 2022 EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC. [redacted]

Part III **Identification of Related Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.		Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	1a		X
b Gift, grant, or capital contribution to related organization(s)	1b		X
c Gift, grant, or capital contribution from related organization(s)	1c		X
d Loans or loan guarantees to or for related organization(s)	1d	X	
e Loans or loan guarantees by related organization(s)	1e		X
f Dividends from related organization(s)	1f		X
g Sale of assets to related organization(s)	1g		X
h Purchase of assets from related organization(s)	1h		X
i Exchange of assets with related organization(s)	1i		X
j Lease of facilities, equipment, or other assets to related organization(s)	1j		X
k Lease of facilities, equipment, or other assets from related organization(s)	1k		X
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		X
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	X	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	X	
o Sharing of paid employees with related organization(s)	1o	X	
p Reimbursement paid to related organization(s) for expenses	1p		X
q Reimbursement paid by related organization(s) for expenses	1q		X
r Other transfer of cash or property to related organization(s)	1r		X
s Other transfer of cash or property from related organization(s)	1s		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)	FRIENDSHIP SENIOR OPTIONS, NFP	D	8,556,889.	FAIR MARKET VALUE
(2)	FRIENDSHIP SENIOR OPTIONS, NFP	M	6,270,000.	FAIR MARKET VALUE
(3)				
(4)				
(5)				
(6)				

Confidential FSO_00067507

Part VI Unrelated Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners sec. 501(c)(3) orgs.? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

Part VII **Supplemental Information**

Provide additional information for responses to questions on Schedule R. See instructions.

PART II, IDENTIFICATION OF RELATED TAX-EXEMPT ORGANIZATIONS:

NAME, ADDRESS, AND EIN OF RELATED ORGANIZATION:

FRIENDSHIP SENIOR OPTIONS, NFP

EIN: [redacted]

350 W SCHAUMBURG

SCHAUMBURG, IL 60194

NAME, ADDRESS, AND EIN OF RELATED ORGANIZATION:

FRIENDSHIP VILLAGE OF MILL CREEK, NFP (THROUGH 1/31/23)

EIN: [redacted]

350 W SCHAUMBURG

SCHAUMBURG, IL 60194

NAME, ADDRESS, AND EIN OF RELATED ORGANIZATION:

FRIENDSHIP SENIOR OPTIONS FOUNDATION

EIN: [redacted]

350 W SCHAUMBURG

SCHAUMBURG, IL 60194

February 8, 2024

Friendship Senior Options, NFP
350 W. Schaumburg Rd.
Schaumburg, IL 60194
Attention: Mike Flynn

Dear Mike,

Enclosed is the organization's 2022 Exempt Organization return.

Specific filing instructions are as follows.

FORM 990 RETURN:

This return has qualified for electronic filing. After you have reviewed the return for completeness and accuracy, please sign, date and return Form 8879-TE to our office. We will transmit the return electronically to the IRS and no further action is required. Please return Form 8879-TE to us as soon as possible, but no later than by February 15, 2024 the filing deadline.

In addition, tax-exempt organizations must make available for public inspection a copy of their annual returns for the preceding three years and exemption application, if applicable. An organization generally must furnish filings to anyone who requests them in person or in writing. An exempt organization may meet this requirement by posting all the documents on its website or at another organizations site as part of a database of similar materials. Specific requirements must be met to meet this exception.

For public inspection purposes, organizations are required to provide a copy of their annual returns (Form 990) for the last three years and their exemption application (Form 1023 or 1024) to anyone who requests them. You must provide the entire 990, 990-T, if applicable, and all filed Schedules. However, the names and addresses of the donors may be omitted from the Public Inspection copy of Schedule B.

A few final reminders relating to your tax return filings:

- There are substantial penalties for failure to properly disclose and report foreign financial accounts and foreign activity. Please make sure you have informed us of any foreign financial accounts or foreign activity so that we have the necessary information to complete any required disclosures or filings.
- Be sure to review the returns prior to signing as you have final responsibility for all information included in the returns. Please contact us if you have any questions or concerns.
- We recommend you keep a paper or electronic copy of your tax returns permanently. Supporting documentation should be kept for a minimum of seven years based on IRS guidance.

CLA exists to create opportunities – for our clients, our people, and our communities. We value our relationship with you and thank you for your trust and confidence in allowing us to serve you. If we can assist you in making strategic, informed decisions in areas of tax or beyond, please contact us as questions arise throughout the year.

Sincerely,

CliftonLarsonAllen LLP

FRIENDSHIP SENIOR OPTIONS, NFP

FORM 990 INCOME TAX RETURN

FOR YEAR ENDED MARCH 31, 2023

Form **8879-TE**

Department of the Treasury
Internal Revenue Service

IRS e-file Signature Authorization for a Tax Exempt Entity

For calendar year 2022, or fiscal year beginning APR 1 , 2022, and ending MAR 31 , 20 23

Do not send to the IRS. Keep for your records.
Go to www.irs.gov/Form8879TE for the latest information.

OMB No. 1545-0047

2022

Name of filer
FRIENDSHIP SENIOR OPTIONS, NFP

EIN or SSN [redacted]

Name and title of officer or person subject to tax MICHAEL FLYNN
PRESIDENT & CEO

Part I Type of Return and Return Information

Check the box for the return for which you are using this Form 8879-TE and enter the applicable amount, if any, from the return. Form 8038-CP and Form 5330 filers may enter dollars and cents. For all other forms, enter whole dollars only. If you check the box on line **1a, 2a, 3a, 4a, 5a, 6a, 7a, 8a, 9a,** or **10a** below, and the amount on that line for the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b, 5b, 6b, 7b, 8b, 9b,** or **10b,** whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than one line in Part I.

1a	**Form 990** check here	X	b **Total revenue,** if any (Form 990, Part VIII, column (A), line 12)	1b	7,076,350.
2a	**Form 990-EZ** check here		b **Total revenue,** if any (Form 990-EZ, line 9)	2b	
3a	**Form 1120-POL** check here		b **Total tax** (Form 1120-POL, line 22)	3b	
4a	**Form 990-PF** check here		b **Tax based on investment income** (Form 990-PF, Part V, line 5)	4b	
5a	**Form 8868** check here		b **Balance due** (Form 8868, line 3c)	5b	
6a	**Form 990-T** check here		b **Total tax** (Form 990-T, Part III, line 4)	6b	
7a	**Form 4720** check here		b **Total tax** (Form 4720, Part III, line 1)	7b	
8a	**Form 5227** check here		b **FMV of assets at end of tax year** (Form 5227, Item D)	8b	
9a	**Form 5330** check here		b **Tax due** (Form 5330, Part II, line 19)	9b	
10a	**Form 8038-CP** check here		b **Amount of credit payment requested** (Form 8038-CP, Part III, line 22)	10b	

Part II Declaration and Signature Authorization of Officer or Person Subject to Tax

Under penalties of perjury, I declare that [X] I am an officer of the above entity or [ ] I am a person subject to tax with respect to (name of entity) _____, (EIN) _____ and that I have examined a copy of the 2022 electronic return and accompanying schedules and statements, and, to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the return to the IRS and to receive from the IRS **(a)** an acknowledgement of receipt or reason for rejection of the transmission, **(b)** the reason for any delay in processing the return or refund, and **(c)** the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the electronic return and, if applicable, the consent to electronic funds withdrawal.

PIN: check one box only

[X] I authorize CLIFTONLARSONALLEN LLP to enter my PIN [redacted]
ERO firm name
Enter five numbers, but do not enter all zeros

as my signature on the tax year 2022 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

[ ] As an officer or person subject to tax with respect to the entity, I will enter my PIN as my signature on the tax year 2022 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Signature of officer or person subject to tax Date

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN. [redacted]
Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2022 electronically filed return indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163,** Modernized e-File (MeF) Information for Authorized IRS *e-file* Providers for Business Returns.

ERO's signature CHAD D. KUNZE Date 02/08/24

ERO Must Retain This Form - See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So

LHA **For Privacy Act and Paperwork Reduction Act Notice, see instructions.** Form **8879-TE** (2022)

202521 12-16-22

11080209 131839 A400392 2022.05080 FRIENDSHIP SENIOR OPTIONS A4003921

Form **8868** (Rev. January 2022)

Department of the Treasury
Internal Revenue Service

Application for Automatic Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**
▶ **Go to www.irs.gov/Form8868 for the latest information.**

OMB No. 1545-0047

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.*

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print

File by the due date for filing your return. See instructions.

Name of exempt organization or other filer, see instructions.
FRIENDSHIP SENIOR OPTIONS, NFP

Taxpayer identification number (TIN)
[redacted]

Number, street, and room or suite no. If a P.O. box, see instructions.
350 W. SCHAUMBURG ROAD

City, town or post office, state, and ZIP code. For a foreign address, see instructions.
SCHAUMBURG, IL 60194

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12
Form 990-T (corporation)	07		

- The books are in the care of ▶ JEFF NYBERG
350 W SCHAUMBURG ROAD - SCHAUMBURG, IL 60194

Telephone No. ▶ 847-843-4259 Fax No. ▶

- If the organization does not have an office or place of business in the United States, check this box ..... ▶ ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ▶ ☐. If it is for part of the group, check this box ▶ ☐ and attach a list with the names and TINs of all members the extension is for.

1 I request an automatic 6-month extension of time until FEBRUARY 15, 2024, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ ☐ calendar year _____ or
▶ ☒ tax year beginning APR 1, 2022, and ending MAR 31, 2023.

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return
☐ Change in accounting period

3a	If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$ 0.
b	If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$ 0.
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$ 0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-TE and Form 8879-TE for payment instructions.

LHA **For Privacy Act and Paperwork Reduction Act Notice, see instructions.** Form **8868** (Rev. 1-2022)

223841 04-01-22

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
Do not enter social security numbers on this form as it may be made public.
Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public Inspection

A For the 2022 calendar year, or tax year beginning APR 1, 2022 and ending MAR 31, 2023

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Final return/ termin-ated
- ☐ Amended return
- ☐ Applica-tion pending

C Name of organization
FRIENDSHIP SENIOR OPTIONS, NFP

Doing business as

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
350 W. SCHAUMBURG ROAD

City or town, state or province, country, and ZIP or foreign postal code
SCHAUMBURG, IL 60194

F Name and address of principal officer: MICHAEL FLYNN
SAME AS C ABOVE

D Employer identification number
[redacted]

E Telephone number
847-884-5000

G Gross receipts $ 7,076,350.

H(a) Is this a group return for subordinates? ☐ Yes ☒ No

H(b) Are all subordinates included? ☐ Yes ☐ No
If "No," attach a list. See instructions

H(c) Group exemption number

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: WWW.FRIENDSHIPSENIOROPTIONS.ORG

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation: 2003 M State of legal domicile: IL

Part I Summary

1 Briefly describe the organization's mission or most significant activities: TO OFFER EXCEPTIONAL SERVICES TO SENIORS ALONG LIFE'S JOURNEY.

2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	9
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	9
5	Total number of individuals employed in calendar year 2022 (Part V, line 2a)	5	903
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b	Net unrelated business taxable income from Form 990-T, Part I, line 11	7b	0.

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	0.	0.
9	Program service revenue (Part VIII, line 2g)	7,077,996.	6,932,500.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	179,703.	104,831.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	114,158.	39,019.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	7,371,857.	7,076,350.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	3,039,474.	2,830,894.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b	Total fundraising expenses (Part IX, column (D), line 25) 0.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	3,911,689.	4,101,051.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	6,951,163.	6,931,945.
19	Revenue less expenses. Subtract line 18 from line 12	420,694.	144,405.

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	9,017,115.	8,162,664.
21	Total liabilities (Part X, line 26)	19,696,870.	10,696,971.
22	Net assets or fund balances. Subtract line 21 from line 20	-10,679,755.	-2,534,307.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer Date

MICHAEL FLYNN, PRESIDENT & CEO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
CHAD D. KUNZE	CHAD D. KUNZE	02/08/24	☐	P00639380

Firm's name CLIFTONLARSONALLEN LLP Firm's EIN 41-0746749

Firm's address 2021 SPRING ROAD, SUITE 200
OAK BROOK, IL 60523 Phone no. (630) 573-8600

May the IRS discuss this return with the preparer shown above? See instructions ☒ Yes ☐ No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III ☐

1 Briefly describe the organization's mission:
KEEPING FRIENDSHIP AT THE CENTER OF EVERYTHING WE DO, FRIENDSHIP SENIOR OPTIONS OFFERS EXCEPTIONAL SERVICES TO SENIORS ALONG LIFE'S JOURNEY.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 1,585,356. including grants of $) (Revenue $ 6,971,519.)
THE CORPORATION, WHICH IS INTENDED TO BE A "SUPPORTING ORGANIZATION" (AS THAT TERM IS DEFINED IN SECTION 509(A)(3) OF THE CODE AND IN TREASURY REGULATION 1.509(A)-4(I)), OPERATES EXCLUSIVELY FOR THE BENEFIT OF, TO PERFORM THE FUNCTIONS OF, OR TO CARRY OUT THE PURPOSES OF RELATED ENTITIES, SO LONG AS EACH ORGANIZATION CONTINUES TO QUALIFY AS AN ORGANIZATION EXEMPT FROM FEDERAL INCOME TAXATION UNDER SECTION 501(C)(3) OF THE CODE.

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe on Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses 1,585,356.

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors*? See instructions	2		X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? *If "Yes," complete Schedule D, Part V*	10		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		X
c	Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	X	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I.* See instructions	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
22	Did the organization report more than $5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see the Schedule L, Part IV, instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of any individual described in line 28a? *If "Yes," complete Schedule L, Part IV*	28b		X
c	A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X	
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		X
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations on Schedule O for Part VI, lines 11b and 19? **Note:** All Form 990 filers are required to complete Schedule O	38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V ☐

				Yes	No
1a	Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable	1a	0		
b	Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c			

Part V Statements Regarding Other IRS Filings and Tax Compliance *(continued)*

				Yes	No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	903		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b			X
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a			X
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation on Schedule O*	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			X
b	If "Yes," enter the name of the foreign country _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).	5a			X
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5b			X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5c			
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?				
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a			X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			X
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			X
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8			X
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the sponsoring organization make any taxable distributions under section 4966?	9a			X
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b			X
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note:** See the instructions for additional information the organization must report on Schedule O.	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation on Schedule O*	14b			
15	Is the organization subject to the section 4960 tax on payment(s) of more than $1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see the instructions and file Form 4720, Schedule N.	15			X
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.	16			X
17	**Section 501(c)(21) organizations.** Did the trust, or any disqualified or other person engage in any activities that would result in the imposition of an excise tax under section 4951, 4952 or 4953? If "Yes," complete Form 6069.	17			

Part VI Governance, Management, and Disclosure. *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.*

Check if Schedule O contains a response or note to any line in this Part VI X

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	9		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.				
b	Enter the number of voting members included on line 1a, above, who are independent	1b	9		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?	3			X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6	Did the organization have members or stockholders?	6			X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a			X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b			X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		X	
b	Each committee with authority to act on behalf of the governing body?	8b		X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses on Schedule O*	9			X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe on Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe on Schedule O how this was done*	12c	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions.			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed IL

18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request ☐ Other *(explain on Schedule O)*

19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records

JEFF NYBERG - 847-843-4259
350 W SCHAUMBURG ROAD, SCHAUMBURG, IL 60194

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

See the instructions for the order in which to list the persons above.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/ 1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/ 1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) MICHAEL FLYNN	8.00									
CEO	32.00			X				297,935.	0.	23,981.
(2) MARK ZULLO	1.00									
VICE PRESIDENT - MARKETING						X		206,871.	0.	23,924.
(3) STACY J. GORDON	40.00									
DIRECTOR, RISK MANAGEMENT						X		123,519.	0.	23,816.
(4) JEFF NYBERG	40.00									
CONTROLLER						X		136,144.	0.	9,788.
(5) JOSHUA FLAIM	40.00									
DIRECTOR, HUMAN RESOURCES						X		128,474.	0.	14,260.
(6) CLARK DELANOIS	0.70									
CHAIR	0.00	X		X				2,550.	0.	0.
(7) GEOFF ROEHLL	0.40									
PAST CHAIR & SECRETARY	0.40	X		X				1,650.	600.	0.
(8) CATHERINE TARDY	0.30									
SECRETARY	0.20	X		X				1,200.	750.	0.
(9) MARY SHEAHEN	0.30									
VICE CHAIR	0.20	X		X				1,200.	750.	0.
(10) BRAD BARRIE	0.30									
DIRECTOR	0.40	X						1,200.	600.	0.
(11) CONNIE SHOEMAKE	0.20									
DIRECTOR	0.40	X						600.	600.	0.
(12) WILLIAM POWELL	1.20									
DIRECTOR	0.00	X						0.	0.	0.
(13) LOREN TRIMBLE	1.00									
TREASURER	0.20	X		X				0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/ 1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/ 1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
1b Subtotal								901,343.	3,300.	95,769.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								901,343.	3,300.	95,769.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization 5

		Yes	No
3	Did the organization list any **former** officer, director, trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*		X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ARTHUR J. GALLAGHER MANAGEMENT SERVICES 2850 GOLF RD, ROLLING MEADOWS, IL 60008	MANAGEMENT SERVICES	640,679.
SENTINEL TECHNOLOGIES, INC., 2550 WARRENVILLE RD, DOWNERS GROVE, IL 60515	IT	370,794.
POLSINELLI PC, 30 N. LASALLE, SUITE 2100, CHICAGO, IL 60606	LEGAL	349,644.
SMB INTERIM MANAGEMENT, LLC, 401 N MICHIGAN AVE, #1300, CHICAGO, IL 60611	CONSULTING	340,650.
THE LOYOLA GROUP 600 W SUPERIOR AVE, CLEVELAND, OH 44114	CONSULTING	154,800.

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization 5

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f	1g $				
	h **Total.** Add lines 1a-1f					
Program Service Revenue		Business Code				
	2a MANAGEMENT FEES	541610	6,932,500.	6,932,500.		
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a-2f		6,932,500.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		104,831.			104,831.
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
		(i) Real	(ii) Personal			
	6a Gross rents 6a					
	b Less: rental expenses 6b					
	c Rental income or (loss) 6c					
	d Net rental income or (loss)					
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory 7a					
	b Less: cost or other basis and sales expenses 7b					
	c Gain or (loss) 7c					
	d Net gain or (loss)					
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18 8a					
	b Less: direct expenses 8b					
	c Net income or (loss) from fundraising events					
	9a Gross income from gaming activities. See Part IV, line 19 9a					
	b Less: direct expenses 9b					
	c Net income or (loss) from gaming activities					
	10a Gross sales of inventory, less returns and allowances 10a					
	b Less: cost of goods sold 10b					
	c Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code				
	11a PHARMACY	900099	30,037.	30,037.		
	b SPA/SALON REVENUE	900099	8,848.	8,848.		
	c MISC INCOME	900099	134.	134.		
	d All other revenue					
	e **Total.** Add lines 11a-11d		39,019.			
	12 **Total revenue.** See instructions		7,076,350.	6,971,519.	0.	104,831.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX X

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	763,253.	42,100.	721,153.	
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	1,464,592.	82,153.	1,382,439.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	441,186.	24,606.	416,580.	
10 Payroll taxes	161,863.	9,028.	152,835.	
11 Fees for services (nonemployees):				
a Management				
b Legal	793,842.		793,842.	
c Accounting	190,317.		190,317.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	6,750.	6,750.		
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)	950,361.	26,567.	923,794.	
12 Advertising and promotion				
13 Office expenses	308,977.	55,240.	253,737.	
14 Information technology	1,056,751.	1,056,751.		
15 Royalties				
16 Occupancy				
17 Travel	8,310.	8,310.		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	13,466.	5,919.	7,547.	
20 Interest	503,058.		503,058.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,225.		1,225.	
23 Insurance	220,108.	220,108.		
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a MEMBERSHIP & DUES	47,024.	47,024.		
b SPECIAL EVENTS	800.	800.		
c RECRUITMENT	62.		62.	
d				
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	6,931,945.	1,585,356.	5,346,589.	0.
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☐

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		1	-4.
	2	Savings and temporary cash investments	614,043.	2	750,918.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net		4	
	5	Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7	Notes and loans receivable, net	3,247,327.	7	3,247,327.
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	628,589.	9	1,219,226.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a: 2,437,318.			
	b	Less: accumulated depreciation — 10b: 174,722.	2,258,706.	10c	2,262,596.
	11	Investments - publicly traded securities	616,176.	11	424,739.
	12	Investments - other securities. See Part IV, line 11	163,727.	12	163,727.
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	1,488,547.	15	94,135.
	16	**Total assets.** Add lines 1 through 15 (must equal line 33)	9,017,115.	16	8,162,664.
Liabilities	17	Accounts payable and accrued expenses	1,520,467.	17	2,128,931.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23	Secured mortgages and notes payable to unrelated third parties	9,677,402.	23	0.
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	8,499,001.	25	8,568,040.
	26	**Total liabilities.** Add lines 17 through 25	19,696,870.	26	10,696,971.
Net Assets or Fund Balances		**Organizations that follow FASB ASC 958, check here** ☒ **and complete lines 27, 28, 32, and 33.**			
	27	Net assets without donor restrictions	-10,679,755.	27	-2,534,307.
	28	Net assets with donor restrictions		28	
		Organizations that do not follow FASB ASC 958, check here ☐ **and complete lines 29 through 33.**			
	29	Capital stock or trust principal, or current funds		29	
	30	Paid-in or capital surplus, or land, building, or equipment fund		30	
	31	Retained earnings, endowment, accumulated income, or other funds		31	
	32	Total net assets or fund balances	-10,679,755.	32	-2,534,307.
	33	Total liabilities and net assets/fund balances	9,017,115.	33	8,162,664.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI X

1	Total revenue (must equal Part VIII, column (A), line 12)	1	7,076,350.
2	Total expenses (must equal Part IX, column (A), line 25)	2	6,931,945.
3	Revenue less expenses. Subtract line 2 from line 1	3	144,405.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	-10,679,755.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	9,374,765.
9	Other changes in net assets or fund balances (explain on Schedule O)	9	-1,373,722.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	-2,534,307.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII .....

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
	If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b		X
	If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c		
	If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Uniform Guidance, 2 C.F.R. Part 200, Subpart F?	3a		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits	3b		

SCHEDULE A (Form 990)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
Attach to Form 990 or Form 990-EZ.
Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization

FRIENDSHIP SENIOR OPTIONS, NFP

Employer identification number

[redacted]

Part I Reason for Public Charity Status. (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990).)
3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
10 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions, subject to certain exceptions; and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
12 ☒ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3).** Check the box on lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.

a ☐ **Type** I. A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
c ☒ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
e ☒ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
f Enter the number of supported organizations 3
g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document? Yes	(iv) No	(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
EVANGELICAL RETIREMENT HOMES	[redacted]	10	X		0.	
FRIENDSHIP VILLAGE OF MILL CREEK, NFP	[redacted]	10	X		0.	
FRIENDSHIP SENIOR OPTIONS FOUNDATION,	[redacted]	10	X		0.	
Total					0.	0.

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First 5 years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2022 (line 6, column (f), divided by line 11, column (f)) 14 %

15 Public support percentage from 2021 Schedule A, Part II, line 14 15 %

16a **33 1/3% support test - 2022.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ☐

b **33 1/3% support test - 2021.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ☐

17a **10% -facts-and-circumstances test - 2022.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and **stop here.** Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization ☐

b **10% -facts-and-circumstances test - 2021.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and **stop here.** Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ☐

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support.** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First 5 years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2022 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2021 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2022** (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from **2021** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests - 2022.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ☐

b **33 1/3% support tests - 2021.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

Part IV Supporting Organizations

(Complete only if you checked a box on line 12 of Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

			Yes	No
1	Are all of the organization's supported organizations listed by name in the organization's governing documents? *If "No," describe in* **Part VI** *how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.*	1	X	
2	Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? *If "Yes," explain in* **Part VI** *how the organization determined that the supported organization was described in section 509(a)(1) or (2).*	2		X
3a	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? *If "Yes," answer lines 3b and 3c below.*	3a		X
b	Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? *If "Yes," describe in* **Part VI** *when and how the organization made the determination.*	3b		
c	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? *If "Yes," explain in* **Part VI** *what controls the organization put in place to ensure such use.*	3c		
4a	Was any supported organization not organized in the United States ("foreign supported organization")? *If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.*	4a		X
b	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? *If "Yes," describe in* **Part VI** *how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.*	4b		
c	Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? *If "Yes," explain in* **Part VI** *what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.*	4c		
5a	Did the organization add, substitute, or remove any supported organizations during the tax year? *If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in* **Part VI,** *including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).*	5a	X	
b	**Type I or Type II only.** Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b		
c	**Substitutions only.** Was the substitution the result of an event beyond the organization's control?	5c		
6	Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? *If "Yes," provide detail in* **Part VI.**	6	X	
7	Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? *If "Yes," complete Part I of Schedule L (Form 990).*	7		X
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? *If "Yes," complete Part I of Schedule L (Form 990).*	8		X
9a	Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? *If "Yes," provide detail in* **Part VI.**	9a		X
b	Did one or more disqualified persons (as defined on line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? *If "Yes," provide detail in* **Part VI.**	9b		X
c	Did a disqualified person (as defined on line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? *If "Yes," provide detail in* **Part VI.**	9c		X
10a	Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? *If "Yes," answer line 10b below.*	10a		X
b	Did the organization have any excess business holdings in the tax year? *(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)*	10b		

Part IV Supporting Organizations *(continued)*

			Yes	No
11	Has the organization accepted a gift or contribution from any of the following persons?			
a	A person who directly or indirectly controls, either alone or together with persons described on lines 11b and 11c below, the governing body of a supported organization?	11a		X
b	A family member of a person described on line 11a above?	11b		X
c	A 35% controlled entity of a person described on line 11a or 11b above? *If "Yes" to line 11a, 11b, or 11c, provide detail in* **Part VI.**	11c		X

Section B. Type I Supporting Organizations

			Yes	No
1	Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? *If "No," describe in* **Part VI** *how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.*	1		
2	Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? *If "Yes," explain in* **Part VI** *how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.*	2		

Section C. Type II Supporting Organizations

			Yes	No
1	Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? *If "No," describe in* **Part VI** *how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).*	1		

Section D. All Type III Supporting Organizations

			Yes	No
1	Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	1	X	
2	Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? *If "No," explain in* **Part VI** *how the organization maintained a close and continuous working relationship with the supported organization(s).*	2	X	
3	By reason of the relationship described on line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? *If "Yes," describe in* **Part VI** *the role the organization's supported organizations played in this regard.*	3		X

Section E. Type III Functionally Integrated Supporting Organizations

1 *Check the box next to the method that the organization used to satisfy the Integral Part Test during the year* **(see instructions).**

a ☐ The organization satisfied the Activities Test. *Complete* **line 2** *below.*

b ☒ The organization is the parent of each of its supported organizations. *Complete* **line 3** *below.*

c ☐ The organization supported a governmental entity. *Describe in* **Part VI** *how you supported a governmental entity (see instructions).*

			Yes	No
2	Activities Test. **Answer lines 2a and 2b below.**			
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? *If "Yes," then in* **Part VI identify those supported organizations and explain** *how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.*	2a		
b	Did the activities described on line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? *If "Yes," explain in* **Part VI** *the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.*	2b		
3	Parent of Supported Organizations. **Answer lines 3a and 3b below.**			
a	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? *If "Yes" or "No" provide details in* **Part VI.**	3a	X	
b	Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? *If "Yes," describe in* **Part VI** *the role played by the organization in this regard.*	3b	X	

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (*explain in* **Part VI**). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3.	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
8 **Adjusted Net Income** (subtract lines 5, 6, and 7 from line 4)	8		

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d **Total** (add lines 1a, 1b, and 1c)	1d		
e **Discount** claimed for blockage or other factors (*explain in detail in* **Part VI**):			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d.	3		
4 Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by 0.035.	6		
7 Recoveries of prior-year distributions	7		
8 **Minimum Asset Amount** (add line 7 to line 6)	8		

Section C - Distributable Amount			Current Year
1 Adjusted net income for prior year (from Section A, line 8, column A)	1		
2 Enter 0.85 of line 1.	2		
3 Minimum asset amount for prior year (from Section B, line 8, column A)	3		
4 Enter greater of line 2 or line 3.	4		
5 Income tax imposed in prior year	5		
6 **Distributable Amount.** Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6		

7 ☐ Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).

Schedule A (Form 990) 2022

Part V **Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations** *(continued)*

Section D - Distributions			**Current Year**
1	Amounts paid to supported organizations to accomplish exempt purposes	1	
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2	
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3	
4	Amounts paid to acquire exempt-use assets	4	
5	Qualified set-aside amounts (prior IRS approval required - *provide details in* **Part VI**)	5	
6	Other distributions (*describe in* **Part VI**). See instructions.	6	
7	**Total annual distributions.** Add lines 1 through 6.	7	
8	Distributions to attentive supported organizations to which the organization is responsive (*provide details in* **Part VI**). See instructions.	8	
9	Distributable amount for 2022 from Section C, line 6	9	
10	Line 8 amount divided by line 9 amount	10	

Section E - Distribution Allocations (see instructions)		**(i) Excess Distributions**	**(ii) Underdistributions Pre-2022**	**(iii) Distributable Amount for 2022**
1	Distributable amount for 2022 from Section C, line 6			
2	Underdistributions, if any, for years prior to 2022 (reasonable cause required - *explain in* **Part VI**). See instructions.			
3	Excess distributions carryover, if any, to 2022			
a	From 2017			
b	From 2018			
c	From 2019			
d	From 2020			
e	From 2021			
f	**Total** of lines 3a through 3e			
g	Applied to underdistributions of prior years			
h	Applied to 2022 distributable amount			
i	Carryover from 2017 not applied (see instructions)			
j	Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
4	Distributions for 2022 from Section D, line 7: $			
a	Applied to underdistributions of prior years			
b	Applied to 2022 distributable amount			
c	Remainder. Subtract lines 4a and 4b from line 4.			
5	Remaining underdistributions for years prior to 2022, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, *explain in* **Part VI.** See instructions.			
6	Remaining underdistributions for 2022. Subtract lines 3h and 4b from line 1. For result greater than zero, *explain in* **Part VI**. See instructions.			
7	**Excess distributions carryover to 2023.** Add lines 3j and 4c.			
8	Breakdown of line 7:			
a	Excess from 2018			
b	Excess from 2019			
c	Excess from 2020			
d	Excess from 2021			
e	Excess from 2022			

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

PART IV, SECTION A, LINE 5A:

THE ENTITY FRIENDSHIP VILLAGE OF MILL CREEK WAS ONLY SUPPORTED BY THE ORGANIZATION PRIOR TO 1/31/23.

PART IV, SECTION E, LINE 3A:

THE BYAWS FOR THE SUPPORTED ORGANIZATIONS PROVIDE EXCLUSIVE POWERS TO FRIENDSHIP SENIOR OPTIONS, NFP, ONE OF WHICH IS TO APPOINT THE SUPPORTED ORGANIZATION'S BOARD AND REMOVE ANY DIRECT WITH OR WITHOUT CAUSE.

PART IV, SECTION A, LINE 6:

FRIENDSHIP VILLAGE OF MILL CREEK WAS NOT A SUPPORTED ORGANIZATION AFTER 1/31/23

PART IV, SECTION E, LINE 3B:

THE BYAWS FOR THE SUPPORTED ORGANIZATIONS PROVIDE EXCLUSIVE POWERS TO FRIENDSHIP SENIOR OPTIONS, NFP, ONE OF WHICH IS TO APPOINT THE SUPPORTED ORGANIZATION'S BOARD AND REMOVE ANY DIRECT WITH OR WITHOUT CAUSE. THIS PROVISION ALLOWS THE ORGANIZATION TO EXERCISE A SUBSTANTIAL DEGREE OF DIRECTION OVER THE POLICIES, PROGRAMS, AND ACTIVITIES OF EACH OF ITS SUPPORTED ORGANIZATIONS.

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
Attach to Form 990.
Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization
FRIENDSHIP SENIOR OPTIONS, NFP

Employer identification number
[redacted]

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate value of contributions to (during year)		
3	Aggregate value of grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (for example, recreation or education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of a historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

		Held at the End of the Tax Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after July 25,2006, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year _____

4 Number of states where property subject to conservation easement is located _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 $ _____

(ii) Assets included in Form 990, Part X $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1 $ _____

b Assets included in Form 990, Part X $

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange program
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment _____ %
b Permanent endowment _____ %
c Term endowment _____ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) Unrelated organizations	3a(i)		
(ii) Related organizations	3a(ii)		
b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	2,256,751.			2,256,751.
b Buildings				
c Leasehold improvements				
d Equipment	109,124.		108,512.	612.
e Other	71,443.		66,210.	5,233.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10c.)*				2,262,596.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.)		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.)		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)*	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DUE TO EVANGELICAL RETIREMENT	
(3) HOMES OF GREATER CHICAGO	8,556,889.
(4) DUE TO FSOF	11,151.
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)*	8,568,040.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ... X

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains (losses) on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X, LINE 2:

THE ORGANIZATION QUALIFIES AS A TAX-EXEMPT CORPORATION DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE IS EXEMPT FROM FEDERAL INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501(A) OF THE CODE.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
Attach to Form 990.
Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization

FRIENDSHIP SENIOR OPTIONS, NFP

Employer identification number

[redacted]

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (such as maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?	2		
3	Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.			
	☒ Compensation committee	☒ Written employment contract		
	☒ Independent compensation consultant	☒ Compensation survey or study		
	☐ Form 990 of other organizations	☒ Approval by the board or compensation committee		
4	During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:			
a	Receive a severance payment or change-of-control payment?	4a		X
b	Participate in or receive payment from a supplemental nonqualified retirement plan?	4b		X
c	Participate in or receive payment from an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.			
5	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" on line 5a or 5b, describe in Part III.			
6	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a		X
b	Any related organization?	6b		X
	If "Yes" on line 6a or 6b, describe in Part III.			
7	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III	7		X
8	Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC and/or 1099-NEC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) MICHAEL FLYNN	(i)	267,378.	30,000.	557.	0.	23,981.	321,916.	0.
CEO	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) MARK ZULLO	(i)	206,871.	0.	0.	0.	23,924.	230,795.	0.
VICE PRESIDENT - MARKETING	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
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	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
Attach to Form 990 or Form 990-EZ.
Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization

FRIENDSHIP SENIOR OPTIONS, NFP

Employer identification number [redacted]

FORM 990, PART VI, SECTION B, LINE 11B:

ALL BOARD OF DIRECTOR MEMBERS RECEIVE THE FORM 990 VIA EMAIL BEFORE IT IS FILED.

FORM 990, PART VI, SECTION B, LINE 12C:

EVERY YEAR, THE BOARD MEMBERS AND MANAGEMENT TEAM RECEIVE A CONFLICT OF INTEREST POLICY. THEY HAVE TO SIGN AN ATTACHMENT STATING THAT THEY RECEIVED THE POLICY AND WHETHER OR NOT THEY ARE AWARE OF ANY CONFLICTS. ON THOSE OCCASIONS WHERE THE ISSUE ARISES, THE CONFLICT, THE POTENTIAL FOR CONFLICT, OR THE PERCEPTION OF CONFLICT IS FULLY DISLCOSED TO THE BOARD PRIOR TO DISCUSSION ON THE MATTER CALLING FOR BOARD ACTION. PRIOR TO SUCH DISCUSSION, THE BOARD HAS DETERMINED WHETHER THE PRESENCE OF OR PARTICIPATION BY THE "CONFLICTED" BOARD MEMBER IN THE DISCUSSION WILL INFLUENCE THE DISCUSSION ITSELF OR ITS OUTCOME. THE "CONFLICTED" MEMBER MAY OR MAY NOT BE EXCUSED FROM SUCH DISCUSSION. IN ALL INSTANCES, THE "CONFLICTED" MEMBER ABSTAINS FROM ANY VOTE ON THE MATTER.

FORM 990, PART VI, SECTION B, LINE 15:

THE ORGANIZATION CONDUCTS AN EXECUTIVE COMPENSATION SALARY SURVEY AT THE REQUEST OF THE FSO EXECUTIVE COMMITTEE (WHOSE RESPONSIBILITY IS EXECUTIVE COMPENSATION) AND THE FSO PRESIDENT/CEO. THE ORGANIZATION AT THE DIRECTIVE OF THE EXECUTIVE COMMITTEE CONTRACTS WITH AN INDEPENDENT, EXTERNAL COMPENSATION CONSULTANT TO PROVIDE THE SALARY SURVEY DATA AND TO ENSURE WE ARE IN COMPLIANCE WITH ALL IRS RULINGS ON EXECUTIVE COMPENSATION. WE ALSO MAINTAIN A PLAN DOCUMENT THAT IS REVIEWED ANNUALLY AND UPDATED AS REGULATIONS OF THE PLAN CONSTRUCT CHANGES. THE EXECUTIVE COMMITTEE HAS

Name of the organization FRIENDSHIP SENIOR OPTIONS, NFP | Employer identification number [redacted]

FINAL APPROVAL FOR ALL SALARY AND BENEFIT ADJUSTMENTS FOR THE EXECUTIVES.

FORM 990, PART VI, SECTION C, LINE 19:

UPON REQUEST, THE FINANCIAL STATEMENTS, GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE MADE AVAILABLE TO THE GENERAL PUBLIC.

FORM 990, PART IX, LINE 11G, OTHER FEES:

DIRECTOR EXPENSES:

PROGRAM SERVICE EXPENSES	0.
MANAGEMENT AND GENERAL EXPENSES	33,455.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	33,455.

DIRECTOR FEES:

PROGRAM SERVICE EXPENSES	0.
MANAGEMENT AND GENERAL EXPENSES	11,019.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	11,019.

CONSULTING EXPENSE:

PROGRAM SERVICE EXPENSES	0.
MANAGEMENT AND GENERAL EXPENSES	27,553.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	27,553.

CONTRACTED LABOR:

PROGRAM SERVICE EXPENSES	0.
MANAGEMENT AND GENERAL EXPENSES	340,867.

Name of the organization: FRIENDSHIP SENIOR OPTIONS, NFP

Employer identification number: [redacted]

FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	340,867.
MEDICARE CONSULTING:	
PROGRAM SERVICE EXPENSES	25,279.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	25,279.
CONSULTING EXPENSE:	
PROGRAM SERVICE EXPENSES	0.
MANAGEMENT AND GENERAL EXPENSES	472,296.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	472,296.
PROFESSIONAL FEES:	
PROGRAM SERVICE EXPENSES	0.
MANAGEMENT AND GENERAL EXPENSES	38,604.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	38,604.
CONTRACTED SPA/SALON SERVICES:	
PROGRAM SERVICE EXPENSES	1,288.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	1,288.
TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A	950,361.

Name of the organization: FRIENDSHIP SENIOR OPTIONS, NFP

Employer identification number: [redacted]

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

GAIN ON PPP LOAN FORGIVENESS

LOSS ON SETTLEMENT INTERCO TO AFFILIATE	-1,373,722.
TOTAL TO FORM 990, PART XI, LINE 9	-1,373,722.

PAGE 12, PART XI, LINE 9

AMOUNT REPRESENTS A LOSS WHICH AROSE AFTER THE ENTITY STOPPED REPORTING FRIENDSHIP VILLAGE OF MILL CREEK.

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization

FRIENDSHIP SENIOR OPTIONS, NFP

Employer identification number

[redacted]

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No
EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC. - [redacted] 350 W SCHAUMBURG ROAD, SCHAUMBURG, IL 60194	LIFE PLAN COMMUNITY	ILLINOIS	501(C)(3)	LINE 10	FRIENDSHIP SENIOR OPTIONS, NFP	X	
FRIENDSHIP SENIOR OPTIONS FOUNDATION - [redacted], 350 W SCHAUMBURG ROAD, SCHAUMBURG, IL 60194	SUPPORT	ILLINOIS	501(C)(3)	LINE 12A, I	FRIENDSHIP SENIOR OPTIONS, NFP	X	
FRIENDSHIP VILLAGE OF MILL CREEK, NFP - [redacted], 350 W SCHAUMBURG ROAD, SCHAUMBURG, IL 60194	LIFE PLAN COMMUNITY	ILLINOIS	501(C)(3)	LINE 10	FRIENDSHIP SENIOR OPTIONS, NFP	X	

For Paperwork Reduction Act Notice, see the Instructions for Form 990. **Schedule R (Form 990) 2022**

232161 09-14-22 LHA

Confidential

Part III **Identification of Related Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No
FRIENDSHIP VILLAGE NEIGHBORHOOD SERVICES - [redacted], 350 W SCHAUMBURG ROAD, SCHAUMBURG, IL 60194	SERVICE	IL	[redacted]	C CORP			100%	X	

Confidential FSO_00067460

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.		Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest, **(ii)** annuities, **(iii)** royalties, or **(iv)** rent from a controlled entity	1a		X
b Gift, grant, or capital contribution to related organization(s)	1b		X
c Gift, grant, or capital contribution from related organization(s)	1c		X
d Loans or loan guarantees to or for related organization(s)	1d	X	
e Loans or loan guarantees by related organization(s)	1e	X	
f Dividends from related organization(s)	1f		X
g Sale of assets to related organization(s)	1g		X
h Purchase of assets from related organization(s)	1h		X
i Exchange of assets with related organization(s)	1i		X
j Lease of facilities, equipment, or other assets to related organization(s)	1j		X
k Lease of facilities, equipment, or other assets from related organization(s)	1k		X
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	X	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	X	
o Sharing of paid employees with related organization(s)	1o	X	
p Reimbursement paid to related organization(s) for expenses	1p		X
q Reimbursement paid by related organization(s) for expenses	1q		X
r Other transfer of cash or property to related organization(s)	1r		X
s Other transfer of cash or property from related organization(s)	1s		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)	EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC.	E	8,556,889.	FAIR MARKET VALUE
(2)	EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC.	L	6,270,000.	FAIR MARKET VALUE
(3)	FRIENDSHIP VILLAGE OF MILL CREEK, NFP	L	662,500.	FAIR MARKET VALUE
(4)	FRIENDSHIP VILLAGE NEIGHBORHOOD SERVICES	D	94,135.	FAIR MARKET VALUE
(5)				
(6)				

Confidential FSO_00067461

Part VI Unrelated Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners sec. 501(c)(3) orgs.? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R. See instructions.

EXHIBIT 10

Message

From: Mike Flynn [Mike.Flynn@myFSO.org]
Sent: 6/1/2023 7:44:18 PM
To: Jeff Nyberg [Jeff.Nyberg@myFSO.org]
Subject: Interco Balance

Jeff, can you send me the reconciliation that Arnab did for the intercompany balance?

Thanks

Mike Flynn
Chief Executive Officer
Friendship Senior Options

Mike.Flynn@myFSO.org | Phone: (847) 884-5007 | Cell: (847) 436-5726
www.FriendshipSeniorOptions.org

EXHIBIT 11

Message

From: Jeff Nyberg [Jeff.Nyberg@myFSO.org]
Sent: 6/7/2023 5:18:17 AM
To: Mike Flynn [Mike.Flynn@myFSO.org]
Subject: Intercompany Analysis - FVS

Breakdown of FVS intercompany due from FSO at 4/30/23, as follows:

Description	FY	JE	Total	
FVS Home Care Revenue - GF Billing	FY13-FY23 (Nov)	Var	1,169,416	*
FVS Schwab Draw	FY18	1242	2,000,000	^
Reverse/Forgive FVS FY 18 Management Fee	FY18	0399	1,150,000	**
Adjust FY 18 FVS Management Fee to Budget	FY18	0399	581,267	**
PPP Loan Forgiveness	FY21	0395	3,974,957	
Other			(345,274)	
FVS Intercompany due from FSO at 4/30/23			8,530,366	

* portion of receivable related to FVS Home Care billing collected by GF's. FSO forgave $1,313,855 intercompany due from GF's in Nov 2022
^ funds utilized to pay down FSO line-of-credit from $3M to $1M
** Entries provided by Mike Flynn. FSO incurred an Operating Loss of $2,443,798 in FY18 after adjustments. FSO also had an Operating Loss of $826,394 in FY17

Jeff Nyberg
Controller
Friendship Senior Options

Jeff.Nyberg@myFSO.org | P: (847) 843-4259| F: (847) 884-5718
www.FriendshipSeniorOptions.org

EXHIBIT 12

Message

From: Jeff Nyberg [Jeff.Nyberg@myFSO.org]
Sent: 6/16/2023 6:25:24 PM
To: 'Cole Celenza' [CCelenza@wyseadvisorsllc.com]
Subject: RE: I/C Discussion
Attachments: Intercompany Analysis FY12-24 v3.xlsx

I updated the analysis with my proposed and potential adjustments

Jeff Nyberg
Controller
Friendship Senior Options

Jeff.Nyberg@myFSO.org | P: (847) 843-4259| F: (847) 884-5718
www.FriendshipSeniorOptions.org

From: Cole Celenza <CCelenza@wyseadvisorsllc.com>
Sent: Friday, June 16, 2023 1:06 PM
To: Jeff Nyberg <Jeff.Nyberg@myFSO.org>
Subject: I/C Discussion

Mike has a meeting with the Village of Schaumburg this afternoon. Let's circle back on Monday.

Cole Celenza
Wyse Advisors LLC
51 JFK Parkway
First Floor West
Short Hills, NJ 07078
Mobile: (609) 204-0860
www.wyseadvisorsllc.com

EXHIBIT 13

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

In re:	)	Chapter 11
	)	
EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INCORPORATED d/b/a FRIENDSHIP VILLAGE OF SCHAUMBURG,	)	Case No. 23-07541
	)	
Debtor.	)	

The Video-Recorded Deposition of MICHAEL WYSE, taken pursuant to notice, and pursuant to all applicable rules of the Federal Code of Civil Procedure, conducted via videoconference, and commencing at the hour of approximately 12:59 p.m. Eastern Time, on the 10th day of April, 2024.

Reported By Beth Radtke, RPR, CRR
License No. 084-004561

into the balance and how the balances came about.

Q. So sometime after June 16, 2023, when your team had a discussion with Mr. Nyberg and Mr. Flynn about this $8.5 million intercompany balance on FVS's books, as of that time, they indicated that they wanted to look at this further and perform some sort of reconciliation of the amounts?

A. I think they were -- they probably just said they were going to dig into it further, look at it closer.

Q. And did they keep you apprised of what they were doing in that regard?

A. No.

Q. Did you ever see any reconciliations or documents of that nature making any adjusting journal entries or proposing adjustments to alter this $8.5 million receivable that was showing up on FVS's books as of April 30, 2023?

MR. DOPKE: Objection, form.

BY THE WITNESS:

A. I think I recall seeing some document that had a bunch of different adjustments. I don't know how the adjustments came about. Again, we weren't part of that.

BY MR. SCHOEN:

Q. Well, so who -- who made those adjustments and calculations, to your knowledge?

A. I believe it was Mike Flynn and Jeff Nyberg.

Q. And both Mr. Flynn and Mr. Nyberg were officers and employees of FSO, as well as being officers of FVS; is that correct?

MR. DOPKE: Objection, form.

BY THE WITNESS:

A. Yeah, I don't believe they both were. I know Mike Flynn...

BY MR. SCHOEN:

Q. Well, Mike Flynn was the CEO of FVS and the CEO of FSO, correct?

A. Correct.

Q. And Mr. Nyberg was the controller of FSO, wasn't he?

A. I don't know if he was the controller of FSO or FVS. I don't recall.

Q. Okay. Are you aware of Mr. Flynn or Mr. Nyberg having anybody independent come in and look at the reconciliations that they did adjusting the intercompany balances?

A. I'm confident they've had conversations. I

CERTIFICATE OF

CERTIFIED SHORTHAND REPORTER

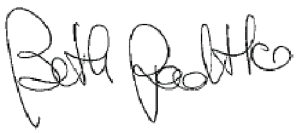
I, Beth Radtke, a Certified Shorthand Reporter of the State of Illinois, CSR License No. 084-004561, do hereby certify:

That previous to the commencement of the examination of the aforesaid witness, the witness was duly sworn by me to testify the whole truth concerning the matters herein;

That the foregoing deposition transcript was stenographically reported by me and was thereafter reduced to typewriting under my personal direction and constitutes a true and accurate record of the testimony given and the proceedings had at the aforesaid deposition;

That I am not a relative or employee or attorney or counsel for any of the parties herein, nor am I interested directly or indirectly in the outcome of this action.

IN WITNESS WHEREOF, I do hereunto set my hand at Chicago, Illinois, this 11th day of April, 2024.



Beth Radtke, RPR, CRR

License No. 084-004561

EXHIBIT 14

Message

From: Jeff Nyberg [Jeff.Nyberg@myFSO.org]
Sent: 6/20/2023 2:42:19 PM
To: Mike Flynn [Mike.Flynn@myFSO.org]
Subject: FW: Interco
Attachments: Intercompany Analysis FY12-24 v4.xlsx

Jeff Nyberg
Controller
Friendship Senior Options

Jeff.Nyberg@myFSO.org | P: (847) 843-4259| F: (847) 884-5718
www.FriendshipSeniorOptions.org

From: Jeff Nyberg
Sent: Tuesday, June 20, 2023 9:41 AM
To: Cole Celenza <CCelenza@wyseadvisorsllc.com>
Subject: Interco

Jeff Nyberg
Controller
Friendship Senior Options

Jeff.Nyberg@myFSO.org | P: (847) 843-4259| F: (847) 884-5718
www.FriendshipSeniorOptions.org

	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH
38	Breakdown of FVS Intercompany due from FSO [illegible]					Y/E Balances											
39	Description	FY	JE	Total		FY13	14	15	16	17	18	19	20	21	22	23	24
40																	
41	Intercompany from GreenFields of Geneva																
42	FVS Home Care Revenue billed and collected by GF's	FY13-FY23 (Nov)		1,169,416		12,754	45,990	47,721	84,257	122,129	111,488	128,362	182,714	232,092	201,909		
43	GF's EF Refund miscoded and paid by FVS (John T Lincoln Trust)	FY21		332,100										332,100			
44																	
45				1,501,516													
46	Intercompany w/ FSO																
47	Shortfall on Management Fees, Benefit Allocaiton expensed by FVS																
48	FSO Operating Loss incurred	FY17		826,394						826,394							
49	Estimated Management Fee markup	FY17		360,000	^					360,000							
50	Reverse/Forgive FVS FY 18 Management Fee	FY18	0399	1,150,000	**						1,150,000						
51	Adjust FY 18 FVS Management Fee to Budget	FY18	0399	833,335	**						833,335						
52	FSO Operating Loss incurred (before MF adj's)	FY18		460,463							460,463						
53	Estimated Management Fee markup	FY18		360,000	^						360,000						
54	Benefit Allocation (audit adjustment)	FY21		309,117	***									309,117			
55																	
56				4,299,309													
57																	
58	Asset transfers to FSO																
59	110 Pleasant Dr Schaumburg IL	FY18	0388	449,251							449,251						
60	FSO Benefits Account Funding - 1/28/22	FY22		172,400											172,400		
61																	
62				621,651													
63																	
64	Other																
65	Reclass of Settlement to FSO - Mary Winterstein (pymt funded by FVS)	FY22		290,000											290,000		
66	Travelers Ck., dtd. 8/27/2021	FY22		362,633											362,633		
67	FSO Paydown of Line of Credit	FY21		1,000,000										1,000,000			
68	Misc			455,256		35,666	208,097	(33,797)	(31,623)	(253,280)	664,822	(552,549)	(622,218)	(307,853)	1,316,626	57,888	(26,523)
69																	
70				2,107,890													
71																	
72	FVS Intercompany due from FSO at 4/30/23			8,530,366		48,420	302,507	316,430	369,065	1,424,308	5,453,667	5,029,480	4,589,977	6,155,433	8,499,001	8,556,889	8,530,366
73						-	-	-	-	-	-	-	-	-	-	-	-
74						Mgmt Fees (Actual)		3,818,628	3,986,436	4,821,228	4,263,524	6,702,432	6,917,232	6,669,036	6,395,460		
75						Mgmt Fees (Budget)		3,818,628	3,986,436	4,821,228	5,413,524	6,702,432	6,917,232	6,669,036			
76						Mgmt Fees (Actual Revised)		3,818,628	3,986,436	4,821,228	6,246,859	6,702,432	6,917,232	6,669,036	-		
77	** Entries provided by Mike Flynn					Incr %			4.4%	20.9%	29.6%	7.3%	3.2%	-3.6%			
78	*** - worker's comp accrual by FSO of $484,804.69 excluded from benefit allocation (FVS allocation for FY21 was 63.8%)																
79	^ - estimation of operating income for FSO (based on FY19/FY20)																
80																	
81																	
82						Dr					Cr						
83	Proposed Adjustments:																
84	Reverse "Reverse/Forgive FVS FY 18 Management Fee"	FY18		1,150,000		FVS Mgmt Fee Exp			10-01-03-8901-00		FSO Mgmt Fee Rev		95-01-03-4715-00				
85	Record FVS Mgmt Fees Resulting from GF's Reduced Mgmt Fees	FY18		833,335		FVS Mgmt Fee Exp			10-01-03-8901-00		FSO Mgmt Fee Rev		95-01-03-4715-00				
86	Reclass "110 Pleasant Dr Schaumburg IL"	FY18		449,251		Land			10-00-00-1610-00		Land		95-00-00-1610-00				
87	Adj FSO Benefit Alloc	FY21		309,117		Benefit Transfer from Corporate			10-01-94-5510-00		Benefit Transfer to Subsidiaries		95-01-94-5510-00				
88	Reclass PPP Loan	FY21		3,974,957		Gain on PPP/Stimulus Loan Forgiveness			10-01-01-9907-00		Reserve Expenses		95-00-00-2250-00				
89																	
90				6,716,660													
91																	
92	Potential Adjustments:																
93	FSO Operating Loss	FY17		826,394		FVS Mgmt Fee Exp			10-01-03-8901-00		FSO Mgmt Fee Rev		95-01-03-4715-00				
94	FSO Operating Loss	FY18		460,463		FVS Mgmt Fee Exp			10-01-03-8901-00		FSO Mgmt Fee Rev		95-01-03-4715-00				
95																	
96				1,286,857													
97																	
98	Revised Intercompany Balance (excluding Potential Adjustments)																
99	FSO Benefits Checking Account	FY22		172,400													
100	Intercompany from Geneva			1,501,516													
101	Other			139,790													
102																	
103				1,813,706													
104				-													
105	Considerations for Repayment of Intercompany																
106	236 Pleasant Dr Schaumburg IL			220,000		Land			10-00-00-1610-00		Land		95-00-00-1610-00				
107	Huntley Property			1,587,500		Land			10-00-00-1610-00		Land		95-00-00-1610-00				
108	Note Receivable from Symbria			2,958,345		Note Receivable from Symbria			tbd		Note Receivable from Symbria		95-00-00-1277-00				
109																	
110				4,765,845													

Period	Year	Journal Reference	Batch #	Date	Journal Description	Account Code	Account Description	Amount	Journal Line Comment	Invoice/Check	Invoice/Check Date	Purchase Order	Initial User ID	Last User ID	Last Date
1	2018	0995A		4/30/2017	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	451,127.00			00/00/0000		LLAMPE	LLAMPE	6/8/2017
2	2018	0995A	P	5/31/2017	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	451,127.00			00/00/0000		LLAMPE	LLAMPE	6/22/2017
3	2018	0995A	P	6/30/2017	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	451,127.00			00/00/0000		LLAMPE	LLAMPE	7/28/2017
4	2018	0995A	P	7/31/2017	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	451,127.00			00/00/0000		LLAMPE	LLAMPE	8/8/2017
5	2018	0995A	P	8/31/2017	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	451,127.00			00/00/0000		LLAMPE	LLAMPE	10/10/2017
6	2018	0995A	P	9/30/2017	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	451,127.00			00/00/0000		LLAMPE	LLAMPE	11/9/2017
7	2018	0995A	P	10/31/2017	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	451,127.00			00/00/0000		LLAMPE	LLAMPE	12/12/2017
8	2018	0995A	P	11/30/2017	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	617,794.00			00/00/0000		LLAMPE	LLAMPE	1/11/2018
9	2018	0995A	P	12/31/2017	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	617,794.00			00/00/0000		LLAMPE	LLAMPE	2/1/2018
10	2018	0995A	P	1/31/2018	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	617,794.00			00/00/0000		LLAMPE	LLAMPE	2/16/2018
11	2018	0995A	P	2/28/2018	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	617,794.00			00/00/0000		LLAMPE	LLAMPE	3/14/2018
12	2018		395	3/31/2018	Misc entries #2	1.00104E+11	Management Fee - FSO	(252,067.97)	Management Fee True-up FY18		00/00/0000		JNYBERG	JNYBERG	5/30/2018
12	2018		399	3/31/2018	Client Adjustments FY2018	1.00104E+11	Management Fee - FSO	(581,267.00)	Adjust FY 18 FVS Management Fee to Budge		00/00/0000		LLAMPE	LLAMPE	7/9/2018
12	2018		399	3/31/2018	Client Adjustments FY2018	1.00104E+11	Management Fee - FSO	(1,150,000.00)	Reverse/Forgive FVS FY 18 Management Fee		00/00/0000		LLAMPE	LLAMPE	7/19/2018
12	2018	0995A	P	3/31/2018	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	617,794.00			00/00/0000		LLAMPE	LLAMPE	4/30/2018
								4,263,524.03							
							Original Budget (451,127 x 12)	5,413,524.00							

From: Jeff Nyberg [Jeff.Nyberg@myFSO.org]
Sent: 6/22/2023 5:58:23 PM
To: Eric Walker [ewalker@cooley.com]
Subject: Intercompany
Attachments: Intercompany Analysis FY12-24.xlsx

Jeff Nyberg
Controller
Friendship Senior Options

Jeff.Nyberg@myFSO.org | P: (847) 843-4259 | F: (847) 884-5718
www.FriendshipSeniorOptions.org

	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH
38	Breakdown of FVS Intercompany Balance (as of 4/30/23)										Y/E Balances						
39	Description	FY	JE	Total		FY13	14	15	16	17	18	19	20	21	22	23	24
40																	
41	Intercompany from GreenFields of Geneva																
42	FVS Home Care Revenue billed and collected by GF's	FY13-FY23 (Nov)		1,169,416		12,754	45,990	47,721	84,257	122,129	111,488	128,362	182,714	232,092	201,909		
43	GF's EF Refund miscoded and paid by FVS (John T Lincoln Trust)	FY21		332,100										332,100			
44																	
45				1,501,516													
46	Intercompany w/ FSO																
47	Shortfall on Management Fees, Benefit Allocaiton expensed by FVS																
48	FSO Operating Loss incurred	FY17		826,394						826,394							
49	Estimated Management Fee markup	FY17		360,000	^					360,000							
50	Reverse/Forgive FVS FY 18 Management Fee	FY18	0399	1,150,000	**						1,150,000						
51	Adjust FY 18 FVS Management Fee to Budget	FY18	0399	833,335	**						833,335						
52	FSO Operating Loss incurred (before MF adj's)	FY18		460,463							460,463						
53	Estimated Management Fee markup	FY18		360,000	^						360,000						
54	Benefit Allocation (audit adjustment)	FY21		309,117	***									309,117			
55																	
56				4,299,309													
57																	
58	Asset transfers to FSO																
59	110 Pleasant Dr Schaumburg IL	FY18	0388	449,251							449,251						
60	FSO Benefits Account Funding - 1/28/22	FY22		172,400											172,400		
61																	
62				621,651													
63																	
64	Other																
65	Reclass of Settlement to FSO - Mary Winterstein (pymt funded by FVS)	FY22		290,000											290,000		
66	Travelers Ck., dtd. 8/27/2021	FY22		362,633											362,633		
67	FSO Paydown of Line of Credit	FY21		1,000,000										1,000,000			
68	Misc			455,256		35,666	208,097	(33,797)	(31,623)	(253,280)	664,822	(552,549)	(622,218)	(307,853)	1,316,626	57,888	(26,523)
69																	
70				2,107,890													
71																	
72	FVS Intercompany due from FSO at 4/30/23			8,530,366		48,420	302,507	316,430	369,065	1,424,308	5,453,667	5,029,480	4,589,977	6,155,433	8,499,001	8,556,889	8,530,366
73						-	-	-	-	-	-	-	-	-	-	-	-
74						Mgmt Fees (Actual)		3,818,628	3,986,436	4,821,228	4,263,524	6,702,432	6,917,232	6,669,036	6,395,460		
75						Mgmt Fees (Budget)		3,818,628	3,986,436	4,821,228	5,413,524	6,702,432	6,917,232	6,669,036			
76						Mgmt Fees (Actual Revised)		3,818,628	3,986,436	4,821,228	6,246,859	6,702,432	6,917,232	6,669,036	-		
77	** Entries provided by Mike Flynn					Incr %			4.4%	20.9%	29.6%	7.3%	3.2%	-3.6%			
78	*** - worker's comp accrual by FSO of $484,804.69 excluded from benefit allocation (FVS allocation for FY21 was 63.8%)																
79	^ - estimation of operating income for FSO (based on FY19/FY20)																
80																	
81																	
82						Dr					Cr						
83	Proposed Adjustments:																
84	Reverse "Reverse/Forgive FVS FY 18 Management Fee"	FY18		1,150,000		FVS Mgmt Fee Exp			10-01-03-8901-00		FSO Mgmt Fee Rev		95-01-03-4715-00				
85	Record FVS Mgmt Fees Resulting from GF's Reduced Mgmt Fees	FY18		833,335		FVS Mgmt Fee Exp			10-01-03-8901-00		FSO Mgmt Fee Rev		95-01-03-4715-00				
86	Reclass "110 Pleasant Dr Schaumburg IL"	FY18		449,251		Land			10-00-00-1610-00		Land		95-00-00-1610-00				
87	Adj FSO Benefit Alloc	FY21		309,117		Benefit Transfer from Corporate			10-01-94-5510-00		Benefit Transfer to Subsidiaries		95-01-94-5510-00				
88	Reclass PPP Loan	FY21		3,974,957		Gain on PPP/Stimulus Loan Forgiveness			10-01-01-9907-00		Reserve Expenses		95-00-00-2250-00				
89																	
90				6,716,660													
91																	
92	Potential Adjustments:																
93	FSO Operating Loss	FY17		826,394		FVS Mgmt Fee Exp			10-01-03-8901-00		FSO Mgmt Fee Rev		95-01-03-4715-00				
94	FSO Operating Loss	FY18		460,463		FVS Mgmt Fee Exp			10-01-03-8901-00		FSO Mgmt Fee Rev		95-01-03-4715-00				
95																	
96				1,286,857													
97																	
98	Revised Intercompany Balance (excluding Potential Adjustments)																
99	FSO Benefits Checking Account	FY22		172,400													
100	Intercompany from Geneva			1,501,516													
101	Other			139,790													
102																	
103				1,813,706													
104				-													
105	Considerations for Repayment of Intercompany																
106	236 Pleasant Dr Schaumburg IL			220,000		Land			10-00-00-1610-00		Land		95-00-00-1610-00				
107	Huntley Property			1,587,500		Land			10-00-00-1610-00		Land		95-00-00-1610-00				
108	Note Receivable from Symbria			2,958,345		Note Receivable from Symbria			tbd		Note Receivable from Symbria		95-00-00-1277-00				
109																	
110				4,765,845													

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	Year	Journal Reference	Batch #	Date	Journal Description	Account Code	Account Description	Amount	Journal Line Comment	Invoice/Check	Invoice/Check Date	Purchase Order	Initial User ID	Last User ID	Last Date
2	2018	0995A		4/30/2017	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	451,127.00			00/00/0000		LLAMPE	LLAMPE	6/8/2017
3	2018	0995A	P	5/31/2017	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	451,127.00			00/00/0000		LLAMPE	LLAMPE	6/22/2017
4	2018	0995A	P	6/30/2017	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	451,127.00			00/00/0000		LLAMPE	LLAMPE	7/28/2017
5	2018	0995A	P	7/31/2017	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	451,127.00			00/00/0000		LLAMPE	LLAMPE	8/8/2017
6	2018	0995A	P	8/31/2017	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	451,127.00			00/00/0000		LLAMPE	LLAMPE	10/10/2017
7	2018	0995A	P	9/30/2017	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	451,127.00			00/00/0000		LLAMPE	LLAMPE	11/9/2017
8	2018	0995A	P	10/31/2017	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	451,127.00			00/00/0000		LLAMPE	LLAMPE	12/12/2017
9	2018	0995A	P	11/30/2017	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	617,794.00			00/00/0000		LLAMPE	LLAMPE	1/11/2018
10	2018	0995A	P	12/31/2017	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	617,794.00			00/00/0000		LLAMPE	LLAMPE	2/1/2018
11	2018	0995A	P	1/31/2018	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	617,794.00			00/00/0000		LLAMPE	LLAMPE	2/16/2018
12	2018	0995A	P	2/28/2018	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	617,794.00			00/00/0000		LLAMPE	LLAMPE	3/14/2018
13	2018	395		3/31/2018	Misc entries #2	1.00104E+11	Management Fee - FSO	(252,067.97)	Management Fee True-up FY18		00/00/0000		JNYBERG	JNYBERG	5/30/2018
14	2018	399		3/31/2018	Client Adjustments FY2018	1.00104E+11	Management Fee - FSO	(581,267.00)	Adjust FY 18 FVS Management Fee to Budge		00/00/0000		LLAMPE	LLAMPE	7/9/2018
15	2018	399		3/31/2018	Client Adjustments FY2018	1.00104E+11	Management Fee - FSO	(1,150,000.00)	Reverse/Forgive FVS FY 18 Management Fee		00/00/0000		LLAMPE	LLAMPE	7/19/2018
16	2018	0995A	P	3/31/2018	Monthly Recurring Entries-Management Fee	1.00104E+11	Management Fee - FSO	617,794.00			00/00/0000		LLAMPE	LLAMPE	4/30/2018
17															
18								4,263,524.03							
19															
20							Original Budget (451,127 x 12)	5,413,524.00							

EXHIBIT 15

From: Dopkelaw LLC[bd@DopkeLaw.com]
Sent: Thur 6/22/2023 7:19:18 PM Coordinated Universal Time
To: 'Mike Flynn'[Mike.Flynn@myFSO.org]
Subject: FW: Information for US Trustee
Attachment: 2020 Client Copy Exempt Organization EVANGELICAL RETIREMENT HOMESOF 027-040711 V1.pdf
Attachment: 2019 Client Copy Exempt Organization EVANGELICAL RETIREMENT HOMESOF 027-040711-00 V1.pdf
Attachment: March 2023 Financials.xlsx

Mr. Walker informs me that FSO is working with the accountants to deal, perhaps completely, with the intercompany. So I'll forward the tax returns to Mr. Knox.

He will have to wait until we get clarity on the intercompany issues.

Bruce Dopke, Member
Dopkelaw LLC
1535 W. Schaumburg Road
Schaumburg, IL 60194
Tel: 847-524-4811
bd@dopkelaw.com

From: Mike Flynn <Mike.Flynn@myFSO.org>
Sent: Wednesday, June 21, 2023 3:03 PM
To: Dopkelaw LLC <bd@DopkeLaw.com>; Michael Wyse - Wyse Advisors LLC (mwyse@wyseadvisorsllc.com) <mwyse@wyseadvisorsllc.com>; Cole Celenza <CCelenza@wyseadvisorsllc.com>
Subject: Information for US Trustee

Attached are the tax returns and Internally prepared 3/31/23 Financial Statements that the US Trustee requested.

The spreadsheet reflects the $8M+ intercompany balance. Is it okay to send this to the trustee or should we wait until it is reconciled and make an adjustment before sending? We might have an answer tomorrow. We are getting close.

Bruce, I do not have the US Trustee e-mail so can you please send once we answer the above.

Thank you

Mike Flynn
Chief Executive Officer
Friendship Senior Options

Mike.Flynn@myFSO.org | Phone: (847) 884-5007 | Cell: (847) 436-5726
www.FriendshipSeniorOptions.org

EXHIBIT 16

Message

From: Jeff Nyberg [Jeff.Nyberg@myFSO.org]
Sent: 6/27/2023 5:13:42 AM
To: Mike Flynn [Mike.Flynn@myFSO.org]
Subject: Mgmt Fees, Intercompany
Attachments: Mgmt Fee Analysis FY17-24 (Apr).xlsx; Intercompany Analysis FY12-24 v3.xlsx

Mike,

In reviewing the management agreement, I agree with Eric's assertion that "FSO administrative expenses are paid by FVS". I summarized the sections of the agreement that define Management vs Administrative Services, as follows. Attached are the updated analyses, which reflect a total adjustment to intercompany of $8,182,025.

Management and Administrative Services
Corporate Management Personnel - including but not limited to CFO, VP of Marketing, and other management personnel as designated by Parent in it sole discretion
Administrative Services
Personnel - Clinical and non-clinical personnel employed, or independently contracted by Parent needed by FVS in connection with operations of FVS' business
Services - Financials, Human Resources, Information Technology, Marketing, Risk Management, Equipment and Supplies, Resident Billing and Collection Services
Compensation
Management Fee
15.63% of FVS' annual Operating Expenses (excludes: depr/amort, interest expense)
Payment due within 30 days of fiscal year-end
Administrative Expenses
All expenses incurred by Parent in connection with the provision of the Administrative Services
Paid within 10 days from receipt of invoice from parent

Jeff Nyberg
Controller
Friendship Senior Options

Jeff.Nyberg@myFSO.org | P: (847) 843-4259| F: (847) 884-5718
www.FriendshipSeniorOptions.org

Description	FY18 (Nov-Mar)	FY19	FY20	FY21	FY22	FY23	FY24 (Apr)	Total
Changes in Net Assets per Audit Report		2,300,647.00	9,684,203.00					
Variance		(701,340.19)	2.00					
Restated F18 on FY19 Report								
Change in Net Assets (Deficit)								
Net Assets (Deficit) - Beg of Year								
Total Operating Expenses per Audit Report		63,666,873	64,115,343.00					
		(701,342.22)	4.77					
Total Operating Expenses per Ledger	25,630,686.59	64,368,215.22	64,115,338.23	61,159,109.52	60,246,631.95	63,858,873.22	5,407,009.52	344,785,864.25
Management Fee	(1,105,635.03)	(6,702,432.00)	(6,917,232.00)	(6,669,036.00)	(6,395,460.00)	(6,270,000.00)	(490,000.00)	(34,549,795.03)
Depreciation/Amortization	(3,162,654.86)	(8,326,055.14)	(8,021,560.81)	(8,392,893.89)	(8,202,968.57)	(7,827,357.85)	(598,045.97)	(44,531,537.09)
Interest	(2,617,353.62)	(6,131,994.03)	(6,037,108.47)	(5,935,132.65)	(5,823,706.25)	(5,823,706.20)	(485,308.85)	(32,854,310.07)
Bad Debt	(115,263.52)	0.00	0.00	0.00	0.00	0.00	0.00	(115,263.52)
FVS Annual Operating Expenses	18,629,779.56	43,207,734.05	43,139,436.95	40,162,046.98	39,824,497.13	43,937,809.17	3,833,654.70	232,734,958.54
FSO Management Fee %	15.63%	15.63%	15.63%	15.63%	15.63%	15.63%	15.63%	15.63%
FSO Management Fee Calculated	2,911,834.55	6,753,368.83	6,742,694.00	6,277,327.94	6,224,568.90	6,867,479.57	599,200.23	36,376,474.02
FSO Management Fee Charged	1,105,635.03	6,702,432.00	6,917,232.00	6,669,036.00	6,395,460.00	6,270,000.00	490,000.00	34,549,795.03
FSO Management Fee Over (Under) Charged to FVS	(1,806,199.52)	(50,936.83)	174,538.00	391,708.06	170,891.10	(597,479.57)	(109,200.23)	(1,826,678.99)

Friendship Village of Schaumburg
Intercompany Analysis
4/30/2023

	Balance at FY13	Activity FY14 - FY24 (Apr)	I/C Reclass	Adj		Add'l Reclass	Adjusted Balance at FY24 (Apr)
Due from (to) FSO:							
110 Pleasant Dr Schaumburg IL		449,251.05				(449,251.05)	-
FVS Credit Card Fees		152,059.74		(152,059.74)	**A**		-
Management Fees		1,731,267.00		(1,826,678.99)	**B**	95,411.99	-
FVS/GF		1,362,318.76				(1,362,318.76)	-
FVS/FSOF		(19,182.83)	19,182.83				-
FSO Benefits Account		272,400.00	27,600.00				300,000.00
FSO Operating Activity		4,386,579.75		(6,203,286.61)	**B**	1,884,230.60	67,523.74
Operating Activity	48,419.84	147,252.94	(27,600.00)			(168,072.78)	-
	48,419.84	8,481,946.41	19,182.83	(8,182,025.34)		-	367,523.74
Due from GF	94,700.59	(51,157.63)					43,542.96
Due from FVNS	303,667.36	2,852.64					306,520.00
Due from (to) FSOF	248,126.64	(248,126.64)	(19,182.83)				(19,182.83)
	694,914.43	8,185,514.78	-	(8,182,025.34)		-	698,403.87
		-					-

Note A
FVS credit card fee errantly charged to FSO.

Note B
Adjustments for Management Fees and Administrative Fees. Based upon revised "Exclusive Administrative Services and Personnel Lease Agreement" dated 11/13/17.

EXHIBIT 17

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

In re:	)	Chapter 11
EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INCORPORATED d/b/a FRIENDSHIP VILLAGE OF SCHAUMBURG,	)	Case No. 23-07541
FEIN: 36-2815382	)	
Debtor.	)	

Record of proceedings before the Honorable Judge TIMOTHY A. BARNES, Judge of the United States Bankruptcy Court, Northern District of Illinois, commencing at 9:00 a.m. on the 17th day of June, A.D. 2024 upon the trial of the above-entitled case.

was something that you FSO did before those negotiations even happened, right?

A That is correct, yes.

Q And it wasn't just some random amount, it wasn't well, we have these ERTC credits and we're a charitable foundation so we'll use them however we want to support our affiliates. What you were doing right up until the month before the bankruptcy in this case was always telling people that yes, you applied for the ERTC credits because you were the common pay master but that you were allocating the credits to the affiliates in proportion to the payroll expenses that they had funded just like the IRS guidance says you're supposed to do and just like you said in your financial statements that you were going to do, correct?

A That's correct.

Q Thank you. Why don't we take a look at some of your contemporaneous communications about who you thought the ERTC credits belonged to.

Let's look at Exhibit Z, please. It's in the first binder.

(Exhibit Z tendered to the witness)

Q Do you have Exhibit Z in front of you?

A Yes.

STATE OF ILLINOIS)
) SS:
COUNTY OF C O O K)

CAROL CONNOLLY, being first duly sworn, deposes and says that she is a Certified Shorthand Reporter in Cook County, Illinois, and reporting proceedings in the Courts in said County;

That she reported in shorthand and thereafter transcribed the foregoing proceedings;

That the within and foregoing transcript is true, accurate and complete and contains all the evidence which was received and the proceedings had upon the within cause.



CAROL CONNOLLY, CSR, CRR
CSR No. 084-003113
One North Franklin Street
Suite 3000
Chicago, Illinois 60606
Phone: (312) 386-2000

Subscribed and sworn to before me this

25th day of June, A.D., 2024.

_____

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

In re:	)	Chapter 11
EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INCORPORATED d/b/a FRIENDSHIP VILLAGE OF SCHAUMBURG,	)	Case No. 23-07541
FEIN: 36-2815382	)	
Debtor.	)	

VOLUME II

Record of proceedings before the Honorable Judge TIMOTHY A. BARNES, Judge of the United States Bankruptcy Court, Northern District of Illinois, commencing at 9:00 a.m. on the 18th day of June, A.D. 2024 upon the trial of the above-entitled case.

me that what Mr. Nyberg was doing in all of these proposed adjustments was simply wiping out -- doing what was necessary to wipe out the intercompany liability as much as possible?

MR. WALKER: Objection, your Honor. That's improper impeachment. He's reading his deposition testimony back to him as opposed to asking him the question and trying to impeach him with his prior deposition testimony. Hearsay.

THE COURT: Overruled.

THE WITNESS: Can you reask it? Can you repeat?

MR. SCHOEN: Q Do you recall testifying at your deposition that what you understood Mr. Nyberg to be doing in these proposed adjustments was identifying what would be necessary to clear out the intercompany balances?

A Yes, yes.

Q That's what you understood he was doing?

A Correct.

Q And you didn't tell him, that's not the way we should be going about this, did you?

A I did not, no.

Q And is that your -- your view as a -- somebody with an accounting background, is that that's consistent

STATE OF ILLINOIS)
) SS:
COUNTY OF C O O K)

CAROL CONNOLLY, being first duly sworn, deposes and says that she is a Certified Shorthand Reporter in Cook County, Illinois, and reporting proceedings in the Courts in said County;

That she reported in shorthand and thereafter transcribed the foregoing proceedings;

That the within and foregoing transcript is true, accurate and complete and contains all the evidence which was received and the proceedings had upon the within cause.



CAROL CONNOLLY, CSR, CRR
CSR No. 084-003113
One North Franklin Street
Suite 3000
Chicago, Illinois 60606
Phone: (312) 386-2000

Subscribed and sworn to before me this

EXHIBIT 18

From: Mike Flynn[Mike.Flynn@myFSO.org]
Sent: Mon 7/3/2023 12:17:01 PM Coordinated Universal Time
To: Dopkelaw LLC[bd@DopkeLaw.com]
Cc: Michael Franciosa[mfranciosa@wyseadvisorsllc.com]
Subject: RE: FVS

Good Morning Bruce,

Jeff was able to complete the trial balance. He did reconcile the intercompany balance but I noticed the adjustment to correct the balance is not reflected in this trial balance. He manually rolled the trial balance forward to June 8 so we will be good to go there. When the adjusting entry is made for intercompany, we will send the trial balance to you.

The land in Huntley is owned by FSO. There was a board resolution passed to transfer the property. Megan went to the Kane County website and was able to find that a Quit Claim deed was filed where FSO paid $10 for the land and the property was transferred to FSO.

Mike Flynn
Chief Executive Officer
Friendship Senior Options

Mike.Flynn@myFSO.org | Phone: (847) 884-5007 | Cell: (847) 436-5726
www.FriendshipSeniorOptions.org

From: Dopkelaw LLC <bd@DopkeLaw.com>
Sent: Monday, July 3, 2023 5:42 AM
To: Mike Wyse <mwyse@wyseadvisorsllc.com>
Cc: Mike Flynn <Mike.Flynn@myFSO.org>; Jeremy Johnson <jeremy.johnson@polsinelli.com>
Subject: FVS

Mike, I wanted to be sure that you are aware of the following late additions to the schedules that your team will need to follow up on.

1. After going back and forth with it, the latest thinking from FSO (Eric Walker) is that there is a parcel of unimproved land in McHenry County that is owned by a CT&T Land Trust. I am informed that FVS is the sole beneficiary of the land trust. The land is valued at approximately $550,000.00, and that number is based on a pending purchase offer. The land is unencumbered. I believe Polsinelli is handling the sale. That's all I have on that. I have seen none of the documentation.

2. I am informed that FSO and FVS have agreed on the intercompany account, presumably as of June 9, 2023. It goes without saying that this claim should be noted in Schedule F.

Bruce

Bruce Dopke, Member
Dopkelaw LLC
1535 W. Schaumburg Road
Schaumburg, IL 60194
Tel: 847-524-4811
bd@dopkelaw.com

EXHIBIT 19

From: Trinitee Green[tggreen@polsinelli.com]
Sent: Thur 7/6/2023 9:50:57 PM Coordinated Universal Time
To: Trinitee Green[tggreen@polsinelli.com]
Cc: Jeremy Johnson[jeremy.johnson@polsinelli.com]
Sent on behalf of: Trinitee Green <tggreen@polsinelli.com>
Subject: FVS - Notes (July 6 Call with Eric Walker re Interco)

FVS owes about $1 mm to FSO – they reconciled and identified some errors and they brushed off management agreement and reviewed it and realized it said something different than how calculated in the past and other reasons.

Pretty detailed reconciliation to tie it all out. Bruce has it has will share with Jeff N.

He gave Bruce the update on Sunday.

He hasn't offered an unsecured dip; so he can't understand why Bruce said this at the hearing.

EXHIBIT 20

From: Mike Flynn [Mike.Flynn@myFSO.org]
Sent: 7/17/2023 7:41:37 PM
To: Jeff Nyberg [Jeff.Nyberg@myFSO.org]
Subject: RE: FSO Management Fee

Yes, please proceed.

Mike Flynn
Chief Executive Officer
Friendship Senior Options

Mike.Flynn@myFSO.org | Phone: (847) 884-5007 | Cell: (847) 436-5726
www.FriendshipSeniorOptions.org

From: Jeff Nyberg <Jeff.Nyberg@myFSO.org>
Sent: Monday, July 17, 2023 2:38 PM
To: Mike Flynn <Mike.Flynn@myFSO.org>
Subject: RE: FSO Management Fee

I will close April and have Jeff S upload May. Attached is the final entry for April that was posted and includes the retroactive adj for Management Fees and Administrative Expenses, as follows. Please confirm I can close April. Thanks

10-00-00-3090-00	PY Adj - Mgmt Fee, Admin Exp	7,998,573.45	
10-00-00-1290-00	PY Adj - Mgmt Fee, Admin Exp		7,998,573.45
95-00-00-2294-00	PY Adj - Mgmt Fee, Admin Exp	7,998,573.45	
95-00-00-3090-00	PY Adj - Mgmt Fee, Admin Exp		7,998,573.45

Jeff Nyberg
Controller
Friendship Senior Options

Jeff.Nyberg@myFSO.org | P: (847) 843-4259| F: (847) 884-5718
www.FriendshipSeniorOptions.org

From: Mike Flynn <Mike.Flynn@myFSO.org>
Sent: Monday, July 17, 2023 1:27 PM
To: Jeff Nyberg <Jeff.Nyberg@myFSO.org>
Subject: FW: FSO Management Fee

Jeff,

I am not able to provide the information requested by Cole. Adaptive is not updated with April and May numbers.

Mike Flynn
Chief Executive Officer
Friendship Senior Options

Mike.Flynn@myFSO.org | Phone: (847) 884-5007 | Cell: (847) 436-5726
www.FriendshipSeniorOptions.org

From: Cole Celenza <CCelenza@wyseadvisorsllc.com>
Sent: Monday, July 17, 2023 12:31 PM
To: Mike Flynn <Mike.Flynn@myFSO.org>
Cc: Mike Wyse <mwyse@wyseadvisorsllc.com>
Subject: FSO Management Fee

Mike,

Can you please update the 2024 FSO Management Fee budget for actuals through June, as well as any adjustments to the forecasted budget, if any?

Best,

Cole Celenza
Wyse Advisors LLC
51 JFK Parkway
First Floor West
Short Hills, NJ 07078
Mobile: (609) 204-0860
www.wyseadvisorsllc.com

FRIENDSHIP SENIOR OPTIONS, NFP
JOURNAL ENTRY INPUT FORM

JOURNAL ENTRY # 0496 **Misc Entries**

Account #	Description	Debit	Credit
95-01-92-5050-00	R/c 50% of Mona Patel Salary to o/p		3,000.00
10-01-70-5050-00	R/c 50% of Mona Patel Salary to o/p	3,000.00	
10-00-00-1290-00	R/c 50% of Mona Patel Salary to o/p		3,000.00
95-00-00-2294-00	R/c 50% of Mona Patel Salary to o/p	3,000.00	
99-00-00-2294-00	R/c 50% of Mona Patel Salary to o/p		3,000.00
99-00-00-1290-00	R/c 50% of Mona Patel Salary to o/p	3,000.00	
20-01-02-8901-00	Mgmt Fee due - Apr	42,500.00	
20-00-00-2290-00	Mgmt Fee due - Apr		42,500.00
95-00-00-1291-00	Mgmt Fee due - Apr	42,500.00	
95-01-03-4715-00	Mgmt Fee due - Apr		42,500.00
99-01-03-4715-00	Mgmt Fee due - Apr	42,500.00	
99-01-03-8901-00	Mgmt Fee due - Apr		42,500.00
10-00-00-3090-00	PY Adj - Mgmt Fee, Admin Exp	7,998,573.45	
10-00-00-1290-00	PY Adj - Mgmt Fee, Admin Exp		7,998,573.45
95-00-00-2294-00	PY Adj - Mgmt Fee, Admin Exp	7,998,573.45	
95-00-00-3090-00	PY Adj - Mgmt Fee, Admin Exp		7,998,573.45
	Preparer: JN	9,000.00	9,000.00

Management Fees	FY18 (Nov-Mar)	FY19	FY20	FY21	FY22	FY23	FY24 (Apr)	Total
Total Operating Expenses per Ledger	25,630,686.59	64,368,215.22	64,115,338.23	61,159,109.52	60,246,631.95	63,858,873.22	5,407,009.52	344,785,864.25
Management Fee	(1,105,635.03)	(6,702,432.00)	(6,917,232.00)	(6,669,036.00)	(6,395,460.00)	(6,270,000.00)	(490,000.00)	(34,549,795.03)
Depreciation/Amortization	(3,162,654.86)	(8,326,055.14)	(8,021,560.81)	(8,392,893.89)	(8,202,968.57)	(7,827,357.85)	(598,045.97)	(44,531,537.09)
Interest	(2,617,353.62)	(6,131,994.03)	(6,037,108.47)	(5,935,132.65)	(5,823,706.25)	(5,823,706.20)	(485,308.85)	(32,854,310.07)
Bad Debt	(115,263.52)	0.00	0.00	0.00	0.00	0.00	0.00	(115,263.52)
FVS Annual Operating Expenses	18,629,779.56	43,207,734.05	43,139,436.95	40,162,046.98	39,824,497.13	43,937,809.17	3,833,654.70	232,734,958.54
FSO Management Fee %	15.63%	15.63%	15.63%	15.63%	15.63%	15.63%	15.63%	15.63%
FSO Management Fee Calculated	2,911,834.55	6,753,368.83	6,742,694.00	6,277,327.94	6,224,568.90	6,867,479.57	599,200.23	36,376,474.02
FSO Management Fee Charged	1,105,635.03	6,702,432.00	6,917,232.00	6,669,036.00	6,395,460.00	6,270,000.00	490,000.00	34,549,795.03
FSO Management Fee Over (Under) Charged to FVS	(1,806,199.52)	(50,936.83)	174,538.00	391,708.06	170,891.10	(597,479.57)	(109,200.23)	(1,826,678.99)

Administrative Expenses								
Administrative Salaries *	357,109	827,651	803,806	1,054,417	927,868	796,145	57,999	4,824,995
FICA (7.65%)	27,319	63,315	61,491	80,663	70,982	60,905	4,437	369,112
Beneifts (% of Salaries)	*21.0%*	*19.0%*	*23.4%*	*25.6%*	*17.4%*	*18.2%*	*20.4%*	*20.4%*
Benefits	75,100	157,386	188,409	269,614	161,834	145,020	11,816	1,009,179
Administrative Expenses	459,529	1,048,353	1,053,706	1,404,694	1,160,684	1,002,070	74,252	6,203,287

* FSO positions identiefed on "FSO Administrative Position" worksheet

Prior Year Adjustment:	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY14-FY23 Total
FVS Credit Card Fees	(616)	(5,786)	(12,498)	(17,988)	(21,629)	(18,195)	(20,294)	(26,401)	(27,487)	(1,168)	(152,060)
Management Fees					(1,806,200)	(50,937)	174,538	391,708	170,891	(597,480)	(1,717,479)
Administrative Expenses					(459,529)	(1,048,353)	(1,053,706)	(1,404,694)	(1,160,684)	(1,002,070)	(6,129,035)
FSO Intercompany	(616)	(5,786)	(12,498)	(17,988)	(2,287,357)	(1,117,484)	(899,462)	(1,039,386)	(1,017,279)	(1,600,717)	(7,998,573)

EXHIBIT 21

From: Jeff Nyberg [Jeff.Nyberg@myFSO.org]
Sent: 9/11/2023 6:42:41 PM
To: Mike Flynn [Mike.Flynn@myFSO.org]
Subject: RE: Intercompany reconciliation

Please call me to discuss

\\SERVERFVVM07\Secure\Finance\FVS Bankruptcy\Mike\Intercompany - 7-31-23.xlsx

Jeff Nyberg
Controller
Friendship Senior Options

Jeff.Nyberg@myFSO.org | P: (847) 843-4259| F: (847) 884-5718
www.FriendshipSeniorOptions.org

From: Mike Flynn <Mike.Flynn@myFSO.org>
Sent: Monday, September 11, 2023 11:08 AM
To: Jeff Nyberg <Jeff.Nyberg@myFSO.org>
Subject: RE: Intercompany reconciliation

7/31 would be best.

Mike Flynn
Chief Executive Officer
Friendship Senior Options

Mike.Flynn@myFSO.org | Phone: (847) 884-5007 | Cell: (847) 436-5726
www.FriendshipSeniorOptions.org

From: Jeff Nyberg <Jeff.Nyberg@myFSO.org>
Sent: Monday, September 11, 2023 10:24 AM
To: Mike Flynn <Mike.Flynn@myFSO.org>
Subject: RE: Intercompany reconciliation

Would you like it as of 4/30, or updated thru 7/31?

Jeff Nyberg
Controller
Friendship Senior Options

Jeff.Nyberg@myFSO.org | P: (847) 843-4259| F: (847) 884-5718
www.FriendshipSeniorOptions.org

From: Mike Flynn <Mike.Flynn@myFSO.org>
Sent: Monday, September 11, 2023 9:11 AM
To: Jeff Nyberg <Jeff.Nyberg@myFSO.org>
Subject: Intercompany reconciliation

Hi Jeff,

I would like to get the intercompany reconciliation at a place where I can send it to Eric Walker at Cooley.

Here is what I think we should do:

1. Remove the following from the Analysis:
    a. Benefits Account $300,000
    b. 110 Pleasant $449,251
    c. Other (214,458)
2. Remove the following pending Adjustments:
    a. Huntley Property $1,587,500
    b. Polsinelli Fees $1,166,834

Provide details on what is included in Administrative Expenses

Please send updated spreadsheets when completed.

Thank you

Mike Flynn
Chief Executive Officer
Friendship Senior Options

Mike.Flynn@myFSO.org | Phone: (847) 884-5007 | Cell: (847) 436-5726
www.FriendshipSeniorOptions.org

Friendship Village of Schaumburg
FVS Intercompany with FSO
As of 7/31/23

	FY18 (Nov-Mar)	FY19	FY20	FY21	FY22	FY23	FY24 (July YTD)	Total	
Management Fees									
Total Operating Expenses	25,630,687	64,769,275	64,697,093	61,658,461	60,471,614	64,164,915	21,785,662	363,177,707	
Management Fee	(1,105,635)	(6,702,432)	(6,917,232)	(6,669,036)	(6,395,460)	(6,270,000)	(2,366,208)	(36,426,003)	
Depreciation/Amortization	(3,162,655)	(8,326,055)	(8,021,561)	(8,392,894)	(8,202,969)	(7,827,358)	(2,392,184)	(46,325,675)	
Interest	(2,617,354)	(6,131,994)	(6,037,108)	(5,935,133)	(5,823,706)	(5,823,706)	(1,941,235)	(34,310,236)	
Bad Debt	(115,264)	(401,059)	(581,755)	(499,351)	(224,982)	(306,042)	(136,134)	(2,264,587)	
FVS Annual Operating Expenses	18,629,780	43,207,735	43,139,437	40,162,047	39,824,497	43,937,809	14,949,901	243,851,206	
FSO Management Fee %	15.63%	15.63%	15.63%	15.63%	15.63%	15.63%	15.63%	15.63%	
FSO Management Fee Calculated	2,911,835	6,753,369	6,742,694	6,277,328	6,224,569	6,867,480	2,336,670	38,113,943	
Administrative Expenses									
Administrative Wages	274,190	569,595	581,150	758,229	672,091	575,238	222,078	3,652,571	
FICA (7.65%)	20,976	43,574	44,458	58,005	51,415	44,006	16,989	279,422	
Benefits (% of Wages)	*21.0%*	*19.0%*	*23.4%*	*25.6%*	*17.4%*	*18.2%*	*18.2%*	*n/a*	
Benefits	57,662	108,314	136,219	193,879	117,223	104,781	40,452	758,530	
Administrative Expenses Calculate	352,828	721,483	761,827	1,010,112	840,729	724,025	279,519	4,690,523	42,804,467
FSO Management Fee and Administrative Expenses Under Charged to FV	2,159,027	772,420	587,289	618,404	669,838	1,321,504	249,981	6,378,464	

FVS Intercompany Activity	
FSO Management Fees and Administrative Expenses *	6,378,464
FVS Credit Card Fees Expensed by FSO **	152,060
FVS Legal Fees Expensed by FSO ^	1,459,220
April 2023 Adjustment	(7,998,573)
FVS Intercompany Adjustment Required	(8,830)

* *Contractual amount to be expensed per "Exclusive Administrative Services and Personnel Lease Agreement" dated 11/13/17.*

** *Credit card fees on FVS deposits*

^ *Duane Morris represented FVS in multiple lawsuits from FY16 thru FY20. Legal fees were expensed by FSO. A $6M settlement arising from the lawsuits was credited to FVS in March 2019.*

FVS Intercompany Balance	
FVS Intercompany Balance due FSO at 7/31/23 (per Ledger)	664,780
FVS Intercompany Adjustment Required	(8,830)
FVS Intercompany Balance due FSO at 7/31/23 (Modified)	655,950

Mgmt Fee Paid	Mgmt Fee S/B	Difference
36,426,003	42,804,467	6,378,464

EXHIBIT 22

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

IN RE:	)	
	)	
EVANGELICAL RETIREMENT HOMES	)	
OF GREATER CHICAGO,	)	
INCORPORATED, D/B/A	)	No. 23-07541
FRIENDSHIP VILLAGE OF	)	
SCHAUMBURG,	)	
	)	
Debtor.	)	

REMOTE DEPOSITION via ZOOM of
JEFFREY NYBERG
April 5, 2024
9:00 a.m. CT

STENOGRAPHICALLY REPORTED BY:
JO ANN LOSOYA, CSR, RPR, CRR
LICENSE #: 084-002437

entities. Can you please restate the question?

Q. Yeah. You're right. I did transpose it. Thank you for catching that.

Did FSO charge FVS anything for administrative services on a monthly basis during the period from the time this agreement was executed in November of 2017 up until June of 2023 when you say you first saw a copy of the agreement?

MR. WALKER: Objection, lack of foundation.

You can answer if you can.

BY THE WITNESS:

A. As stated previously, I was not computing the management administrative services expense so I cannot state what the expense included.

Q. Well, you were looking at it as part of this reconciliation that you did, right? You were looking back at what was done previously, weren't you?

MR. WALKER: Object to the form of the question.

BY THE WITNESS:

A. You are asking me in the context of historically what was charged.

Q. Yep.

A. In my analysis, what was charged versus what should have been charged, I calculated the differential.

Q. Well, you looked at -- we'll look at that analysis in a minute, but you looked at -- you had a line for what was charged for management fees, but did you look to see what was charged to FVS for administrative services? Because the management fee is 3.1, the administrative services is 3.2.2, right?

A. That is correct. But I was only -- we were only provided one amount to charge per month. I do not know the breakdown of management fee versus administrative services.

Q. So your testimony is that nothing was charged to FVS for administrative services during the period 2017 up through June of 2023?

MR. WALKER: Objection, misstates testimony.

THE WITNESS: Should I answer?

MR. WALKER: You can answer.

BY THE WITNESS:

A. That is not my testimony.

Q. Well, do you know one way or the other whether any charges were made but called something other than management fees for administrative

REPORTER CERTIFICATE

I, JO ANN LOSOYA, a Certified Shorthand Reporter within and for the State of Illinois, do hereby certify:

That previous to the commencement of the examination of the witness, the witness was duly sworn to testify the whole truth concerning the matters herein; That the foregoing deposition transcript was reported stenographically by me, and the foregoing constitutes a true record of the testimony given and the proceedings had; That the said deposition was taken before me at the time and place specified; That I am not a relative or employee or attorney or counsel, nor a relative or employee of such attorney or counsel for any of the parties hereto, nor interested directly or indirectly in the outcome of this action.

IN WITNESS WHEREOF, I do hereunto set my hand this day, April 8, 2024.



JO ANN LOSOYA, CSR, RPR, CRR

C.S.R. 84-002437

EXHIBIT 23

From: Trinitee Green[tggreen@polsinelli.com]
Sent: Sun 1/7/2024 10:57:23 PM (UTC)
To: Dopkelaw LLC[bd@DopkeLaw.com]; Jeremy Johnson[jeremy.johnson@polsinelli.com]
Subject: RE: FVS Intercompany Analysis

This works for us.

Trinitee

From: Dopkelaw LLC <bd@DopkeLaw.com>
Sent: Sunday, January 7, 2024 4:55 PM
To: Jeremy Johnson <jeremy.johnson@polsinelli.com>; Trinitee Green <tggreen@polsinelli.com>
Subject: RE: FVS Intercompany Analysis

EXTERNAL EMAIL bd@dopkelaw.com

Jeremy and Trinitee:

Let me know if you would add anything, and then I'll send.

B

Gentlemen:

Thanks for sending us the Intercompany Analysis yesterday morning. My co-counsel and I were wondering if it would be better to produce that document, if you have not already done so.

Bruce Dopke, Member
Dopkelaw LLC
1535 W. Schaumburg Road
Schaumburg, IL 60194
Tel: 847-524-4811
bd@dopkelaw.com

From: Walker, Eric <ewalker@cooley.com>
Sent: Saturday, January 6, 2024 11:56 AM
To: Dopkelaw LLC <bd@DopkeLaw.com>; Jeremy Johnson <jeremy.johnson@polsinelli.com>; Trinitee Green <tggreen@polsinelli.com>; Mike Wyse <mwyse@wyseadvisorsllc.com>; Lutz, Douglas L. <DLutz@fbtlaw.com>
Cc: Rabuck, Samuel R <srabuck@cooley.com>
Subject: FVS Intercompany Analysis

HIGHLY CONFIDENTAL
ATTORNEY WORK PRODUCT
COMMON INTEREST PRIVILEGED

All –

I have attached an intercompany analysis performed by Mike Flynn and Jeff Nyberg that reconciles and corrects the $8.8M intercompany receivable that had been incorrectly carried on FVS's books, which is being shared based on our agreement this morning it will be kept strictly confidential between and among FVS and FSO pursuant to our common interest agreement.

Thanks,

Eric E. Walker
Cooley LLP
+1 312 881 6375 office
+1 773 412 7018 mobile
ewalker@cooley.com

This email message is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply email and destroy all copies of the original message. If you are the intended recipient, please be advised that the content of this message is subject to access, review and disclosure by the sender's Email System Administrator.

EXHIBIT 24

From: Dopkelaw LLC[bd@DopkeLaw.com]
Sent: Thur 3/7/2024 2:28:53 PM Coordinated Universal Time
To: Walker, Eric[ewalker@ccoley.com]; Rabuck, Samuel R[srabuck@cooley.com]
Cc: Jeremy Johnson[jeremy.johnson@polsinelli.com]; Trinitee Green[tggreen@polsinelli.com]
Subject: FVS Discovery
Attachment: Intercompany Analysis FY12-24 (Summary).xlsx

Eric, as you know, I met with Mr. Nyberg yesterday about the attached analysis of the intercompany claim between FSO and the Debtor as of April 30, 2023. I left the meeting reassured that the attached analysis identifies and justifies good reason for the adjustments made to the intercompany claim between FSO and FVS effective as of April 30, 2023. Mr. Nyberg informed and assured me (during yesterday's meeting) that those adjustments to the analysis were actually made in the Debtor's accounting system on or about April 30, 2023.

The Bond Trustee has challenged the propriety of the intercompany claim between FSO and FVS, in particular, the changes shown in the attached analysis. Those concerns can only be dispelled by disclosure. Our clients are subject to a common interest agreement which requires our clients to consult before releasing documentation and information. Currently, I believe there is a common interest to provide the Bond Trustee with the facts behind the intercompany claim between FSO and FVS. I hope that your client agrees with me, and will allow appropriate disclosures on FSO's claim in the case, starting with the attached analysis.

Please confirm that your client is in accord with this and will send a copy of the attached analysis out with the rest of the documentation that goes out today.

Bruce Dopke, Member
Dopkelaw LLC
1535 W. Schaumburg Road
Schaumburg, IL 60194
Tel: 847-524-4811
bd@dopkelaw.com

EXHIBIT 25

Friendship Senior Options
CARES Act Employee Retention Credit by Location
Pay Periods 3/21/2020 - 9/18/2021
Impact Periods 3/13/2020 - 9/30/2021

Cumulative Totals (3/13/2020 - 9/30/2021)

			Provided Wages			Ineligible Wages			Qualified Wages & Healthcare Costs		CREDIT VALUES		
Location Number	Location Name	EIN	Total Wages	Non-Service Wages	Employer Paid Insurance Costs	> 30 Day Lookback Limitation	Prorated Wages	Excess Wages > $10,000 Limit	Wages	Employer Paid Insurance Costs	WAGES	INSURANCE	TOTAL
Friendship Senior Optic		20-1278553	$ 2,765,523.31	$ 258,472.98	$ 264,167.50	$ -	$ 2,234.82	$ 1,523,181.54	$ 869,100.86	$ 118,645.04	$ 592,342.41	$ 81,322.06	$ 673,664.47
Friendship Village of Sc		20-1278553	$ 17,053,234.09	$ 1,520,573.11	$ 2,386,166.19	$ -	$ 55,527.87	$ 3,751,006.21	$ 9,722,010.86	$ 1,423,685.96	$ 6,686,640.31	$ 975,646.42	$ 7,662,286.71
FSO Foundation		20-1278553	$ 154,632.32	$ 18,520.86	$ 37,392.59	$ -	$ 76.16	$ 83,622.46	$ 52,419.76	$ 15,796.71	$ 35,336.42	$ 10,771.81	$ 46,108.23
Greenfields of Geneva		20-1278553	$ 7,179,738.43	$ 459,804.60	$ 907,289.27	$ -	$ 31,005.72	$ 1,572,560.17	$ 3,493,158.20	$ 453,845.29	$ 2,405,799.67	$ 310,870.82	$ 2,716,670.48
Totals:			**$ 27,153,128.15**	**$ 2,257,371.55**	**$ 3,595,015.55**	**$ -**	**$ 88,844.57**	**$ 6,930,370.38**	**$ 14,136,689.67**	**$ 2,011,972.99**	**$ 9,720,118.80**	**$ 1,378,611.11**	**$ 11,098,729.89**

Quarter 1 2020 (3/13/2020 - 3/31/2020)

			Provided Wages			Ineligible Wages			Qualified Wages & Healthcare Costs		CREDIT VALUES		
Location Number	Location Name	EIN	Total Wages	Non-Service Wages	Employer Paid Insurance Costs	> 30 Day Lookback Limitation	Prorated Wages	Excess Wages > $10,000 Limit	Wages	Employer Paid Insurance Costs	WAGES	INSURANCE	TOTAL
Friendship Senior Optic		20-1278553	$ 41,432.37	$ 5,517.02	$ 4,924.02	$ -	$ 2,234.82	$ -	$ 3,546.89	$ 476.53	$ 1,773.45	$ 238.27	$ 2,011.71
Friendship Village of Sc		20-1278553	$ 261,582.59	$ 62,918.14	$ 43,329.22	$ -	$ 26,613.75	$ -	$ 40,450.07	$ 7,463.63	$ 20,225.04	$ 3,731.82	$ 23,956.85
FSO Foundation		20-1278553	$ 1,522.32	$ 155.64	$ 563.99	$ -	$ 76.16	$ -	$ 100.06	$ 37.06	$ 50.03	$ 18.53	$ 68.56
Greenfields of Geneva		20-1278553	$ 145,059.13	$ 21,212.17	$ 20,792.00	$ -	$ 10,793.80	$ -	$ 16,720.21	$ 2,712.25	$ 8,360.11	$ 1,356.13	$ 9,716.24
Quarter Totals:			**$ 449,596.41**	**$ 89,802.97**	**$ 69,609.23**	**$ -**	**$ 39,718.54**	**$ -**	**$ 60,817.24**	**$ 10,689.47**	**$ 30,408.63**	**$ 5,344.74**	**$ 35,753.36**

Quarter 2 2020 (4/1/2020 - 6/30/2020)

			Provided Wages			Ineligible Wages			Qualified Wages & Healthcare Costs		CREDIT VALUES		
Location Number	Location Name	EIN	Total Wages	Non-Service Wages	Employer Paid Insurance Costs	> 30 Day Lookback Limitation	Prorated Wages	Excess Wages > $10,000 Limit	Wages	Employer Paid Insurance Costs	WAGES	INSURANCE	TOTAL
Friendship Senior Optic		20-1278553	$ 76,685.38	$ 11,192.31	$ 7,009.52	$ -	$ -	$ -	$ 3,339.24	$ 224.96	$ 1,669.62	$ 112.48	$ 1,782.10
Friendship Village of Sc		20-1278553	$ 861,567.22	$ 156,524.20	$ 130,352.23	$ -	$ 104.10	$ -	$ 62,005.59	$ 11,605.53	$ 31,002.80	$ 5,802.77	$ 36,805.57
FSO Foundation		20-1278553	$ 1,541.77	$ 233.46	$ 607.50	$ -	$ -	$ -	$ 5.66	$ 2.23	$ 2.83	$ 1.11	$ 3.94
Greenfields of Geneva		20-1278553	$ 866,824.39	$ 46,133.71	$ 107,322.53	$ -	$ 6,869.31	$ -	$ 23,246.20	$ 3,679.60	$ 11,623.11	$ 1,839.80	$ 13,462.91
Quarter Totals:			**$ 1,806,618.76**	**$ 214,083.68**	**$ 245,291.78**	**$ -**	**$ 6,973.41**	**$ -**	**$ 88,596.69**	**$ 15,512.32**	**$ 44,298.36**	**$ 7,756.17**	**$ 52,054.53**

Quarter 3 2020 (7/1/2020 - 9/30/2020)

			Provided Wages			Ineligible Wages			Qualified Wages & Healthcare Costs		CREDIT VALUES		
Location Number	Location Name	EIN	Total Wages	Non-Service Wages	Employer Paid Insurance Costs	> 30 Day Lookback Limitation	Prorated Wages	Excess Wages > $10,000 Limit	Wages	Employer Paid Insurance Costs	WAGES	INSURANCE	TOTAL
Friendship Senior Optic		20-1278553	$ 176,783.91	$ 33,003.76	$ 20,085.36	$ -	$ -	$ -	$ 29,201.75	$ 3,884.39	$ 14,600.87	$ 1,942.20	$ 16,543.07
Friendship Village of Sc		20-1278553	$ 1,621,115.49	$ 224,352.80	$ 249,749.05	$ -	$ 12,869.10	$ -	$ 199,379.74	$ 39,211.40	$ 99,689.88	$ 19,605.71	$ 119,295.59
FSO Foundation		20-1278553	$ 15,187.79	$ 2,768.90	$ 4,179.80	$ -	$ -	$ -	$ 2,768.90	$ 644.12	$ 1,384.45	$ 322.06	$ 1,706.51
Greenfields of Geneva		20-1278553	$ 576,390.65	$ 78,289.83	$ 93,285.10	$ -	$ 4,787.59	$ -	$ 66,990.83	$ 13,466.80	$ 33,495.42	$ 6,733.41	$ 40,228.82
Quarter Totals:			**$ 2,389,477.84**	**$ 338,415.29**	**$ 367,299.31**	**$ -**	**$ 17,656.69**	**$ -**	**$ 298,341.22**	**$ 57,206.71**	**$ 149,170.63**	**$ 28,603.37**	**$ 177,773.99**

Quarter 4 2020 (10/1/2020 - 12/31/2020)

			Provided Wages			Ineligible Wages			Qualified Wages & Healthcare Costs		CREDIT VALUES		
Location Number	Location Name	EIN	Total Wages	Non-Service Wages	Employer Paid Insurance Costs	> 30 Day Lookback Limitation	Prorated Wages	Excess Wages > $10,000 Limit	Wages	Employer Paid Insurance Costs	WAGES	INSURANCE	TOTAL
Friendship Senior Optic		20-1278553	$ 256,328.03	$ 44,053.10	$ 24,303.10	$ -	$ -	$ -	$ 44,053.10	$ 4,061.45	$ 22,026.55	$ 2,030.73	$ 24,057.28
Friendship Village of Sc		20-1278553	$ 1,816,122.42	$ 286,790.44	$ 257,416.17	$ -	$ 15,940.92	$ 31.58	$ 292,001.22	$ 46,388.38	$ 146,000.62	$ 23,194.20	$ 169,194.82
FSO Foundation		20-1278553	$ 20,959.58	$ 3,912.44	$ 3,839.70	$ -	$ -	$ -	$ 3,912.44	$ 746.00	$ 1,956.22	$ 373.00	$ 2,329.22
Greenfields of Geneva		20-1278553	$ 881,833.72	$ 92,967.78	$ 107,116.46	$ -	$ 8,555.01	$ -	$ 90,098.20	$ 14,245.83	$ 45,049.11	$ 7,122.92	$ 52,172.03
Quarter Totals:			**$ 2,975,243.75**	**$ 427,723.76**	**$ 392,675.43**	**$ -**	**$ 24,495.92**	**$ 31.58**	**$ 430,064.97**	**$ 65,441.66**	**$ 215,032.50**	**$ 32,720.84**	**$ 247,753.34**

Quarter 1 2021 (1/1/2021 - 3/31/2021)

			Provided Wages			Ineligible Wages			Qualified Wages & Healthcare Costs		CREDIT VALUES		
Location Number	Location Name	EIN	Total Wages	Non-Service Wages	Employer Paid Insurance Costs	> 30 Day Lookback Limitation	Prorated Wages	Excess Wages > $10,000 Limit	Wages	Employer Paid Insurance Costs	WAGES	INSURANCE	TOTAL
Friendship Senior Optic		20-1278553	$ 692,935.78	$ 36,983.04	$ 67,337.42	$ -	$ -	$ 438,123.53	$ 285,424.93	$ 36,724.74	$ 199,797.45	$ 25,707.32	$ 225,504.77
Friendship Village of Sc		20-1278553	$ 4,016,585.22	$ 243,735.02	$ 554,686.32	$ -	$ -	$ 1,084,045.07	$ 3,045,823.72	$ 441,402.75	$ 2,132,076.60	$ 308,981.93	$ 2,441,058.53
FSO Foundation		20-1278553	$ 36,213.01	$ 2,369.78	$ 8,894.40	$ -	$ -	$ 25,107.41	$ 15,212.70	$ 4,787.30	$ 10,648.89	$ 3,351.11	$ 14,000.00
Greenfields of Geneva		20-1278553	$ 1,490,881.38	$ 64,848.78	$ 195,856.66	$ -	$ -	$ 454,043.00	$ 1,084,337.75	$ 148,357.29	$ 759,036.43	$ 103,850.10	$ 862,886.53
Quarter Totals:			**$ 6,236,615.39**	**$ 347,936.62**	**$ 826,774.80**	**$ -**	**$ -**	**$ 2,001,319.01**	**$ 4,430,799.10**	**$ 631,272.08**	**$ 3,101,559.37**	**$ 441,890.46**	**$ 3,543,449.83**

Quarter 2 2021 (4/1/2021 - 6/30/2021)

			Provided Wages			Ineligible Wages			Qualified Wages & Healthcare Costs		CREDIT VALUES		
Location Number	Location Name	EIN	Total Wages	Non-Service Wages	Employer Paid Insurance Costs	> 30 Day Lookback Limitation	Prorated Wages	Excess Wages > $10,000 Limit	Wages	Employer Paid Insurance Costs	WAGES	INSURANCE	TOTAL
Friendship Senior Optic		20-1278553	$ 631,031.45	$ 65,858.88	$ 66,710.12	$ -	$ -	$ 402,597.80	$ 258,544.62	$ 36,599.15	$ 180,981.23	$ 25,619.41	$ 206,600.64
Friendship Village of Sc		20-1278553	$ 3,853,775.86	$ 272,893.25	$ 542,826.23	$ -	$ -	$ 1,036,361.78	$ 2,920,538.71	$ 439,701.60	$ 2,044,377.10	$ 307,791.12	$ 2,352,168.22
FSO Foundation		20-1278553	$ 36,140.07	$ 4,341.03	$ 8,909.40	$ -	$ -	$ 25,049.47	$ 15,211.50	$ 4,788.50	$ 10,648.05	$ 3,351.95	$ 14,000.00
Greenfields of Geneva		20-1278553	$ 1,462,654.49	$ 79,345.53	$ 189,288.37	$ -	$ -	$ 451,799.12	$ 1,057,482.04	$ 142,661.70	$ 740,237.43	$ 99,863.19	$ 840,100.62
Quarter Totals:			**$ 5,983,601.87**	**$ 422,438.69**	**$ 807,734.12**	**$ -**	**$ -**	**$ 1,915,808.17**	**$ 4,251,776.87**	**$ 623,750.95**	**$ 2,976,243.81**	**$ 436,625.67**	**$ 3,412,869.47**

Quarter 3 2021 (7/1/2021 - 9/30/2021)														
			Provided Wages			Ineligible Wages			Qualified Wages & Healthcare Costs		CREDIT VALUES		
Location Number	Location Name	EIN	Total Wages	Non-Service Wages	Employer Paid Insurance Costs	> 30 Day Lookback Limitation	Prorated Wages	Excess Wages > $10,000 Limit	Wages	Employer Paid Insurance Costs	WAGES	INSURANCE	TOTAL
Friendship Senior Opti		20-1278553	$ 890,326.39	$ 61,864.87	$ 73,797.96	$ -	$ -	$ 682,460.21	$ 244,990.33	$ 36,673.81	$ 171,493.23	$ 25,671.67	$ 197,164.90
Friendship Village of Sc		20-1278553	$ 4,622,485.29	$ 273,359.26	$ 607,806.97	$ -	$ -	$ 1,630,567.78	$ 3,161,811.80	$ 437,912.68	$ 2,213,268.26	$ 306,538.88	$ 2,519,807.14
FSO Foundation		20-1278553	$ 43,067.78	$ 4,739.61	$ 10,397.80	$ -	$ -	$ 33,465.58	$ 15,208.50	$ 4,791.50	$ 10,645.95	$ 3,354.05	$ 14,000.00
Greenfields of Geneva		20-1278553	$ 1,756,094.67	$ 77,006.80	$ 193,628.15	$ -	$ -	$ 666,718.05	$ 1,154,282.96	$ 128,721.81	$ 807,998.07	$ 90,105.27	$ 898,103.34
Quarter Totals:			**$ 7,311,974.13**	**$ 416,970.54**	**$ 885,630.88**	**$ -**	**$ -**	**$ 3,013,211.62**	**$ 4,576,293.59**	**$ 608,099.80**	**$ 3,203,405.51**	**$ 425,669.86**	**$ 3,629,075.37**

#EndGroup Quarters

EXHIBIT 26

From: Mike Flynn[Mike.Flynn@myFSO.org]
Sent: Tue 6/14/2022 1:16:17 PM Coordinated Universal Time
To: 'Fields, David'[david.fields@rbccm.com]
Subject: RE: Friendship Village Documents
Attachment: Friendship Senior Options CARES ERTC - by EIN (03.22.2022).xlsx
Attachment: Friendship Senior Options CARES ERTC - by Employee (03.22.2022)Protected.xlsx
Attachment: Friendship Senior Options CARES ERTC - by Location(03.22.2022).xlsx

Hi Dave,

I tried to send you an e-mail with all attachments, but it came back undeliverable since it was too large. Attached are the spreadsheets. I will send you returns in separate e-mails.

Attached are all the files and summary spreadsheets showing the calculations. Synergi was involved in writing the legislation for the tax credit, so they are aware of all the requirements. They will defend us with the IRS if there are any issues with the returns. Therefore, they have a high degree of confidence.

Keep in mind that all staff are employees of FSO so that is how the tax returns are filed. The spreadsheets show which entity the employees work for to allocate the credit appropriately between each entity. FVS gets the lions share since it has the greatest payroll.

I will keep you informed if we hear anything regarding the filing. It cannot come quick enough.

From: Fields, David <david.fields@rbccm.com>
Sent: Monday, June 13, 2022 8:42 PM
To: Mike Flynn <Mike.Flynn@myFSO.org>; O'Dell, Naomi <naomi.o'dell@rbc.com>
Subject: RE: Friendship Village Documents

Thanks Mike,
We will review. Are you confident about the ERC credit and what you will receive. Can you share with us the filing for the ERC. Also, they wanted payment upfront, how are they so confident you will get the $7.6 mil – that's a big number, great benefit for FVS if it happens
Thanks
Dave

David B. Fields | Managing Director | RBC Capital Markets, LLC
(Phone) 610.729.3658 | (Mobile) 518.312.2336

From: Mike Flynn [mailto:Mike.Flynn@myFSO.org]
Sent: Monday,June 13, 2022 4:29 PM
To: Fields, David <david.fields@rbccm.com>; O'Dell, Naomi <naomi.o'dell@rbc.com>
Subject: Friendship Village Documents

[External]
Attached are two documents

The Word Document is a summary of operating savings that have been implemented. Let me know if you need additional details.

The spreadsheet reflects the cash budget through September. There is one expense change beginning in July which increases the rate of spend. We filed for the Employee Retention Tax Credit at the end of April. FVS is expecting to receive approximately $7.6M. The estimated timeframe of receipt is between 4-8 months, so receipt is not expected until at least September. The firm that completed returns requires payment (15% of credit) when returns are filed. We were able to negotiate deferment of payment beginning in July and paid over three months.

I need to work with our marketing group to forecast occupancy targets for the next quarter.

Mike Flynn
Chief Executive Officer
Friendship Senior Options

Mike.Flynn@myFSO.org | Phone: (847) 884-5007 | Cell: (847) 436-5726
www.FriendshipSeniorOptions.org

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EXHIBIT 27

From: Carlson, Marie[MCarlson@ziegler.com]
Sent: Tue 6/28/2022 3:33:49 PM Coordinated Universal Time
To: Mike Flynn[Mike.Flynn@myFSO.org]
Subject: RE: some additional info requests

Stimulus $ receipt is good, thanks.

For the payroll info, what is the period of time to which this pertains?

Also, while we appreciate the synopsis, we would like to include the following type of data by department in the CIM:

- # FTEs by dept
- Total wages by dept
- Total hours by dept
- Avg wage rate/hour
- Avg hours per resident/patient day by dept

It might be more efficient to send the supporting reports if you feel comfortable with that.

Thanks,

Marie

MARIE D. CARLSON
Director | Sponsorship Transition Advisory Practice

ZIEGLER
A: One North Wacker Drive | Suite 2000 | Chicago, IL 60606
P: 312.596.1560 | **M:** 847.309.0079 | **E:** mcarlson@ziegler.com | **W:** www.ziegler.com

Connect through LinkedIn

From: Mike Flynn <Mike.Flynn@myFSO.org>
Sent: Tuesday, June 28, 2022 10:20 AM
To: Carlson, Marie <MCarlson@ziegler.com>
Subject: RE: some additional info requests

Hi Marie,

Attached is the additional information requested. There are two tabs in the spreadsheet, one for payroll and one for the stimulus funds.

Payroll
Because the SNF census is so low during this reporting period (119.29 compared to an average budget of 127.5), the HPPD are unusually high. We have a new interim administrator that has already made changes and we are seeing significant improvement in census and staffing. (I suggest using budgeted HPPD versus actual since operating at 6.25 is not sustainable)

Stimulus
Where funds were received at the FSO level, 72% of funds are allocated to FVS since FVS has that Percentage of the labor.

Mike Flynn
Chief Executive Officer
Friendship Senior Options

Mike.Flynn@myFSO.org | Phone: (847) 884-5007 | Cell: (847) 436-5726
www.FriendshipSeniorOptions.org

From: Carlson, Marie <MCarlson@ziegler.com>
Sent: Friday, June 24, 2022 4:21 PM
To: Mike Flynn <Mike.Flynn@myFSO.org>
Subject: some additional info requests

Hello Mike,

Our Senior Housing and Care Finance Practice which handles dispositions of communities here at Ziegler have suggested a few additional items be added to the CIM in anticipation of questions that the FP entities will want to know.

Could you please provide the following?

- Most recent payroll report to derive hours worked, wages, and wages ppd.

- Most recent staffing report to obtain #FTEs by building and/or level of care. Breaking this out for SNF is of particular importance, as you would imagine.
- Could we please get PRFs **PPP** and ERC broken out by fiscal year?

Please let me know if you have any questions.

Thanks,

Marie

MARIE D. CARLSON
Director | Sponsorship Transition Advisory Practice

ZIEGLER
A: One North Wacker Drive | Suite 2000 | Chicago, IL 60606
P: 312.596.1560 | **M:** 847.309.0079 | **E:** mcarlson@ziegler.com | **W:** www.ziegler.com

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B.C. Ziegler and Company, Member FINRA/SIPC

EXHIBIT 28

ASSET PURCHASE AGREEMENT

BY AND BETWEEN

EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC. D/B/A FRIENDSHIP VILLAGE OF SCHAUMBURG, AN ILLINOIS NOT-FOR-PROFIT CORPORATION,

AND

HUMANGOOD, A CALIFORNIA NONPROFIT CORPORATION

[DOCPROPERTY "CUS_DocIDChunk0"]

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "**Agreement**") is made and entered into as of [_____], 2023 (the "**Execution Date**"), by and between Evangelical Retirement Homes of Greater Chicago, Inc. d/b/a Friendship Village of Schaumburg, an Illinois not-for-profit corporation ("**FVS**" or the "**Seller**"), and HumanGood, a California nonprofit corporation ("**Buyer**" or "**Purchaser**"). The Seller and the Buyer are sometimes individually referred to as a "**Party**" and collectively as the "**Parties**". [●], in its capacity as the Bond Trustee[1] hereunder, signs solely for purposes of consent with regard to the process regarding its collateral and to the Break-Up Fee.

RECITALS

WHEREAS, Seller owns and operates a licensed continuing care retirement facility with 845 units, comprised of 537 independent living units, 169 skilled nursing units, and 109 assisted living units (the "**Facility**") located on or about 350 W Schaumburg Rd, Schaumburg, IL 60194, comprising approximately 70 acres (the "**Premises**");

WHEREAS, Seller is struggling financially, and in connection with discussions with certain of its Bondholders (as defined herein) and consideration of the interests of residents and other stakeholders, Seller in its business judgment believes a sale of the Facility and related assets to be in its best interests;

WHEREAS, Buyer desires to acquire the Facility, the Premises, and the assets owned by Seller and used in Seller's operation of the Facility (the "**Business**", and collectively, with the Facility and the Premises, the "**Purchased Assets**") on the terms and conditions contained in this Agreement, subject to higher and better bids (the "**Auction**") and the Break-Up Fee provided herein;

WHEREAS, shortly following completion of the Auction, the Bond Trustee anticipates filing a petition seeking a trust instruction (the "**Trust Instruction Proceeding**") pursuant to Minn. Stat. § 501C.0201 *et* seq. (the "**Minnesota Trust Code**") with the District Court of [●] County, Minnesota (the "**Court**"), directing UMB to consent to the sale of the Business to the bidder with the highest and best bid from the Auction pursuant to the Approval Order, and approving the sale;

WHEREAS, this Agreement is conditioned in all respects upon issuance of the Approval Order by the Court;

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the Parties hereby agree as follows:

[1] POL Note: Confirm which trustees should consent; see same issue in definitions.

[DOCPROPERTY "CUS_DocIDChunk0"]

ARTICLE 1

DEFINITIONS

As used herein, the following terms have the meanings set forth below:

(a) **"Accounts Receivable"** means accounts receivable for goods and services rendered by Seller to the residents of the Facility or related to the Business, which term shall include, without limitation, out-of-pocket (self-pay) payments and commercial insurance payments, as well as any promissory notes.

(b) **"Accrued PTO"** has the meaning set out in Section [REF _Ref_ContractCcompanion_9kb9Ur38D \n \h \t * MERGEFORMAT].

(c) "**Action**" means any action, claim, proceeding, litigation, arbitration, mediation, suit, investigation or regulatory inquiry (whether civil, criminal, administrative or judicial), or any appeal therefrom or any material demand letter threatening the initiation of any of the foregoing.

(d) "**Affiliate**" means, as to the entity in question, any Person or entity that directly or indirectly controls, is controlled by or is under common control with, the entity in question and the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity whether through ownership of voting securities, by contract or otherwise.

(e) "**Alternative Transaction**" means any agreement or transaction pursuant to the Trust Instruction involving the (i) sale or other transfer (in a single transaction or a series of related transactions) of all or substantially all of the Purchased Assets, or the issuance, sale or other transfer (in a single transaction or series of related transactions) of all or substantially all of the of equity interests of Seller or any of its successors, to any party other than Buyer or a designee of Buyer, or (ii) financial or other restructuring of Seller whereby a creditor, individually or in the aggregate, owns or controls Seller.

(f) "**Approval Order**" means an order to be entered by the Court in the Trust Instruction Proceeding approving the consummation of the transactions contemplated in this Agreement pursuant to Sections 501C.0201 *et. seq.* of the Minnesota Trust Code, in form reasonably acceptable to the Bond Trustee[2] and Seller.

(g) "**Approvals**" means all consents and approvals from any Governmental Authority, including without limitation any Governmental Authority with regulatory oversight of healthcare organizations, charitable trusts, or continuing care retirement communities, which are necessary for the transfer of the Purchased Assets or the operation of the Business, and including to the extent applicable, without limitation, the regulatory licensure and change in control approvals under Illinois law, all as set forth on Schedule 1(g).

(h) "**Assumed Contracts**" means all of the rights and interests of Seller in and to the Contracts that Buyer designates for assignment and assumption, as listed on Schedule 5.12(b), and including all Residency Agreements and any Option Agreements.

(i) "**Assumed Liabilities**" has the meaning set forth in Section [REF _Ref_ContractCompanion_9kb9Ur354 \n \h \t * MERGEFORMAT].

(j) "**Auction**" has the meaning set forth in the preamble.

[2] POL Note: Throughout – have to decide which Bond Trustees we're talking about.

(k) "**Break-Up Fee**" means an amount equal to One Million Dollars ($1,000,000.00), which shall be no more than 2.5% of the Purchase Price, plus an additional One Hundred Fifty Thousand Dollars ($150,000.00) for reimbursement of costs incurred during due diligence and the Trust Instruction Proceeding, in the event the Purchaser is not the successful bidder at the Auction or pursuant to the Approval Order.

(l) ["**Bond Trustee**" means, individually or collectively as the context requires, the Schaumburg Bonds Trustee, the Guaranteed Bonds Trustee, and the Master Trustee, and shall include any successor trustee(s).]

(m) ["**Bonds**" means the Schaumberg Bonds, the Guaranteed Bonds, and any obligations owed by Seller under the Master Indenture.]

(n) ["**Bondholders**" means the beneficial holders of the Schaumberg Bonds and the Guaranteed Bonds.]

(o) "**Books and Records**" means the books and records of Seller relating to the Purchased Assets, to the extent assignable; provided, however, that "Books and Records" shall not include the originals of Seller's minute books, stock books and Tax returns.

(p) "**Bringdown Certificate**" has the meaning set forth in Section [REF _Ref_ContractCompanion_9kb9Ur356 \w \h \t * MERGEFORMAT].

(q) "**Business**" has the meaning set forth in the recitals.

(r) "**Business Day**" means any day other than any Saturday, Sunday or legal holiday in Chicago, Illinois.

(s) "**Closing**" has the meaning set forth in Section [REF _Ref_ContractCompanion_9kb9Ur358 \n \h \t * MERGEFORMAT].

(t) "**Closing Date**" has the meaning set forth in Section [REF _Ref_ContractCompanion_9kb9Ur35A \n \h \t * MERGEFORMAT].

(u) "**COBRA**" means the Consolidated Omnibus Budget Reconciliation Act of 1985.

(v) "**Commitment**" shall have the meaning set forth in Section [REF _Ref_ContractCompanion_9kb9Ur365 \n \h \t * MERGEFORMAT].

(w) "**Confidentiality Agreement**" has the meaning set forth in Section [REF _Ref_ContractCompanion_9kb9Ur369 \n \h \t * MERGEFORMAT].

(x) "**Contract**" means agreements, contracts, commitments, personal property leases, real property leases, and other arrangements to which Seller is a party, including without limitation the Residency Agreements and Option Agreements.

(y) "**Contract Party**" has the meaning set forth in Section [REF _Ref_ContractCompanion_9kb9Ur36B \n \h \t * MERGEFORMAT].

(z) "**Court**" has the meaning set forth in the recitals.

(aa) "**Cure Amounts**" means any payments to the Contract Parties reasonably necessary to assign and assume the Assumed Contracts.

(bb) "**Deposit**" has the meaning set forth in Section [REF _Ref_ContractCompanion_9kb9Ur36D \w \h \t * MERGEFORMAT] and shall include any interest earned thereon.

(cc) "**Effective Time**" has the meaning set forth in Section [REF _Ref_ContractCompanion_9kb9Ur35C \n \h \t * MERGEFORMAT].

(dd) "**Endowment**" has the meaning set forth in Section [REF _Ref_ContractCompanion_9kb9Ur378 \w \h \t * MERGEFORMAT].

(ee) "**Entrance Fee And Option Deposits**" means (i) entrance fee deposits, including reservation deposits, subject to Residency Agreements, (ii) deferred entrance fee arrangements and promissory notes issued by any Prospective Resident or Resident for the payment of entrance fee or reservation deposits, subject to Residency Agreements, and (iii) Option Deposits subject to the Option Agreements, all of which are set out on Schedule 5.12(b) hereto. Schedule 5.12(b) shall be modified from time to time to include any additional entrance fees deposits, Option Deposits or arrangements from the Execution Date through the Closing Date.

(ff) "**Entrance Fee Obligations**" means all obligations owed to Residents pursuant to the Residency Agreements, including any refund obligations.

(gg) "**Equipment**" means the equipment owned by Seller and used in the Business, including the equipment identified on Schedule 1(hh).

(hh) "**ERTC Closing Credit**" has the meaning set forth in Section [REF _Ref_ContractCompanion_9kb9Ur37A \w \h \t * MERGEFORMAT].

(ii) "**FVS ERTC Proceeds**" means Employee Retention Tax Credits provided under the CARES Act related to employees of FVS, or allocated for FSO employees performing substantially all of their duties for FVS that, in each case, are related to the period on or before the Closing Date (anticipated to be in the amount of approximately Seven Million Five Hundred Thousand Dollars ($7,500,000)).

(jj) "**Escrow Agent**" means the Title Company.

(kk) "**Excluded Assets**" has the meaning set forth in Section [REF _Ref_ContractCompanion_9kb9Ur37C \n \h \t * MERGEFORMAT].

(ll) "**FSO**" means Friendship Senior Options, NFP, an Illinois not-for-profit corporation, the sole corporate member of Seller.

(mm) "**FVS WC Restricted Account**" means the restricted balance in the Endowment that constitutes cash collateral for Seller's workers compensation program (anticipated to be in the amount of approximately One Million Five Hundred Thousand Dollars ($1,500,000.00) as of the Execution Date).

(nn) "**Gift Annuity Account**" means the balance in the Endowment that constitutes [●], (anticipated to be in the amount of approximately Three Hundred Forty Five Thousand Dollars ($345,000.00) as of the Execution Date).

(oo) "**Governmental Authority**" means the Court, any tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision.

(pp) ["**Guaranteed Bonds**" means the outstanding Friendship Senior Options, NFP Taxable Bonds, Series 2017A (GreenFields of Geneva Project), Series 2017B (GreenFields of Geneva Project), and Series 2017C Bonds (GreenFields of Geneva Project).]

(qq) ["**Guaranteed Bonds Trustee**" means Wilmington Trust, National Association, as successor trustee for the Guaranteed Bonds, and its successors and assigns in such capacity.]

(rr) "**Inventory**" means all inventory of any kind or nature located at the Facility.

(ss) "**Knowledge of Seller**" or "**Knowledge**" means the actual knowledge of Mike Flynn without a duty to investigate.

(tt) "**Level of Care Transfer Escrow**" has the meaning set out in Section 5.14.

(uu) "**Lien**" means any security interest, pledge, mortgage, lien, charge, adverse claim of ownership or use, restriction on transfer (such as a right of first refusal or other similar right), defect of title, encroachments, or other encumbrance of any kind or character.

(vv) ["**Master Indenture**" means the Master Trust Indenture dated as of July 15, 2005, as supplemented and amended to date, between the Seller, as the sole Member of the Obligated Group created thereunder, and the Master Trustee.]

(ww) ["**Master Indenture Obligations**" means the Obligations issued and Outstanding under and as defined in the Master Indenture which, on the Execution Date, are (i) the Seller's Direct Note Obligation, Series 2017 (UMB Bank, National Association – Friendship Senior Options, NFP Guaranty) relating to the Guaranteed Bonds and (ii) the Seller's Direct Note Obligation, Series 2017-2 (Illinois Financing Authority) relating to the Schaumburg Bonds.]

(xx) ["**Master Trustee**" means Wells Fargo Bank, National Association, in its capacity as Master Trustee under the Master Indenture, together with its successors and assigns.]

(yy) "**Minnesota Trust Code**" means Chapter 501C of the Minnesota Statutes Annotated entitled "Minnesota Trust Code", as amended.

(zz) "**Necessary Consents**" has the meaning set forth in Section [REF _Ref_ContractCcompanion_9kb9Ur37E \w \h \t * MERGEFORMAT].

(aaa) "**Objection Items**" shall have the meaning set forth in Section [REF _Ref_ContractCompanion_9kb9Ur367 \n \h \t * MERGEFORMAT].

(bbb) "**Option Agreements**" means any Option Deposit Agreements between the Seller and each Resident or Prospective Resident, setting forth the terms and conditions for the return of the Option Deposits of such Residents or Prospective Residents, and any escrow agreements related thereto.

(ccc) "**Option Deposits**" means any amounts paid under Option Agreements and held in escrow.

(ddd) "**Organizational Consent Certificate"** has the meaning set forth in Section [REF _Ref_ContractCompanion_9kb9Ur3DG \w \h \t * MERGEFORMAT].

(eee) "**Premises**" has the meaning set out in the recitals, and includes Seller's fee interest in any and all land, buildings, structures, improvements, fixtures or other interest in real property which is owned by the Seller and used in the Business.

(fff) "**Permits**" means to the extent transferrable, all licenses, permits (including occupancy permits), certificates, registrations, approvals, franchises, consents and other authorizations of Seller obtained from or filed with a Governmental Authority and used in connection with the Business.

(ggg) "**Permitted Liens**" means (i) statutory Liens for Taxes, assessments or other governmental charges not yet due and payable, (ii) workers', repairers', landlords' and similar Liens which arose or were incurred in the ordinary course of business and which secure obligations which are not yet due and payable and which do not exceed $10,000 in the aggregate, (iii) Liens which are expressly assumed or consented to by Buyer herein (including, without limitation, liens included in the Assumed Liabilities), (iv) Liens which are created by Buyer, (v) easements, restrictions, covenants, and all other matters of record and legal highways with respect to the Premises or leased real property under an Assumed Contract, (vi) matters which would be shown on an accurate survey of the Premises, or any leased real property under an Assumed Contract, (vii) those matters that become Permitted Liens in accordance with Section 5.13 of this Agreement, and (viii) those matters of record identified on Schedule B of the Commitment or its accompanying pro forma title policy.

(hhh) "**Person**" means any natural person, corporation, limited liability company, general partnership, limited partnership, sole proprietorship, trust, union, association, Governmental Authority or other business organization.

(iii) "**Prospective Resident**" means any natural person who has entered into a Residency Agreement, Option Agreement, or deposit agreement with Seller under which there is any continuing obligation to either such natural person or Seller, including without limitation any such agreements under which an Entrance Fee Obligation is due now or may be in the future, who has not yet moved into his or her unit.

(jjj) **"PTO"** means paid time off and sick time allowed under Seller's employee policies.

(kkk) "**Purchase Price**" has the meaning set forth in Section [REF _Ref_ContractCompanion_9kb9Ur387 \w \h \t * MERGEFORMAT].

(lll) "**Purchased Assets**" has the meaning set forth in Section [REF _Ref_ContractCompanion_9kb9Ur389 \n \h \t * MERGEFORMAT].

(mmm) "**Related Agreements**" means Bill of Sale, the Assignment and Assumption Agreement, and the quitclaim deed, each substantially in the form attached hereto as **Exhibits A, B**, and **C**, respectively, and other agreements, documents, and instruments related to the transactions contemplated herein.

(nnn) "**Related Person**" means, with respect to a specific Person, any officer, director, member, manager, employee, agent, shareholder, representative, successor or assign of such Person.

(ooo) "**Residency Agreements**" means the agreements identified on Schedule 1(ooo) hereto, including to the extent there are any continuing obligations to any party thereto, (i) the continuing care contracts executed between Seller and each Resident detailing the residential and other rights and obligations of the Resident and the rights and obligations of Seller, including without limitation lifecare obligations and Entrance Fee Obligations; (ii) deposit agreements executed between Seller and certain Prospective Residents pursuant to which a Prospective Resident has put down a deposit toward or paid an entrance fee on an independent living unit; and (iii) the occupancy contract executed between each Resident of the assisted living, memory care, or long term nursing care units and Seller detailing the rights and obligations of the Resident and the rights and obligations of Seller thereunder, including without limitation, any lifecare obligations or Entrance Fee Obligations. For the avoidance of doubt, Residency Agreements include all agreements to Residents (both current and former) under which Seller currently owes or will owe contractual obligations to such Residents (whether such obligation has already triggered or will trigger in the future).

(ppp) "**Resident Care Claims**" means any Action against the Seller, or any Liability of Seller to, any current or former occupant of the Facility arising out of or related to care provided to such occupant at the Facility on or prior to the Closing Date, whether such Action is known or unknown, asserted or not yet asserted.

(qqq) "**Resident**" means a present or former occupant of the Facility who is a party to a Residency Agreement.

(rrr) "**Retained Liabilities**" has the meaning set forth in Section [REF _Ref_ContractCompanion_9kb9Ur38B \n \h \t * MERGEFORMAT].

(sss) ["**Schaumburg Bonds**" means the outstanding Illinois Finance Authority Revenue Bonds, Series 2017 (Friendship Village of Schaumburg).]

(ttt) ["**Schaumburg Bonds Trustee**" means UMB Bank, National Association, as trustee for the Schaumburg Bonds, and its successors and assigns in such capacity.]

(uuu) "**Survey**" has the meaning set forth in Section [REF _Ref_ContractCompanion_9kb9Ur367 \n \h \t * MERGEFORMAT].

(vvv) "**Taxes**" means any and all taxes, fees, levies, duties, tariffs, import charges and other charges imposed by any taxing authority, together with any related interest, penalties or other additions thereto, or additional amounts imposed by any taxing authority, and without limiting the generality of the foregoing, shall include net income alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, value added, franchise, profits, license, transfer, recording, escheat, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, windfall profit, environmental, custom, duty, or other tax, governmental fee or other like assessment or charge of any kind whatsoever.

(www) "**Title Company**" means [●].

(xxx) "**Title Objection Notice**" shall have the meaning set forth in Section [REF _Ref_ContractCompanion_9kb9Ur367 \n \h \t * MERGEFORMAT].

(yyy) "**Title Policy**" shall have the meaning set forth in Section [REF _Ref_ContractCompanion_9kb9Ur367 \n \h \t * MERGEFORMAT].

(zzz) "**Third Party Reports**" means any survey, title commitment, property condition, zoning, or environmental reports produced by third party in connection with the transactions contemplated by this Agreement.

(aaaa) "**Trust Instruction Proceeding**" means a proceeding commenced by the Bond Trustee by filing a petition for instructions in Minnesota state court pursuant to Minn. Stat. § 501C.0201 *et seq*. seeking, among other things, entry of the Approval Order with respect to this Agreement and the Settlement evidenced hereby after providing all other Trustees, all beneficial owners of Master Indenture Obligations, and all Bondholders with notice and an opportunity to object and to make their position known to the court as and to the extent allowed by the Court.

ARTICLE 2

PURCHASE AND SALE OF ASSETS

2.1 Sale of Assets to Buyer. Upon the terms and subject to the conditions contained in this Agreement, at the Closing, the Seller shall sell, assign, transfer, deliver and convey to Buyer, and Buyer shall

purchase, acquire and accept from Seller, free and clear of all Liens except Permitted Liens, all of Seller's right, title and interest in and to all of the following to the extent owned by the Seller and used in the Business (collectively, the "**Purchased Assets**"):

(a) The Facility, the Premises, and the improvements thereon;

(b) the Books and Records;

(c) the Assumed Contracts (including for Resident Agreements, any rights of Seller in the Entrance Fee And Option Deposits);

(d) the Equipment;

(e) the Inventory;

(f) to the extent transferable under applicable law, the Permits;

(g) all intellectual property, including any trademarks, trade secrets, and the like;

(h) general intangibles, and community specific intellectual property, including domain names [HYPERLINK "http://www.friendshipvillage.org/"] and www.[●], as well as the name "Friendship Village of Schaumburg" and related logos and marketing materials;

(i) the Accounts Receivable of the Business;

(j) the FVS WC Restricted Account and the Gift Annuity Account;[3]

(k) Fifty percent (50%) of the FVS ERTC Proceeds received after Closing (with 50% of FVS ERTC Proceeds received between the Execution Date and the Closing Date to be handled as a credit to the Purchase Price pursuant to Section 2.5(h));

(l) the Level of Care Transfer Escrow; and

(m) all of Seller's right in, if any, Option Deposits subject the Option Agreements.

2.2 Excluded Assets. The Parties acknowledge that Seller shall not sell, assign, transfer or convey to Buyer, and Buyer shall not purchase, acquire or accept from Seller, assets other than the Purchased Assets, including without limitation any of the following (all such assets, the "**Excluded Assets**"):

(a) all cash and cash equivalents;

(b) the Purchase Price and all rights under this Agreement;

(c) the FVS ERTC Proceeds received on or before the Closing Date, and 50% of FVS ERTC Proceeds received after the Closing Date;

(d) the operating checking account;

[3] POL Note: Confirm specifics of the transfer, and Buyer's eligibility to receive.

(e) short and long term investment balances, and any endowment or donor-restricted funds held by Seller (collectively, the "**Endowment**"), after having deducted for the FVS WC Restricted Account and the Gift Annuity Account;

(f) the debt service reserve funds, interest reserve funds, and any other funds or accounts held by the Bond Trustee in connection with the Bonds (unless otherwise specifically provided for herein);

(g) all claims and causes of action;

(h) all set-off rights and rights of recoupment (except to the extent of setoff rights or rights of recoupment related specifically to an Accounts Receivable that is a Purchased Asset or to a Cure Amount);

(i) hold-backs and escrows for any prorations or Taxes being paid by Seller in connection with the Closing or afterward, and all prepaid expenses, utility deposits, or similar deposits;

(j) all insurance policies of Seller, any prepaid insurance premiums and any rights or claims or proceeds arising from such policies;

(k) all Tax refunds, rebates, and overpayments owed to Seller which are related to Seller's operation of the Business prior to the Closing;

(l) all (i) corporate seals, corporate organizational records, minute books, charter documents, record books, and stock transfer books pertaining to Seller, (ii) original Tax, accounting and financial records which pertain exclusively to the Excluded Assets, and (iii) such other files, books and records which pertain exclusively to the Excluded Assets or to the formation, existence, membership, or capitalization of Seller or of any other Person;

(m) all Inventory and Assets disposed of or exhausted prior to Closing in the ordinary course of business;

(n) any records which Seller is legally required to retain in its possession and any records related to Excluded Assets or Excluded Liabilities (as hereinafter defined);

(o) all equipment and tangible property located at the Business but not owned by Seller, or subject to an equipment lease or vehicle lease or software license that is not an Assumed Contract, and all other assets, properties and rights not related to or used in the Business;

(p) personnel records for Employees who are not Transferred Employees and, to the extent the transfer of such records (whether directly or by means of the sale of a Seller) to Buyer or its affiliates is prohibited by applicable Law, for Transferred Employees, and all Organizational Documents and minute books of the Seller; board designated, restricted and trustee-held or other escrowed funds (such as the debt service reserves, self-insurance trusts, workers compensation trusts, working capital trust assets, and assets and investments restricted as to use), donor restricted assets, beneficial interests in charitable trusts and accrued earnings on all of the foregoing (other than the FVS WC Restricted Account and the Gift Annuity Account, which are Purchased Assets[4]); and

(q) Seller's attorney-client and work-product privileges.

[4] POL Note: Confirm same issue as to ability to transfer and Buyer eligibility to receive.

2.3 Assumed Liabilities. Upon the terms and subject to the conditions contained in this Agreement, at the Closing, Buyer shall assume or otherwise be responsible for (and indemnify Seller against), (collectively, the "**Assumed Liabilities**") which amounts shall be in addition to the Purchase Price:

(a) all Entrance Fee Obligations;

(b) all liabilities and obligations under the Purchased Assets accruing or arising from and after the Closing;

(c) all liabilities and obligations associated with the Assumed Contracts, including all Residency Agreements and Option Agreements, from and after Closing and all Cure Amounts associated with such Assumed Contracts;

(d) all liabilities required to be paid by Buyer pursuant to this Agreement (such as, without limitation, stamp and recording Taxes), and to the extent the FVS WC Restricted Account and the Gift Annuity Account are transferred to Buyer, any obligations with regard to the use after the Effective time of the FVS WC Restricted Account and the Gift Annuity Account in accordance with law.[5]

Seller shall have no liability for any such liabilities or obligations.

2.4 Excluded Liabilities.

(a) Except for the Assumed Liabilities, Buyer shall not assume or be liable for any liability, obligation, debt, claim against or contract of the Business, Seller or any of its Affiliates which, in any case, pertain to the ownership, operation or conduct of the Business or the ownership of the Purchased Assets prior to the Closing Date, at any time existing or asserted, whether or not accrued, fixed, contingent or otherwise, whether known or unknown, and whether or not recorded on the books and records of Seller or any of its Affiliates (collectively, the "**Retained Liabilities**").

2.5 Closing Proceedings.

(a) The Purchase Price under this Agreement is Forty Million Dollars ($40,000,000.00) (the "**Purchase Price**") as adjusted in accordance with this Section [REF _Ref_ContractCompanion_9kb9Ur38F \n \h \t * MERGEFORMAT].

(b) One Million Five Hundred Thousand Dollars ($1,500,000.00), shall be paid as an earnest money deposit (the "**Deposit**") to the Escrow Agent at the time of execution of this Agreement, which will be held by Escrow Agent in accordance with the terms and conditions of this Agreement and the Escrow Agreement. The Deposit will be credited against the Purchase Price at Closing, and will otherwise be disbursed as provided in this Agreement, the Escrow Agreement and the Approval Order. Any interest on the Deposit shall follow the Deposit.

(c) At the Closing, in addition to such other actions as may be provided for herein, Buyer shall pay to the Seller, in cash, an amount equal to the Purchase Price by wire transfer of immediately available funds, with the Deposit being transferred to Seller and credited to the Purchase Price.

(d) At the Closing, Buyer shall assume the Assumed Liabilities (which shall be in addition to, and not a credit against, the Purchase Price), and with regard to Assumed Contracts, shall pay to each Contract Party any Cure Amounts, in cash, by wire transfer of immediately available funds, necessary to acquire

[5] POL Note: Confirm same issue as to ability to transfer and Buyer eligibility to receive.

any Assumed Contract, at such time as may be required under such Assumed Contracts or pursuant to any agreements between Buyer and the Contract Parties or as designated by the Court in the Approval Order.

(e) At the Closing, Buyer shall pay all escrow fees, recording costs or fees, transfer Taxes, and conveyance fees and the cost of any title insurance policy and endorsements thereto obtained by Buyer. Buyer shall be solely responsible for the fees and costs of Buyer's counsel and other professional advisors.

(f) At the Closing, Buyer shall pay to Seller an amount equal to all Accrued PTO due to employees pursuant to Illinois law, which Seller shall pay to the employees as of Closing.

(g) Except as otherwise set forth in this Agreement, all utility charges, rents or other payments under the Purchased Assets and all ad valorem, real property, personal property and similar Taxes with respect to the Purchased Assets shall be prorated as of the Closing Date. Real estate Taxes (excluding any transfer Taxes) shall be prorated based on the most recent available tax duplicate. All prorations shall be final. The prorations and adjustments provided for in this Section shall be made so that Seller shall receive the income and be charged with the expense of the operation of the Purchased Assets up to and including the Closing Date. Buyer shall receive a credit for all prorations due from Seller as of Closing, and Buyer shall pay all such expenses following the Closing Date; Buyer shall be charged for all prorations due from Buyer as of Closing which have already been paid to third parties by Seller prior to and including the Closing Date.

(h) At Closing, Buyer shall receive a credit against the Purchase Price of Fifty Percent (50%) of the FVS ERTC Proceeds received on or before the Closing Date (the "**ERTC Closing Credit**").

(i) At the Closing, the Parties will execute and deliver the Related Agreements.

2.6 Time and Place of Closing. Subject to the terms of this Agreement, the closing of the transactions contemplated hereby (the "**Closing**") shall take place at the offices of Polsinelli, 150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606, within seven (7) days after satisfaction or waiver of the conditions to Closing set out in Article [REF _Ref_ContractCcompanion_9kb9Ur398 \w \n \h \t * MERGEFORMAT] (the "**Closing Date**"), but in no event later than [●] (the "**Outside Closing Date**") (unless otherwise mutually agreed by the Parties, including with regard to a remote closing). The transactions contemplated hereby shall take place pursuant to, and in accordance with, the terms and conditions hereof. The Closing shall be effective as of 11:59 p.m. on the Closing Date or such other date and time as the parties may agree in writing (the "**Effective Time**").

2.7 Purchase Price Allocation. For tax purposes only, Buyer and Seller shall allocate the Purchase Price (together with Assumed Liabilities properly included, if any) among the Purchased Assets in a manner consistent with the fair market values determined in good faith and on a reasonable basis by Buyer and Seller prior to the Closing Date, provided that such allocation shall not be binding on any Party for any other purpose. Such allocation shall be consistent with Section 1060 of the Internal Revenue Code and the Treasury Regulations thereunder. Buyer and Seller covenant and agree that all filings with Governmental Authorities regarding Taxes will be consistent with such allocation.

2.8 Casualty. If any material part of the Purchased Assets is condemned, damaged or destroyed (whether by fire, theft, or other casualty event) prior to the Closing, Seller shall immediately notify Buyer of such condemnation, damage or destruction. In the event Seller's reasonable estimate of such damage or destruction is in excess of $10,000,000.00, then Buyer shall have the option to: (x) terminate this Agreement by written notice delivered to Seller within ten (10) days after Buyer's receipt of notice of such damage or destruction, in which case the Deposit shall be returned to Buyer and the Parties shall have no further obligations hereunder, or (y) proceed with the transaction contemplated in this Agreement without abatement of the Purchase Price, in which case at and after Closing (i) all insurance proceeds relating to such damage or casualty shall be deemed to have been absolutely and irrevocably assigned to and be payable directly to Buyer

less any amounts reasonably expended by Seller prior to Closing for partial restoration, (ii) Buyer shall have the right to conduct all settlement proceedings with respect to such insurance claims, and (iii) Seller shall deliver to Buyer through escrow an unconditional assignment of all such insurance proceeds. If this Agreement is not terminated, Seller shall not be obligated to repair any damage or destruction. Any notice or documents required to be provided pursuant to this Section shall be provided by the disclosing Party to counsel for the Bond Trustee within one (1) Business Day of such required disclosure.

2.9 Diligence Period. Buyer has completed all diligence activities and the Deposit shall thereafter be nonrefundable except as set forth in Section 7.2. Buyer has provided Seller, at no cost to Seller, copies of Third Party Reports acquired as part of its due diligence, and agrees that Seller may post those reports in its data room. In the event of any termination of this Agreement, Buyer agrees to make commercially reasonable efforts to assign the Third Party Reports to Seller.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF SELLER

In order to induce Buyer to enter into this Agreement, Seller makes the representations and warranties set forth below which are true, correct and complete on the date hereof and shall be true, correct and complete as of the Closing. [6]

3.1 Organization. Subject to entry of the Approval Order, Necessary Consents, and the Approvals, the Seller has full power, authority and capacity to execute and deliver this Agreement and the Related Agreements and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby.

3.2 Execution and Delivery. Subject to entry of the Approval Order, Necessary Consents, and the Approvals, this Agreement has been duly and validly executed and delivered by Seller and constitutes, and upon the execution and delivery by the Seller of the Related Agreements, the Related Agreements shall constitute, legal, valid and binding obligations of Seller enforceable against Seller in accordance with their terms.

3.3 Permits. To the Knowledge of Seller, the Facility is duly licensed in accordance with the applicable laws of the State of Illinois, and all other ancillary departments or services located at or operated for the benefit of, the Facility that are required to be separately licensed are duly licensed by the appropriate Governmental Authority. To the Knowledge of Seller, Seller has all Permits which are needed or required by applicable law to operate its business related to or affecting the Facility or any ancillary services related thereto as currently conducted. Schedule 3.3 is a true, complete and accurate list all material Permits owned or held by or issued to Seller relating to the ownership or operation of the Facility or the Purchased Assets and such Permits constitute all material Permits necessary for the conduct of the Business and operation of the Facility as currently conducted and for the ownership of the Facility by Seller and operation and use of the Purchased Assets by Seller, all of which are in full force and effect.

3.4 Litigation Proceedings; Judgments. Schedule 3.4 is an accurate list of all pending litigation or proceedings with respect to the Facility and the Purchased Assets of which Seller has Knowledge. To Seller's Knowledge, except as set forth on Schedule 3.4 there are no claims, actions, suits, proceedings, or investigations, pending or threatened, against or related to Seller, the Facility or the Purchased Assets, at law or in equity. There are no judgments presently outstanding and unsatisfied against the Facility and Business, Seller or any of the Purchased Assets. Except as set forth on Schedule 3.4, Seller has not received any written

[6] POL Note: Client to confirm all R/W.

notice or written claim for tort or violation of any applicable order, or an investigation thereof with respect to its ownership or operation of the Facility or the Business.

3.5 Employee Relations**.** To the Knowledge of Seller, Seller is in compliance in all material respects with all applicable laws and contracts respecting employment and employment practices, labor relations, terms and conditions of employment, and wages and hours. Except as set forth on Schedule 3.5, Seller has no Knowledge of any complaints before or claims brought by a Governmental Authority regarding employment discrimination, safety or other employment-related charges or complaints, wage and hour claims, unemployment compensation claims, workers' compensation claims or the like.

3.6 Compliance. Except as set forth on Schedule 3.6, to the Knowledge of Seller, Seller is in compliance in all material respects with all applicable statutes, rules, regulations, and requirements, including healthcare laws and regulations, of each Governmental Authority having jurisdiction over the Seller and the Purchased Assets and the operations of the Facility and the Purchased Assets. To the extent of any material deficiencies are determined during a healthcare survey by the appropriate Governmental Authority, Seller has corrected such deficiencies as of the Closing Date or has proposed a plan of correction which as of the Closing Date has been accepted or is reasonably anticipated to be accepted by the applicable Governmental Authority.

3.7 Broker. Except for the engagement of [●][7] whose fee shall be paid by Seller from the proceeds of the sale at Closing, neither Seller nor any of its Affiliates has incurred any liability for any fee or commission to any broker, finder, investment banker or other intermediary in connection with the transactions contemplated by this Agreement that would result in any liability, fee, expense or obligation being imposed on Buyer.

3.8 Environmental Matters. Except as set forth on Schedule 3.8: (a) there are no material environmental liabilities on or affecting any of the Facility, (b) to the Knowledge of Seller, Seller has at all times operated the Facility and conducted the Business and, during the period that Seller owned the Facility and any third party operated any such Business, such third party operated the Business, in each case, in compliance with all applicable environmental laws and permits required thereunder or issued pursuant thereto; and (c) to Seller's Knowledge, there are no proceedings pending or threatened before any Governmental Authority with respect to Seller's ownership or operation of the Premises alleging violations of environmental laws, or claiming material remediation obligations under applicable environmental laws, and Seller has not received any written notice of any alleged or actual violation or non-compliance with any environmental law or of non-compliance with the terms or conditions of any environmental Permits, arising from, based upon, associated with or related to the Premises or the ownership or operation thereof.

3.9 Financial Information.

(a) Schedule 3.9 hereto contains the following financial statements and financial information:

(i) audited financial statements of the Business for calendar year 2020 (on a consolidated basis with Affiliates); and

(ii) Unaudited financial statements for each month from October through December 2022.

With regard to information related to Seller, the foregoing financial statements are true, correct and complete in all material respects and have been prepared in accordance with GAAP, applied on a consistent basis throughout the periods indicated except that the Unaudited Financial Information may not include required footnote disclosures or reflect normal year-end adjustments, including any future service obligation

[7] POL Note: To be confirmed.

adjustment. Except as set forth on Schedule 3.9, with regard to information related to Seller, the foregoing financial statements present fairly, in all material respects, the financial condition of the Business as of the respective dates they were prepared and the results of the operations of the Business for the periods indicated.

3.10 Real Property.

(a) Schedule 3.10 contains an accurate and complete legal description, street address and tax parcel identification number for the Premises. Seller holds good and indefeasible fee simple title to all of the Premises, and shall convey the Premises in accordance with the Approval Order free and clear of all Liens (other than the Permitted Liens). Seller does not lease any portion of the Premises as a tenant or subtenant. Seller agrees that title to the Premises shall not be altered between the date of this Agreement and Closing.

(b) Seller has not received written notice from any Governmental Authority of (and otherwise has no knowledge of): (i) any pending or threatened condemnation proceedings affecting the Premises, or any part thereof; (ii) asserting or alleging any material violations or potential violations of any applicable laws (including zoning and land use ordinances, building codes and similar requirements) with respect to the Premises, or any part thereof, which have not heretofore been cured; or (iii) any pending or threatened proceedings, nor any claims or actions against Seller or the Premises, relating to the ownership, lease, use or occupancy of such Premises or any portion thereof which is reasonably likely to result in a material change in the condition of the Premises or the ownership or operation of the Premises. Seller has not received any written notice of any pending zoning or other land use change affecting the Premises.

(c) Neither Seller nor, to Seller's Knowledge, any other person is in violation of a condition or agreement contained in any easement, restrictive covenant or any similar instrument or agreement affecting any of the Premises in any material respect.

3.11 Insurance. Schedule 3.11 sets forth an accurate and complete list of all insurance policies or self-insurance funds maintained by Seller or its representatives or agents with respect to the Facility and Seller as of the Execution Date covering the ownership and operation of the Business, indicating the types of insurance, policy numbers, terms, identity of insurers and amounts and coverages (including applicable deductibles).

3.12 Intellectual Property. Seller owns or has the right to use all intellectual property used in connection with the ownership or operation of the Facility. Schedule 3.12 lists all of the registered intellectual property owned by Seller. Except as set forth on Schedule 3.12, the conduct of the Business does not infringe or otherwise violate any intellectual property or other proprietary rights of any other Person, and there is no action pending or, to the Knowledge of Seller, threatened, alleging any such infringement or violation or challenging Seller's rights in or to any of its intellectual property.

3.13 Tax Matters. Except as set forth on Schedule 3.13:

(a) All Taxes due and owing by Seller (whether or not shown on any tax return) have been timely paid when due (taking into account any applicable extensions), including all Taxes with respect to the Facility.

(b) There are no liens relating to Taxes on any of the Purchased Assets other than liens for Taxes not yet due and payable.

(c) To Seller's Knowledge, proper and accurate amounts have been withheld by Seller in compliance with the payroll tax and other withholding provisions of all Applicable Laws, and all of such amounts have been timely remitted to the proper taxing authority.

(d) Seller has timely filed all tax returns required to be filed by it, including all tax returns relating to the Purchased Assets (all of which are true, complete and correct in all material respects). Seller has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a tax assessment or deficiency, which currently remains in effect. Seller is not currently the beneficiary of any extension of time within which to file any tax return.

(e) To Seller's Knowledge, no deficiencies for Taxes have been claimed, proposed or assessed by any Governmental Authority for which Seller may have any liability or which may attach to the Purchased Assets. There are no pending or, to Seller's Knowledge, threatened proceedings for or relating to any liability in respect of Taxes for which Seller may have any liability or which may attach to the Purchased Assets. There are no matters under discussion by Seller with any Governmental Authority with respect to Taxes that may result in an additional amount of Taxes for which Seller may have any liability or which may attach to the Purchased Assets. No Governmental Authority has notified Seller that it has conducted an audit of any Taxes that may be due and owing by Seller or as the result of the Business audited by Seller, which currently remains outstanding or unresolved.

3.14 No Other Representation and/or Warranty. Except for the representations and warranties contained in this Article [REF _Ref_ContractCompanion_9kb9Ur39E \w \n \h \t * MERGEFORMAT] (including the related portions of the Schedules), Seller has not made and does not make any other express or implied representation or warranty, either written or oral, on behalf of or with respect to Seller, the Purchased Assets, the Premises, the Facility or the Business, including any representation or warranty arising from statute or otherwise in law.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF BUYER

In order to induce Seller to enter into this Agreement, Buyer makes the representations and warranties set forth below which are true, correct and complete on the date hereof and shall be true, correct and complete as of the Closing.

4.1 Organization. Buyer has full power, authority and capacity to execute and deliver this Agreement and the Related Agreements and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby.

4.2 Execution and Delivery. This Agreement has been duly and validly executed and delivered by Buyer and constitutes and, upon the execution and delivery by Buyer of the Related Agreements, the Related Agreements shall constitute, legal, valid and binding obligations of Buyer enforceable against Buyer in accordance with their terms.

4.3 Governmental Approvals and Filings. No consent, approval or action of, filing with or notice to any Governmental Authority on the part of Buyer is required in connection with the execution, delivery and performance of this Agreement or any of the Related Agreements or the consummation of the transactions contemplated hereby or thereby.

4.4 Brokers. Neither Buyer nor any of its Affiliates has incurred any liability for any fee or commission to any broker, finder, investment banker or other intermediary in connection with the transactions contemplated by this Agreement that would result in any liability, fee, expense or obligation being imposed on Seller.

4.5 Adequate Funds. Buyer has adequate funds available to it in order to consummate the transactions contemplated by this Agreement and the Related Agreements and to perform its obligations hereunder and thereunder.

4.6 Fitness for Obtaining Permits and Approvals. Buyer has no knowledge of any material fact or other information related to Buyer or any of its Affiliates which could be reasonably expected to have an adverse impact on Buyer's ability to obtain the Permits or Approvals.

4.7 Condition of Assets; Disclaimers.

(a) Buyer acknowledges that it has fully inspected or waived the right to inspect the Purchased Assets prior to the execution of this Agreement and has made its own determinations as to the Purchased Assets. Buyer expressly acknowledges and warrants that Buyer is accepting the Purchased Assets in an "AS IS" "WHERE IS" "WITH ALL FAULTS CONDITION" and all latent or patent defects, with regard to all aspects of the Purchased Assets without warranty or representation of any kind by Seller or any of Seller's managers, members, officers, directors, employees, partners, agents, representatives, beneficiaries, attorneys, subsidiaries, Affiliates, contractors subcontractors, successors and assigns. BUYER ACKNOWLEDGES THAT, EXCEPT AS OTHERWISE PROVIDED FOR IN THE REPRESENTATIONS AND WARRANTIES IN [REF _REF_CONTRACTCOMPANION_9KB9UR39G \W \N \H * MERGEFORMAT] OF THIS AGREEMENT, SELLER MAKES NO REPRESENTATIONS, WARRANTIES, OR GUARANTEES WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO: ANY MATTER RELATED TO THE PURCHASED ASSETS (INCLUDING, WITHOUT LIMITATION, INCOME TO BE DERIVED FROM OR EXPENSES TO BE INCURRED IN CONNECTION WITH THE PURCHASED ASSETS; THE PHYSICAL CONDITION OF THE PURCHASED ASSETS; THE PRESENCE OR ABSENCE OF ANY HAZARDOUS MATERIALS IN, ON OR ABOUT THE PURCHASED ASSETS OR ANY OTHER MATTER RELATED TO THE ENVIRONMENTAL CONDITION OF THE PURCHASED ASSETS; THE HABITABILITY OF THE PURCHASED ASSETS; THE ZONING OF THE PURCHASED ASSETS; THE POSSIBILITY OF DEVELOPING OR USING THE PURCHASED ASSETS IN THE MANNER CONTEMPLATED BY BUYER OR OBTAINING ANY CONSENTS, APPROVALS, PERMITS, AUTHORIZATIONS OR ENTITLEMENTS IN CONNECTION THEREWITH; THE VALUE OF THE PURCHASED ASSETS; THE MERCHANTABILITY OR FITNESS OF THE PURCHASED ASSETS FOR ANY PARTICULAR PURPOSE OR USE; THE ACCURACY, COMPLETENESS, OWNERSHIP OR TRANSFERABILITY OF ANY DOCUMENTS OR OTHER MATERIALS FURNISHED TO BUYER WITH RESPECT TO THE PURCHASED ASSETS (OR ANY PORTION THEREOF); OR ANY OTHER MATTER OR THING RELATED TO THE PURCHASED ASSETS). BUYER ACKNOWLEDGES THAT BUYER HAS NOT RELIED, AND IS NOT RELYING, UPON ANY INFORMATION, DOCUMENT, SALES BROCHURES OR OTHER LITERATURE, MAPS OR SKETCHES, PROJECTIONS, PRO FORMAS, STATEMENTS, REPRESENTATIONS, GUARANTEES OR WARRANTIES (WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, OR MATERIAL OR IMMATERIAL) THAT MAY HAVE BEEN GIVEN BY OR MADE BY OR ON BEHALF OF SELLER.

ARTICLE 5

COVENANTS

5.1 Access to Books and Records. From and after the Closing, unless such other date is set by the Court, each Party shall afford, for a period ending on the later of (i) three (3) years from the Closing Date and (ii) the date of the entry of a final decree or an order converting or dismissing the Trust Instruction Proceeding, the other Party, its Affiliates and the Bond Trustee reasonable access, during normal business hours, to the books, records and other data relating to the operation of the Business prior to the Closing in its possession to the extent that such access may be reasonably required by the requesting Party in connection with (a) the preparation of Tax returns, (b) the determination or enforcement of rights and obligations under this Agreement, (c) compliance with the requirements of any Governmental Authority, (d) in connection with any

threatened or actual legal proceeding, (e) in connection with any audit of the Business for any pre-Closing period, or (f) in connection with administering the Trust Instruction Proceeding, or any subsequent Chapter 11 or Chapter 7 case. During such period neither Party shall dispose of or destroy any books, records or other data relating to the operation of the Business prior to the Closing unless such Party gives the other Party thirty (30) days' prior written notice thereof and the option to retain such books, records or other data. Further, Buyer shall maintain all records including healthcare records for the periods required by law.

5.2 Cooperation; Approvals; Ordinary Course.

(a) Subject to the terms and conditions herein provided, the Parties shall use commercially reasonable efforts to bring about the satisfaction as soon as practicable of all the conditions (whether set forth in this Agreement or otherwise) necessary to effect the consummation of the transactions contemplated by this Agreement.

(b) From the Execution Date until the Closing, Seller will operate in the ordinary course of business consistent with past practice. Seller will advise Buyer before Seller enters into any material contracts or incurs any material obligations outside of the ordinary course of business.

5.3 Regulatory Filings. Within three (3) Business Days of entry of the Approval Order, the Parties shall promptly file all applications and documents which are necessary to obtain the consent of each applicable Government Authority as may be appropriate in connection with the transactions contemplated by this Agreement and the Parties shall, at the same time as filed, provide a copy to the other Party.[8] The Parties shall diligently prosecute such applications and take any other actions which are or may be reasonable and appropriate in connection therewith. Each Party shall provide the other Party with (a) copies of said Party's responses to written requests for additional information from any Government Authority that in any way relates to the Business or Purchased Assets within two (2) Business Days after sending such responses, and (b) copies of all written correspondence from any Government Authority that in any way relates to the Business or Purchased Assets within two (2) Business Days after receiving such correspondence. The Parties will maintain in confidence all documents provided pursuant to this Section, unless public disclosure is required by applicable law, or is otherwise made to a Government Authority, in which case, to the extent practicable, the Parties will use their reasonable best efforts to reach mutual agreement prior to making such disclosure. Notwithstanding the foregoing, any documents provided pursuant to this Section shall be provided by Seller to counsel for the Bond Trustee within two (2) Business Days of receipt from Buyer.

5.4 Further Assurances. Subject to the terms and conditions of this Agreement, at any time or from time to time after the Closing, at Buyer's reasonable request and at the Buyer's sole cost and expense, the Seller will execute and deliver to Buyer such other instruments of sale, transfer, conveyance and assignment, provide such materials and information and take such other actions as Buyer may reasonably deem necessary or desirable in order more effectively to transfer, convey and assign to Buyer, and to confirm Buyer's title to, all of the Purchased Assets.

5.5 Buyer's Closing Deliveries. At the Closing, Buyer shall deliver the following to Seller:

(a) the Purchase Price, net of the cash portion of the Deposit and the ERTC Closing Credit which are each being applied thereto;

(b) the Accrued PTO funds;

(c) the Related Agreements to which Buyer is a party, duly executed by Buyer;

[8] POL Note: Confirm that we are waiting until after Auction to start the CHOW process. That's how we typically handle.

(d) a certificate executed as of the Closing Date by a duly authorized representative of the Buyer, certifying that the conditions set forth in this Agreement have been satisfied (the "**Bringdown Certificate**");

(e) a certificate of a duly authorized representative of Buyer (the "**Organizational Consent Certificate**") (i) certifying that attached to such certificate are true and complete copies of (A) Buyer's organizational documents, each as amended through and in effect on the Closing Date and (B) resolutions of the authorized representative of Buyer, authorizing the execution, delivery and performance of this Agreement and the related agreements to which Buyer is a party and the consummation of the transactions contemplated by this Agreement and the Related Agreements, and (ii) certifying as to the incumbency of the officer of Buyer executing this Agreement and the Related Agreements to which Buyer is a party;

(f) a certificate of good standing for Buyer from the Secretary of State;[9] and

(g) all instruments of transfer and/or assignment, certificates, deeds, bills of sale, evidence of filing an/or recording, and other documents as are reasonably necessary to effectuate the sale of the Purchased Assets, including customary documents required in order for title policies to be issued by the Title Company to Buyer at Closing.

5.6 Seller's Closing Deliveries. At the Closing, Seller shall deliver the following to Buyer:

(a) keys and passcodes to the Facility;

(b) the Related Agreements to which the Seller is a party, duly executed by the Seller;

(c) evidence of payment of the Accrued PTO to Seller's employees;

(d) a Bringdown Certificate on behalf of Seller;

(e) an Organizational Approval Certificate on behalf of Seller, regarding Seller's corporate approvals;

(f) a certificate of good standing for Seller from the Illinois Secretary of State; and

(g) the Approval Order entered by the Court.

5.7 Employees.

(a) Immediately prior to the Effective Time (the "**Termination Date**"), Seller shall terminate all of its employees, and, as of the Effective Time, Buyer shall offer employment to such persons on an at-will basis and subject to Buyer's pre-employment screenings and employment practices, policies and procedures. Seller agrees to use its commercially reasonable efforts to make employment records and other related information reasonably requested by Buyer available to Buyer.

(b) Following the Effective Time, Buyer shall provide benefits and other terms and conditions of employment to the Employees at substantially the same levels as those offered by Seller immediately prior to the Closing, with credit for prior service time and seniority.

(c) Seller shall provide Buyer, at least twenty (20) days prior to the Closing Date, Schedule 5.7(c) setting forth, for each employee, the amount of accrued but unused PTO (excluding any PTO

[9] POL Note: Buyer to advise on state of Buyer organization, and if different than Illinois, provide evidence of foreign registration in Illinois.

above the 300 hour cap provided for in Seller's employee policies) for each employee as of the Closing Date (collectively, "**Accrued PTO**") and the aggregate value of the Accrued PTO. Seller shall provide Buyer on the Closing Date with an updated version of such Schedule 5.7(c) reflecting Accrued PTO amounts (and the value of those amounts) as of the Closing Date (as so updated, the "**Accrued PTO Schedule**"). On the Closing Date, Buyer shall pay Seller, in addition to the Purchase Price, an amount equal to the Accrued PTO due to each employee as required by Illinois law, and Seller shall pay such funds to each employee as of Closing.

(d) Not more than fifteen (15) days after the Execution Date, Seller shall provide Buyer with Schedule 5.7(d) that lists (the "**Schedule of Employees**") all employees of Seller working at the Facility, including, for each listed employee, his or her name, date of hire, job title, full-time/part-time status, exempt/non-exempt status, bonus eligibility, commission eligibility, severance entitlement, current compensation paid or payable, and status (e.g., leave of absence, disability, layoff, active, temporary). The Schedule of Employees shall be updated twenty (20) days prior to Closing.

(e) Buyer shall offer immediate employment (so that no period of unemployment shall occur between employment with Seller and employment with Buyer) to a sufficient number of Seller's employees so as to ensure that there will be no violation of the WARN Act or any comparable state or local laws with such employment to commence at 11:59 p.m. on the Closing Date (such employees who accept such offer from Buyer, the "**Transferred Employees**"). If Buyer fails to offer immediate employment to a sufficient number of employees, Buyer agrees that it shall be responsible for any associated liabilities arising under the WARN Act or any comparable state or local laws. Buyer shall deliver to Seller within ten (10) days prior to the Closing Date, an updated schedule of Transferred Employees identifying to Seller all of Seller's employees to whom offers will be made by Buyer. In furtherance and not in limitation of the foregoing, Buyer shall treat prior service with Seller reflected in the information provided above as service with Buyer for purposes of determining eligibility to participate and vesting in all benefits programs maintained by Buyer. Seller shall cooperate with Buyer in providing information reasonably requested by Buyer to facilitate hiring and establishing benefits for Transferred Employees who accept employment with Buyer. This Agreement shall not be deemed to create or grant to any Transferred Employee any third party beneficiary rights or claims or any cause of action of any kind or nature.

(f) At Buyer's sole cost and expense (other than for employee cost-sharing), Buyer shall be responsible for offering Transferred Employees group health plan coverage on and after the Closing Date sufficient to extinguish any rights a Transferred Employee may have to continuation of coverage under any of Seller's group health plans including, but not limited to, COBRA insurance coverage, if a Transferred Employee so elects such coverage. Buyer shall provide COBRA continuation coverage (within the meaning of Section 4980B of the Code and the Treasury regulations thereunder) to all individuals who are "M&A qualified beneficiaries" (within the meaning of Treasury Regulation Section 54.4980B-9, Q&A-4) with respect to the transaction contemplated herein for the duration of the period to which such individuals are entitled to such coverage.

5.8 Trust Instruction Proceeding Matters.

(a) Following the Execution Date, Seller shall commence marketing the Business to other potential bidders, and will hold an Auction to determine the highest and best bid for the Business. If Buyer is the winning bidder at the Auction, then Seller shall commence the Trust Instruction Proceeding and file a motion seeking entry of Approval Order. Seller and the Bond Trustee shall use commercially reasonable efforts to approve entry of the Approval Order to the bidder they have determined as highest and best.

(b) Seller and the Bond Trustee confirm that it is critical to the process of arranging an orderly sale of the Purchased Assets to proceed by selecting Buyer to enter into this Agreement in order to present the Court with arrangements for obtaining the highest realizable price for the Purchased Assets and that, without Buyer having committed substantial time and effort to such process, Seller's estate would have to

employ a less orderly process of sale and thereby incur higher costs and risk attracting lower prices. Seller acknowledges that Buyer would not have invested the effort in negotiating and documenting the transaction provided for herein and incurring the obligations to pay its outside advisors and legal counsel if Buyer were not provided the Break-Up Fee, so that Buyer is paid the Break-Up Fee, in the event that Buyer does not purchase the Purchased Assets due to the termination of this Agreement as a result of an Alternative Transaction.

(c) In the event that Buyer is not selected as the winning bidder at the Auction, Buyer understands and acknowledges that at Seller's election, it will remain obligated hereunder as the "Back-Up Bidder" until termination by Seller or the closing of an Alternative Transaction, up to seventy-five (75) days following entry of the Approval Order. In the event that the Alternative Transaction does not close and Seller returns to Buyer as the Back-Up Bidder, the Outside Date for Closing shall be extended by sixty (60) days from such time (and any other deadlines extended as necessary to provide a reasonable time for closing with Buyer as the Back-Up Bidder).

5.9 Assumed and Assigned Contracts.

(a) Cure Process. Buyer shall assume all obligations from and after the Closing Date under Assumed Contracts, and shall be responsible for paying any Cure Amounts to the third party (or parties) to the applicable Assumed Contract (each, a "**Contract Party**"), and to provide any adequate assurance of future performance under the Assumed Contracts.

(b) Identification of Assumed Contracts. Schedule 5.9(b) identifies (i) all Contracts Buyer wishes to be assigned to and assumed by Buyer at Closing, including all Residency Agreements (the "**Assumed Contracts**"); and (ii) all Contracts that Buyer will not be seeking to be assigned by the Seller (the "**Rejected Contracts**"). After the Closing Date, the Seller shall be released from any further liability under such Assumed Contracts. Up until five (5) days prior to the Closing, Buyer shall have the right to amend the Assumed Contracts list to remove Contracts (other than Residency Agreements and Option Agreements) at Buyer's option, so long as it does not result in a change of more than $250,000 in Assumed Liabilities.

(c) Non-Assignment of Assumed Contracts. Notwithstanding any other provision of this Agreement to the contrary, this Agreement shall not constitute an agreement to assign or transfer and shall not affect the assignment or transfer of any Purchased Asset if the Court or the Contract Party shall not have approved assignment and assumption of any Assumed Contract for any reason (each such action, a "**Necessary Consent**"). In such event, Seller and Buyer shall use their commercially reasonable efforts, to obtain the Necessary Consents with respect to any such Assumed Contract after the Closing; provided that the failure to obtain any Necessary Consent shall not delay the Closing or give rise to a reduction in the Purchase Price. Nothing in this Section 5.9 shall in any way diminish or enlarge (x) Buyer's obligations hereunder to obtain the Approvals, or (y) the Parties' obligations hereunder to obtain the Necessary Consents.

5.10 Covenants Relating to Residency Agreements. Buyer agrees that all Residency Agreements identified on Schedule 1(ooo) shall be Assumed Contracts (or to the extent non-executory, Assumed Liabilities) to be assumed by and assigned to Buyer; *provided, however*, the Buyer's obligations under this Section [REF _Ref_ContractCompanion_9kb9Ur3A9 \n \h \t * MERGEFORMAT] are expressly subject to any and all defenses, causes of action, claims, other rights or privileges that Buyer may have under the applicable Resident Agreement(s), including, without limitation, defenses based on a Resident's failure to pay all monthly fees and other fees and assessments with respect to each such applicable Resident Agreement.

5.11 Charity Care and Restricted Funds. Buyer shall implement and maintain a charity care policy which provides for the treatment and care of residents who are unable to pay. Further, to the extent Buyer is taking possession of the FVS WC Restricted Account and the Gift Annuity Account, Buyer shall comply with all restrictions and requirements on the use and maintenance of such funds following transfer. Further, Buyer

shall comply with the obligations of any Option Agreements regarding any Option Deposits, in the event Buyer begins taking Option Deposits instead of entrance fees prior to Closing.

5.12 Accounts Receivable and Post-Closing FVS ERTC Proceeds.

(a) Buyer is purchasing the Accounts Receivable. The parties acknowledge that it will take some time for the regulatory authorities to issue a "tie in" notice, and therefore, in addition to Accounts Receivable, Seller may receive certain funds generated by Buyer's operation of the Business post-Closing. Accordingly, following Closing, in the event that Seller receives any of the Accounts Receivable, or receives funds generated by Buyer's operation of the Business post-Closing, they shall be forwarded by Seller to Buyer, along with any applicable remittance advice, within ten (10) days after receipt thereof. With regard to Accounts Receivable that are paid by Medicare and Medicaid, as to which there are or may be restrictions on the transfer, Seller will pay to Buyer a sum of money equal to the amount of Accounts Receivable received by Seller from Medicare or Medicaid, in each case within ten (10) days after receipt thereof.

(b) Whichever Party receives FVS ERTC Proceeds post-Closing will remit 50% of such FVS ERTC Proceeds to the other within ten (10) days after receipt thereof.

5.13 Title and Survey Matters.

(a) Buyer has received the title commitments listed in Schedule 5.13(a) (the "**Commitments**") from the Title Company to issue as of the Closing an ALTA owner's policy of title insurance (Form 2006) (the "**Title Policy**") for the Premises, together with improvements, buildings and fixtures thereon, unless otherwise noted in such Commitments, in amounts equal to the reasonable value assigned to the Premises. The Commitments provide for the issuance of the Title Policy to Buyer as of the Closing and shall insure title to the Premises, subject only to the Permitted Liens. Subject to and consistent with the Approval Order, Seller agrees to deliver any information as may be reasonably required by the Title Company under the requirements Section of the Commitments or otherwise in connection with the issuance of the Title Policy. Seller also agrees to provide a limited affidavit of title appropriate to the distressed circumstances surrounding the sale and/or such other information as the Title Company may reasonably require in order for the Title Company to insure over the "gap" (i.e., the period of time between the effective date of the title insurance company's last check-down of title to the Premises and the Closing Date).

(b) Prior to the Closing, Buyer may order updates or continuations of, and supplements to, the Title Reports (each a "**Title Update**") for the Premises, at Buyer's sole cost. Buyer shall instruct Title Company to simultaneously deliver directly to Buyer and Seller copies of each Title Update (including tax and departmental searches) ordered by Buyer or otherwise issued by Title Company, at Buyer's cost, and copies of all underlying documentation referenced as an exception in such Title Update as soon as and if reasonably available.

(c) Buyer shall have the right to deliver one written notice to each Title Updates (each, a "**Title Objection Notice**") to Seller objecting to any items contained in a Title Update which are not Permitted Liens and which would materially interfere with the use or occupancy of the Premises or materially and adversely affect the value of the Premises if not removed or otherwise cured, such Title Objection Notice to be delivered prior to the earlier of (i) within ten (10) days after Buyer's receipt of such Title Update, and (ii) twenty (20) days prior to the Closing Date. Failure of Buyer to provide a Title Objection Notice within such period (or to include any such matters in a timely delivered and valid Title Objection Notice) shall be deemed Buyer's approval of all items contained in such Title Update. All such items that are not objected to by Buyer in a timely delivered and valid Title Objection Notice shall be deemed to be Permitted Liens. Seller shall use commercially reasonable efforts and expend such amounts as it deems appropriate in its commercially reasonable discretion to remove or cure prior to the Closing any title exceptions that meet the thresholds under this paragraph, are not Permitted Liens, and to which Buyer properly and timely objects to in the Title Objection Notice (which cure

may, at Seller's election, involve obtaining, at Seller's expense, title insurance from Title Company acceptable to Buyer insuring against the effect of such exceptions). Seller shall not have any obligation to remove or cure any such exceptions or pay any amounts to cure or remove the same except that Seller shall be obligated to cure or remove any exceptions created by, through or under Seller after the date of this Agreement and otherwise not agreed to by Buyer. Seller shall notify Buyer in writing within seven (7) days after receipt of notice from Buyer regarding such exceptions whether Seller elects to attempt to remove or cure any such exceptions, and Seller's failure to deliver such notice in a timely manner shall be deemed an election by Seller not to remove or cure such exceptions. If Seller notifies Buyer that Seller has elected to remove or cure any such exceptions and the removal or cure cannot be completed by the Closing, then Seller will execute an undertaking in connection with Closing covenanting to remove or cure such exceptions. If Seller notifies Buyer that Seller has elected not to remove or cure any such exceptions (or is deemed to have elected not to remove or cure such exceptions), then so long as the exceptions qualify under this paragraph, Buyer may notify Seller within seven (7) days after receipt of such notice (or date of deemed election, as applicable) whether Buyer elects to proceed to the Closing, taking title subject to such exceptions, or not to proceed to the Closing. Failure of Buyer to provide such notice in a timely manner shall be deemed an election by Buyer to proceed to the Closing. If Buyer elects (or is deemed to have elected) to take title subject to any such exceptions under this Section 5.13, such exceptions shall become Permitted Liens and the Purchase Price shall not be reduced.

5.14 Interim Resident Transfer Escrow. As of the Execution Date, Seller shall set up a program pursuant to which, if between the Execution Date and the Closing Date, an existing Resident moves out of independent living into a higher level of care and the unit resells without triggering a refund to the Resident, Seller will place the new entrance fee in escrow to be transferred to the Buyer upon Closing (the "**Level of Care Transfer Escrow**").

ARTICLE 6

CONDITIONS TO CLOSING

6.1 Conditions to Obligations of Seller to Close. The obligation of the Seller to effect the closing of the transactions contemplated by this Agreement is subject to the satisfaction prior to or at the Closing of the following conditions (any of which may, in sole discretion of the Seller, be waived in whole or in part):

(a) Trust Instruction Proceeding. The Court shall have entered the Approval Order in form reasonably satisfactory to the Bond Trustee and Seller, and it shall not be subject to a stay pending appeal.

(b) Observance and Performance. Buyer shall have performed and complied with, in all material respects, all covenants and agreements required by this Agreement to be performed and complied with by it prior to or as of the Closing Date, and all representations and warranties of Buyer shall remain true and correct in all material respects as of Closing.

(c) No Legal Actions. No Governmental Authority shall have issued an order, not subsequently vacated, restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement.

(d) Approvals. Buyer shall have obtained the Approvals, or assurances of issuance thereof, so that Buyer is authorized to operate the Business.

6.2 Conditions to Obligation of Buyer to Close. The obligation of Buyer to effect the closing of the transactions contemplated by this Agreement is subject to the satisfaction prior to or at the Closing of the following conditions (any of which may, in Buyer's sole discretion, be waived in whole or in part):

(a) Trust Instruction Proceeding. The Court shall have entered the Approval Order in form reasonably satisfactory to Buyer and Seller, and it shall not be subject to a stay pending appeal.

(b) Observance and Performance. Seller shall have performed and complied with, in all material respects, all covenants and agreements required by this Agreement to be performed and complied with by it prior to or as of the Closing Date, and all representations and warranties of Seller shall remain true and correct in all material respects as of Closing.

(c) No Legal Actions. No Governmental Authority shall have issued an order, not subsequently vacated, restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement.

(d) Approvals. Buyer shall have obtained the Approvals, or assurances of issuance thereof, so that Buyer is authorized to operate the Business.

(e) Title. The Title Company is prepared to issue, as of the Closing Date, the Title Policy.

ARTICLE 7

TERMINATION

7.1 Termination. This Agreement may be terminated at any time before the Closing by written notice to the applicable Party:

(a) by mutual written agreement of Buyer and Seller;

(b) by either Buyer or Seller, upon written notice to the other Party, if the other Party is in material breach or default of any provision of this Agreement, which breach is not cured within ten (10) Business Days after written notice thereof is received, provided, however, that the terminating party is not in material breach or default of this Agreement;

(c) by either Buyer or Seller if the sale is disapproved by the Court, or there is an Alternative Transaction;

(d) by either Buyer or Seller if the Closing has not occurred by the Outside Closing Date by no fault of the Party terminating, and Buyer is not at that time the Back-Up Bidder;

(e) by Seller, if Buyer is not diligently pursuing the Closing such that the Closing can occur on or prior to the Outside Closing Date, in the reasonable discretion of the Seller;

(f) by either Buyer or Seller, if, prior to Closing, the Approval Order, after being entered by the Court, has subsequently been reversed, revoked, or voided by an order of a court of competent jurisdiction; or

(g) by Buyer pursuant to Section [REF _Ref_ContractCompanion_9kb9Ur3AD \n \h \t * MERGEFORMAT], Section [REF _Ref_ContractCompanion_9kb9Ur3AF \n \h \t * MERGEFORMAT], or Section 2.9.

7.2 Remedies.

(a) Termination, plus any rights the parties shall have under this Section regarding the Deposit and the Break-Up Fee shall be the sole remedy of the Parties for a breach of this Agreement, except for the Parties' rights under Section [REF _Ref_ContractCompanion_9kb9Ur3BA \n \h \t * MERGEFORMAT].

Immediately upon the occurrence of any termination of this Agreement pursuant to Sections [REF _Ref_ContractCompanion_9kb9Ur3BC \w \h \t * MERGEFORMAT], [REF _Ref_ContractCompanion_9kb9Ur3BE \w \h \t * MERGEFORMAT] (where Buyer is the terminating Party), [REF _Ref_ContractCompanion_9kb9Ur3BG \w \h \t * MERGEFORMAT], [REF _Ref_ContractCompanion_9kb9Ur3BI \w \h \t * MERGEFORMAT], or [REF _Ref_ContractCompanion_9kb9Ur3CB \w \h \t * MERGEFORMAT], and provided that Buyer has not otherwise materially breached this Agreement, Seller shall refund the Deposit to Buyer. If the termination is pursuant to Section [REF _Ref_ContractCompanion_9kb9Ur3CD \w \h \t * MERGEFORMAT] as the result of an Alternative Transaction, then provided Buyer has not materially breached this Agreement, upon the closing of the Alternative Transaction, Seller shall (i) refund the Deposit to Buyer and (ii) pay Buyer the Break-Up Fee from the proceeds of such Alternative Transaction. In all other circumstances, the Deposit shall be forfeited to the Seller and the Seller shall be released from all obligations to Buyer hereunder.

(b) The Parties intend that the Deposit constitute compensation, and not a penalty. The Parties acknowledge and agree that either Party's harm caused by the other Party's default or breach of this Agreement would be impossible or very difficult to accurately estimate as of the date of this Agreement, and that the Deposit (or return of the Deposit, as the case may be, and the Break-Up Fee in circumstances where applicable) is a reasonable estimate of the anticipated or actual harm that might arise from such a default or breach. The transfer and/or return of the Deposit (and payment of the Break-Up Fee in circumstances where applicable) is each Party's sole liability and entire obligation and the exclusive remedy for the other Party's default or breach of this Agreement. If the Closing does not occur on or before the Closing Date, the Deposit shall be disbursed in accordance with this Section [REF _Ref_ContractCompanion_9kb9Ur39C \n \h \t * MERGEFORMAT].

(c) Article [REF _Ref_ContractCompanion_9kb9Ur3CF \w \n \h \t * MERGEFORMAT] and Article [REF _Ref_ContractCompanion_9kb9Ur3CH \w \n \h \t * MERGEFORMAT] shall survive any termination.

ARTICLE 8

MISCELLANEOUS

8.1 Expenses. Except as specifically set forth in this Agreement or any Related Agreement, and except for the Break-Up Fee, the Parties shall bear their own expenses, including, without limitation, fees, disbursements and other costs of any attorneys, accountants and other advisors, in connection with this Agreement, the Related Agreements, and the transactions contemplated hereby and thereby. This Section shall not apply, if the Closing does not occur, to any existing or future litigation, if a right to attorneys' fees and expenses otherwise exists.

8.2 Notices. All notices, requests, demands and other communications made in connection with this Agreement shall be in writing and shall be (a) mailed by first-class, registered or certified mail, return receipt requested, postage prepaid, (b) transmitted by hand delivery, (c) sent by electronic means, or (d) sent by nationally recognized overnight courier for next Business Day delivery, addressed as follows:

Seller: Friendship Village of Schaumburg
350 W Schaumburg Rd
Schaumburg, IL 60194
Attention: Mike Flynn, Chief Executive Officer
Mike.Flynn@myfso.org

With simultaneous copies to (which

shall not constitute notice): Polsinelli PC
401 Commerce Street, Suite 900

Nashville, Tennessee 37219
Attention: Jeremy Johnson; Bobby Guy; Mary Bannister
[HYPERLINK "mailto:jjohnson@polsinelli.com"]; [HYPERLINK "mailto:bguy@polsinelli.com"]; [HYPERLINK "mailto:mbannister@polsinelli.com"]

Buyer: _____
_____
_____
Attention: _____

With a simultaneous copy to: _____
_____
_____
_____

If to the Bond Trustee: UMB Bank, National Association
120 Sixth Street South, Suite 1400
Minneapolis, MN 55402
Attention:[●]
[●]

With copy to: Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
One Financial Center
Boston, MA 02111
Attention: Daniel Bleck
[HYPERLINK "mailto:dsbleck@mintz.com"];

or, in each case, such other address as may be specified in writing to the other Party.

All such notices, requests, demands, waivers and other communications shall be deemed to have been received (w) if by first-class, registered or certified mail, on the fifth Business Day after the mailing thereof, (x) if by hand delivery, on the day after such delivery, (y) if by electronic means and the transmitting Party receives a transmission receipt dated the day of transmission, on the same day as the transmission, and (z) if by nationally recognized overnight courier, on the next Business Day after deposit with such courier.

With respect to any notice required under Sections [REF _Ref_ContractCompanion_9kb9Ur3AH \n \h \t * MERGEFORMAT] (Casualty), [REF _Ref_ContractCompanion_9kb9Ur3CJ \n \h \t * MERGEFORMAT] (Access to Books and Records), [REF _Ref_ContractCompanion_9kb9Ur3DC \n \h \t * MERGEFORMAT] (Regulatory Filings), and [REF _Ref_ContractCompanion_9kb9Ur3DE \n \h \t * MERGEFORMAT] (Termination) hereof, the Parties shall also send notice to the Bond Trustee.

8.3 Confidentiality. Buyer has previously entered into a Non-Disclosure Agreement (the "**Confidentiality Agreement**"), and that Confidentiality Agreement remains in place. Further, each Party hereto agrees that the provisions of this Agreement, all understandings, agreements and other arrangements between the Parties, and all other non-public information received from the other Party or otherwise relating to such other Party or (prior to Closing) the Premises, shall be confidential, and shall not be disclosed or otherwise released to any other Person (other than such first Party's Affiliates, counsel to the Bond Trustee, or another party hereto), without the written consent of the other Party. The obligations of the Parties hereunder shall not apply to: (a) the extent that the disclosure of information otherwise determined to be confidential is anticipated hereunder or required by applicable law, including bankruptcy law, to be disclosed or filed with the Court; (b) to the extent the disclosure is part of the marketing process for or is part of the Auction, (c) the disclosure of confidential information to any financial advisors, legal advisors, other professional advisors, shareholders, Bondholders, investors and lenders (both actual and potential) of a party who agree to hold confidential such information substantially in accordance with this Section or who are otherwise bound by a duty of confidentiality to such party; (d) such disclosures as may be contained in any transaction-specific press release approved by both Purchaser and Seller, each party agreeing not to unreasonably withhold, condition or delay its approval; and (e) to the extent the disclosure is required for a Party to satisfy its obligations with respect to publicly-offered securities and such disclosures shall be permitted so long as the disclosing Party first provides to the other Parties the content of the proposed disclosure, the reasons that such disclosure is required, and the time and place the disclosure will be made.

8.4 Amendment; Waivers, Etc. No amendment, modification or discharge of this Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing and duly executed by the Party against whom enforcement of the amendment, modification, discharge or waiver is sought. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the Party granting such waiver in any other respect or at any other time.

8.5 Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

8.6 Assignment. Neither this Agreement nor any of the rights or obligations under this Agreement may be assigned by either Party without the prior written consent of the other Party, except that Buyer may assign its rights under this Agreement to an Affiliate with five (5) days' notice to Seller. No permitted assignment of this Agreement by a Party will relieve the Party of any of its obligations under this Agreement.

8.7 Parties in Interest. This Agreement and the Related Agreements shall be binding upon and inure solely to the benefit of the Parties and their successors and permitted assigns, and nothing in this Agreement or any Related Agreement, expressed or implied, is intended to confer upon any other Person any rights or remedies of any nature under or by reason of this Agreement or any Related Agreement.

8.8 No Personal Liability. No individual officer, director, employee, manager, agent, or representative shall have personal liability for any of the obligations hereunder or claims of any kind in connection herewith.

8.9 Counterparts; Facsimile Signature. This Agreement may be executed in one or more counterparts, each of which shall be deemed to constitute an original, but all of which shall constitute one and the same instrument, and shall become effective when one or more counterparts have been signed by each of the Parties. Counterparts may be executed by hand or by any electronic signature complying with state or federal law, including the U.S. federal ESIGN Act of 2000, as amended (the "**ESIGN Act**"). Executed counterparts may be delivered via facsimile, electronic mail or other similar transmission method, and any executed counterpart so delivered shall be valid and effective for all purposes. No Party shall raise the use of any electronic signature that complies with the ESIGN Act (including [HYPERLINK "http://www.docusign.com"]), or the use of a facsimile machine, electronic mail or other similar transmission

method as a means to deliver a signature to this Agreement or any amendment hereto as a defense to the formation or enforceability of a contract and each Party forever waives any such defense.

8.10 Governing Law. This Agreement and the Related Agreements shall be governed by and construed and enforced in accordance with the laws of the State of Illinois, without regard to its conflicts of law rules.

8.11 Jurisdiction. Each of the Parties agrees that any proceeding brought to enforce the rights or obligations of any Party under this Agreement or any Related Agreement shall be commenced and maintained in the Court, and the Court shall have exclusive jurisdiction over any such proceeding, once the Trust Instruction Proceeding is under way, and otherwise, shall be commenced and maintained in the state or federal courts of [•] County, Illinois, and such courts shall have exclusive jurisdiction over any such proceeding. Each of the Parties consents to the exercise of jurisdiction over it and its properties, in accordance with the terms of this Section, with respect to any proceeding arising out of or in connection with this Agreement, any Related Agreement or the transactions contemplated hereby or thereby, or the enforcement of any rights under this Agreement or any Related Agreement. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY IN ANY PROCEEDINGS BROUGHT BY ANY OTHER PARTY IN CONNECTION WITH ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, THE PROPERTY OR THE RELATIONSHIP OF THE PARTIES HEREUNDER. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE CLOSING OR EARLIER TERMINATION OF THIS AGREEMENT.

8.12 Severability. If any provision of this Agreement is inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever, so long as this Agreement, taken as a whole, still expresses the material intent of the Parties. The invalidity of any one or more phrases, sentences, clauses, sections or subsections of this Agreement shall not affect the remaining portions of this Agreement.

8.13 Entire Agreement. This Agreement and the Related Agreements constitute the entire agreement between the Parties with respect to the subject matter hereof, and supersede all prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof. There are no warranties, representations or other agreements between the Parties in connection with the subject matter hereof except as set forth specifically herein.

8.14 Employees Not Third-Party Beneficiaries. Nothing in this Agreement or the Related Agreements is intended to confer upon any past, present or future employee of Seller or its Affiliates or his or her legal representatives or heirs any rights as a third-party beneficiary or otherwise or any other rights or remedies of any nature or kind whatsoever under or by reason of the transactions contemplated by this Agreement or by the Related Agreements, including, without limitation, any rights of employment, continued employment or any rights under or with respect to any employee benefit, welfare benefit, pension or other fringe benefit plan, fund, program or arrangement.

8.15 Bulk Sales or Transfer Laws. Buyer hereby waives compliance by Seller with the provisions of the bulk sales or transfer laws of all applicable jurisdictions.

8.16 No Inferences. Inasmuch as this Agreement is the result of negotiations between sophisticated parties of equal bargaining power represented by counsel, no inference in favor of, or against, either party shall be drawn from the fact that any portion of this Agreement has been drafted by or on behalf of such party.

8.17 Enforcement Expenses. In the event any Party elects to incur legal expenses to enforce, defend or interpret any provision of this Agreement, as between it and any other Party, the prevailing Party shall be entitled to recover from the other party such legal expenses, including reasonable attorneys' fees, costs and necessary disbursements, in addition to any other relief to which such Party may be entitled.

8.18 Survival of Representations and Warranties. None of the representations or warranties of Seller set forth in this Agreement, any Related Agreement, or in any other agreement or certificate executed in connection with, or delivered pursuant to, this Agreement shall survive the Closing. Other than the requirements of further assurances and actions specifically identified to be taken post-Closing, all other covenants of Seller shall expire upon Closing.

8.19 Interpretation. In this Agreement, unless the context otherwise requires: (a) references to this Agreement are references to this Agreement and to the Schedules and Exhibits hereto; (b) references to Articles and Sections are references to articles and Sections of this Agreement; (c) references to any party to this Agreement shall include references to its respective successors, its designees, and permitted assigns; (d) references to a judgment shall include references to any order, writ, injunction, decree, determination or award of any court or tribunal; (e) the terms "hereof," "herein," "hereby," and any derivative or similar words will refer to this entire Agreement; (f) references to any document (including this Agreement) are references to that document as amended, consolidated, supplemented, novated or replaced by the parties thereof from time to time; (g) references to any law are references to that law as of the Closing Date, unless the context requires otherwise, and shall also refer to all rules and regulations promulgated thereunder, unless the context requires otherwise; (h) the word "including" shall mean including without limitation; and (i) references to time are references to Central Standard or Daylight time (as in effect on the applicable day) unless otherwise specified herein; and (j) in the event the time for an act or notice falls on a day that is not a Business Day, the time will automatically be extended to the next Business Day. At any time, and from time to time on or prior to the Closing Date, Seller may supplement or amend the Schedules to this Agreement (collectively, a "**Disclosure Update**"). The representations, warranties, and Schedules will be deemed supplemented and amended by any Disclosure Update in order to cause the representations and warranties of Seller to be true as of the Closing.

8.20

Time of the Essence. Time is of the essence for purposes of this Agreement and the rights and obligations of the Parties hereunder.

[Signatures Follow on Next Page]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by their duly authorized representatives as of the date first above written.

EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC. D/B/A FRIENDSHIP VILLAGE OF SCHAUMBURG:

_____
By:_____
Its:_____

HUMANGOOD:

_____
By:_____
Its:_____

CONSENTED TO WITH REGARD TO THE BREAK-UP FEE GRANTED AND THE PROCEDURES OUTLINED HEREIN:

[BOND TRUSTEE]

_____
By:_____
Its:_____

EXHIBIT 29

Monthly Cash Flow
Friendship Village of Schaumburg

FORECAST: Dec 2022 To Jun 2023

		DECEMBER UPDATE						
	ACTUAL	UPDATED FORECAST						
Month Ends	11/30/22	**12/31/22**	**1/31/23**	**2/28/23**	**3/31/23**	**4/30/23**	**5/31/23**	**6/30/23**
Cash On Hand (beginning of month)	**2.90**	**1.73**	**1.26**	**4.09**	**2.84**	**1.25**	**0.79**	**0.75**
Monthly Service Fee & Misc Revenue	3.63	3.73	3.72	3.71	3.71	3.83	3.84	3.85
Payroll & Benefits	(2.21)	(1.65)	(1.65)	(1.60)	(2.40)	(1.70)	(1.70)	(1.70)
FSO Management Fee	(0.57)	(0.57)	(0.52)	(0.53)	(0.53)	(0.56)	(0.56)	(0.56)
Operating Expenses	(1.54)	(2.50)	(2.00)	(2.35)	(2.25)	(2.10)	(2.10)	(2.75)
Bankruptcy FA Expenses								
Legal/Accounting/Consulting	(0.00)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
Core Operating Cash Flow	**(0.69)**	**(1.02)**	**(0.48)**	**(0.80)**	**(1.50)**	**(0.56)**	**(0.55)**	**(1.19)**
Capital Purchases	(0.25)	(0.45)	(0.45)	(0.45)	(0.45)	(0.50)	(0.50)	(0.50)
Entrance Fees	0.04	2.00	0.75	0.50	0.75	1.00	1.50	2.00
Entrance Fee Refunds	(0.26)	(1.00)	(0.50)	(0.50)	(0.40)	(0.40)	(0.50)	(0.50)
Payment of Debt	-		(3.50)					
Monthly Cash Flow Before Transfers	**(1.17)**	**(0.47)**	**(4.18)**	**(1.25)**	**(1.60)**	**(0.46)**	**(0.05)**	**(0.19)**
Transfers from Investments								
Tax Credit (ERTC)			*7.00*					
Cash Position (End of Month)	**1.73**	**1.26**	**4.09**	**2.84**	**1.25**	**0.79**	**0.75**	**0.56**
Investments	***2.57***	***2.57***	***2.57***	***2.57***	***2.57***	***2.57***	***2.57***	***2.57***
LOC investments to cover WC Claims	*2.18*	*2.18*	*2.18*	*2.18*	*2.18*	*2.18*	*2.18*	*2.18*
Total Cash and Investments	*6.47*	*6.00*	*8.83*	*7.58*	*5.99*	*5.53*	*5.49*	*5.30*
Cash & Investments Excluding LOC	4.29	3.83	6.65	5.41	3.81	3.36	3.31	3.13
DCOH excluding LOC	29.60	26.39	45.87	37.29	26.29	23.15	22.84	21.56
DCOH including LOC	44.62	41.41	60.89	52.31	41.31	38.17	37.86	36.58

EXHIBIT 30

From: mary sheahen[thesheahengroup@gmail.com]
Sent: Fri 4/28/2023 1:22:32 PM Coordinated Universal Time
To: Mike Flynn[Mike.Flynn@myfso.org]
Subject: Re: Referral from Mark Ishaug(Thresholds)

Worth a shot … no harm no foul ,right? Mary Rooney Sheahen
Executive coaching and leadership development 708-421-0084

> On Apr 28, 2023, at 7:43 AM, Mike Flynn <Mike.Flynn@myfso.org> wrote:
> > Let's see what happens. Thanks for following through with this.
> > Mike Flynn
> Chief Executive Officer
> Friendship Senior Options
> > Mike.Flynn@myFSO.org | Phone: (847) 884-5007 | Cell: (847) 436-5726
> https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.FriendshipSeniorOptions.org&c=E,1,BmRVz8GIfneZNXuHIX5EvYWzIgObsviEdpFxBQA_ajDTr8vV_bd3f7KruaLRj7-XE7NTWd-I81cV9yhE4ePFWDzgkinvQd5oiq77MsFxeezN_E9X&typo=1
> > -----Original Message-----
> From: mary sheahen <thesheahengroup@gmail.com> > Sent: Friday, April 28, 2023 6:30 AM
> To: clarisol_duque@durbin.senate.gov
> Subject: Referral from Mark Ishaug(Thresholds)
> > Good morning Clarisol. I was referred to you as a possible helpful resource . > I am on the board of Friendship Village in Schaumburg, a non profit senior housing community with independent, assisted , and skilled care. We have over 600 residents and more than 300 staff members. > Covid took a toll on Friendship : our residents were kept safe and healthy but new residents moving in dropped precipitously. Keeping a steady census is key to the financial viability since that is the revenue source. Things have improved slightly but FV is struggling. > Clarisol, we have been awaiting a 7.2 million dollar employee tax credit for over a year. We received a couple of small payments but nothing for a year. This payment would keep us from moving toward bankruptcy. I realize this is through the IRS but is it possible Senator Durbin could intercede for FV? I know he is always such a big supporter for non profit organizations and causes. We would be so grateful and would be able to continue caring for residents. > My phone number is listed below my name if you have questions beyond what I have said. I am a retired healthcare executive and have seen many tenuous times . This puts residents in a very tough spot and threatens the jobs of our employees. > Clarisol, thank you in advance for anything you and Senator Durbin might help us with. > > Mary Rooney Sheahen
> Executive coaching and leadership development > 708-421-0084
> >

EXHIBIT 31

From: Bobby Guy[BGuy@Polsinelli.com]
Sent: Thur 8/10/2023 8:33:12 PM (UTC)
To: Jeremy Johnson[jeremy.johnson@polsinelli.com]
Subject: Fwd: ERTC money
Attachment: ERC Reconciliation per Jeff.xlsx

FYI - if we have to attempt a cramdown, we may have the money ….

Sent from my iPhone

Begin forwarded message:

From: Mike Wyse <mwyse@wyseadvisorsllc.com>
Date: August 10, 2023 at 4:21:42 PM EDT
To: Bobby Guy <BGuy@polsinelli.com>
Subject: FW: ERTC money

EXTERNAL EMAIL mwyse@wyseadvisorsllc.com

See attached…$7.7M…

Mike Wyse
Wyse Advisors LLC
51 JFK Parkway
First Floor West
Short Hills, NJ 07078
Mobile: (917) 553-5883
www.wyseadvisorsllc.com

From: Mike Flynn <Mike.Flynn@myFSO.org>
Sent: Friday, June 30, 2023 11:14 AM
To: Mike Wyse <mwyse@wyseadvisorsllc.com>
Subject: RE: ERTC money

Attached is the reconciliation of ERTC funds.

Let me know if you have any questions.

Mike Flynn
Chief Executive Officer
Friendship Senior Options

Mike.Flynn@myFSO.org | Phone: (847) 884-5007 | Cell: (847) 436-5726
www.FriendshipSeniorOptions.org

From: Mike Wyse <mwyse@wyseadvisorsllc.com>
Sent: Friday, June 30, 2023 10:10 AM
To: Mike Flynn <Mike.Flynn@myFSO.org>
Subject: RE: ERTC money

Of the money we received, are we able to bifurcate the two?

Mike Wyse
Wyse Advisors LLC
51 JFK Parkway
First Floor West
Short Hills, NJ 07078
Mobile: (917) 553-5883
www.wyseadvisorsllc.com

From: Mike Flynn <Mike.Flynn@myFSO.org>
Sent: Friday, June 30, 2023 11:07 AM
To: Mike Wyse <mwyse@wyseadvisorsllc.com>
Subject: RE: ERTC money

Yes. FSO is the common pay master for all organizations so the money comes as one payment.

Mike Flynn
Chief Executive Officer
Friendship Senior Options

Mike.Flynn@myFSO.org | Phone: (847) 884-5007 | Cell: (847) 436-5726
www.FriendshipSeniorOptions.org

From: Mike Wyse <mwyse@wyseadvisorsllc.com>
Sent: Friday, June 30, 2023 10:05 AM
To: Mike Flynn <Mike.Flynn@myFSO.org>
Subject: ERTC money

Did it all come in as a lump sum, Schaumburg and Greenfields…

Mike Wyse
Wyse Advisors LLC
51 JFK Parkway
First Floor West
Short Hills, NJ 07078
Mobile: (917) 553-5883
www.wyseadvisorsllc.com

Friendship Senior Options
CARES Act Employee Retention Credit by Location
Pay Periods 3/21/2020 - 9/18/2021
Impact Periods 3/13/2020 - 9/30/2021

Cumulative Totals (3/13/2020 - 9/30/2021)		Received			Amount Due		Synergi	Current Amount Due to Affiliates
Location Number	TOTAL	Tax	Interest	Total				
Friendship Senior Options	$ 673,664.47	245,841.61	9,307.46	255,149.06	427,822.86	6%	(101,049.67)	154,099.39
Friendship Village of Sch	$ 7,662,286.71	2,621,116.54	100,246.45	2,721,362.99	5,041,170.17	69%	(1,149,343.00)	1,572,019.98
FSO Foundation	$ 46,108.23	15,779.01	584.78	16,363.79	30,329.22	0%	(6,916.23)	9,447.56
Greenfields of Geneva	$ 2,716,670.48	926,294.50	35,440.51	961,735.01	1,790,375.98	24%	(407,500.57)	554,234.43
Totals:	**$ 11,098,729.89**	3,809,031.66	145,579.19	3,954,610.85	7,289,698.23	100%	(1,664,809.48)	2,289,801.37
								-

Quarter 1 2020 (3/13/2020 - 3/31/2020)						
Location Number	TOTAL					
Friendship Senior Options	$ 2,011.71	2,011.68	39.70	2,051.38		6%
Friendship Village of Sch	$ 23,956.85	23,956.85	472.78	24,429.64		67%
FSO Foundation	$ 68.56	68.56	1.35	69.91		0%
Greenfields of Geneva	$ 9,716.24	9,716.24	191.75	9,907.99		27%
Quarter Totals:	**$ 35,753.37**	35,753.34	705.59	36,458.92		100%

Quarter 2 2020 (4/1/2020 - 6/30/2020)						
Location Number	TOTAL					
Friendship Senior Options	$ 1,782.10	1,782.10	35.17	1,817.27		3%
Friendship Village of Sch	$ 36,805.57	36,805.57	726.35	37,531.92		71%
FSO Foundation	$ 3.94	3.94	0.08	4.02		0%
Greenfields of Geneva	$ 13,462.91	13,462.91	265.69	13,728.60		26%
Quarter Totals:	**$ 52,054.52**	52,054.52	1,027.28	53,081.81		100%

Quarter 3 2020 (7/1/2020 - 9/30/2020)						
Location Number	TOTAL					
Friendship Senior Options	$ 16,543.07	16,543.05	247.45	16,790.50		9%
Friendship Village of Sch	$ 119,295.59	119,295.59	1,784.39	121,079.98		67%
FSO Foundation	$ 1,706.51	1,706.51	25.53	1,732.04		1%
Greenfields of Geneva	$ 40,228.82	40,228.82	601.73	40,830.55		23%
Quarter Totals:	**$ 177,773.99**	177,773.97	2,659.10	180,433.07		100%

Quarter 4 2020 (10/1/2020 - 12/31/2020)						
Location Number	TOTAL					
Friendship Senior Options	$ 24,057.28			-		
Friendship Village of Sch	$ 169,194.82			-		
FSO Foundation	$ 2,329.22			-		
Greenfields of Geneva	$ 52,172.03			-		
Quarter Totals:	**$ 247,753.34**	-	-	-		

Quarter 1 2021 (1/1/2021 - 3/31/2021)						
Location Number	TOTAL					
Friendship Senior Options	$ 225,504.77	225,504.77	8,985.14	234,489.91		
Friendship Village of Sch	$ 2,441,058.53	2,441,058.53	97,262.92	2,538,321.45		
FSO Foundation	$ 14,000.00	14,000.00	557.82	14,557.82		
Greenfields of Geneva	$ 862,886.53	862,886.53	34,381.34	897,267.87		
Quarter Totals:	**$ 3,543,449.83**	3,543,449.83	141,187.22	3,684,637.05		

Quarter 2 2021 (4/1/2021 - 6/30/2021)						
Location Number	TOTAL					
Friendship Senior Options	$ 206,600.64			-		
Friendship Village of Sch	$ 2,352,168.22			-		
FSO Foundation	$ 14,000.00			-		
Greenfields of Geneva	$ 840,100.62			-		
Quarter Totals:	**$ 3,412,869.47**	-	-	-		

Quarter 3 2021 (7/1/2021 - 9/30/2021)						
Location Number	TOTAL					
Friendship Senior Options	$ 197,164.90			-		
Friendship Village of Sch	$ 2,519,807.14			-		
FSO Foundation	$ 14,000.00			-		
Greenfields of Geneva	$ 898,103.34			-		
Quarter Totals:	**$ 3,629,075.37**	-	-	-		

Payments Received

Check Date	Amount	Interest	ERC
8/16/2022	70,286.04	1,273.18	69,012.86
8/16/2022	180,433.07	2,659.10	177,773.97
12/20/2022	19,254.69	459.69	18,795.00
5/16/2023	3,684,637.05	141,187.22	3,543,449.83
	3,954,610.85	145,579.19	3,809,031.66
	-	-	-

EXHIBIT 32

SCHAUMBURG BANK & TRUST COMPANY, N.A.™

A WINTRUST COMMUNITY BANK

9801 W. Higgins, Box 32, Rosemont, IL 60018

Last Statement: April 30, 2023
Statement Ending: May 31, 2023
Page: 1 of 15

858 TWS318SB060123083818 01 000000000 0 016

EVANGELICAL RETIREMENT HOMES OF GRTR CHI
D/B/A FRIENDSHIP VILLAGE OF SCHAUMBURG
OPERATING- MASTER ACCOUNT
350 W SCHAUMBURG RD
SCHAUMBURG IL 60194-3464

858 0002599 0001-0015 0000000000000000

Customer Service

Customer Support:
847-427-7808

Branch Hours of Operation:
Mon-Fri 8:30 am - 5:00 pm
Saturday 9:00 am - 1:00 pm

Customer Contact Center Hours:
Mon - Fri 7:00 am - 8:00 pm
Saturday 7:00 am - 5:00 pm

Access Your Account Online:
www.bankschaumburg.com

COMMERCIAL CHECKING — Account Number: XXXXXX1095

We routinely evaluate adjustments to our costs and plans for innovation and expanded capabilities. These investments will help us to continue to deliver the best products and services to help your business. As a result, on July 3, 2023 some fees for commercial business accounts will change. The impact on your organization will depend on the mix and volume of services you use. Please contact your banker or treasury management officer for additional information.

Balance Summary

Beginning Balance as of 05/01/23	**$2,221,941.76**
+ Deposits and Credits (185)	$8,961,880.41
- Withdrawals and Debits (44)	$9,760,806.96
Ending Balance as of 05/31/23	**$1,420,007.52**
Analysis or Maintenance Fees for Period	$3,007.69
Number of Days in Statement Period	31

Debits

Date	Description	Subtractions
May 01	ACH ORIG DR RETURN RETURN SETTLE A ACH RTN - R14 Sparrow, Carolyn 000000000319702 ORIGINAL ENTRY EFF DATE = 230427	-$153.43
May 01	ACH ORIG DR RETURN RETURN SETTLE A ACH RTN - R01 Parker, Frances 000000000977110 ORIGINAL ENTRY EFF DATE = 230427	-$8,461.31
May 03	CASH MGMT TRSFR DR REF 1231302L FUNDS TRANSFER TO DEP XXXXXX0202 FROM PR FDN	-$96.00
May 03	CASH MGMT TRSFR DR REF 1231320L FUNDS TRANSFER TO DEP XXXXXX0199 FROM PR2	-$26,860.62
May 03	CASH MGMT TRSFR DR REF 1231302L FUNDS TRANSFER TO DEP XXXXXX0180 FROM PR BEN	-$33,803.37
May 03	WIRE TRANSFER OUT BIB INITIATED OUTG ACCT#1200001095 TMI TRUST COMPANY PNC BANK, NATIONAL ASSOCIATION FOR F URTHER CREDIT TO:	-$375,000.00
May 03	WIRE TRANSFER OUT BIB INITIATED OUTG ACCT#1200001095 TMI TRUST COMPANY PNC BANK, NATIONAL ASSOCIATION FOR F URTHER CREDIT TO:	-$620,000.00

BALANCE YOUR ACCOUNT

1. Check off (✓) checks appearing on your statement. Those checks not checked off (✓) should be recorded in the checks outstanding column below.

Checks/Withdrawals Outstanding

Check No.	Amount
TOTAL	

2. **Enter** the Bank Balance shown on this statement	
Add deposits made by you, but not shown on this statement.	
Subtotal	
3. **List** total of checks outstanding	
Subtract check total from above Subtotal	
	The number above should match your checkbook balance

Helpful Suggestions For Finding Differences

1. *Review last month's statement to make sure any differences were corrected.*
2. *Check addtions and subtractions in your checkbook.*
3. *Compare the amount of each check and deposit on this statement with the amount recorded in your checkbook.*
4. *Make sure all outstanding checks have been listed, including those that may not have been paid from the previous statement.*
5. *Make sure that any electronic fund transfers or automatic payments are recorded in your checkbook.*

Important Information

In Case of Errors or Questions About Your Electronic Transfers. Telephone us or write us using the telephone number or address listed on the front of this statement, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared.

- Tell us your name and account number (if any).
- Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. For consumer accounts, if we take more than ten (10) business days to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.

How Your Finance Charge (If Any) is calculated. If this statement includes billing information regarding a personal line of credit, the finance charge for each statement (loan) period is calculated by applying the applicable daily periodic rate(s) to the daily balances(including current transactions). To get daily balances, we take the beginning principle balance of your account each day, add any new loans or charges and subtract any payment or credits. Then, we multiply the daily balance each day of the statement period by the applicable daily periodic rate(s). We then add up all of these daily finance charges to get your total finance charge.

In Case of Errors or Questions About Your Personal Line of Credit (This is a Summary of Your Billing Rights). If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet at the address shown on the front of your statement as soon as possible. We must hear from you no later than sixty (60) days after we sent the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

SCHAUMBURG BANK
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9801 W. Higgins, Box 32, Rosemont, IL 60018

Account Number: XXXXXX1095
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Debits (Continued)

Date	Description	Subtractions
May 03	CASH MGMT TRSFR DR REF 1231302L FUNDS TRANSFER TO DEP XXXXXX0199 FROM PR	-$653,887.37
May 03	PREAUTHORIZED DEBIT PAY PLUS ACHTRANS 230503 452579291	-$64.22
May 03	PREAUTHORIZED DEBIT FISERV MERCHANT FEE 230502 389602567214587	-$83.80
May 04	PREAUTHORIZED DEBIT PAY PLUS ACHTRANS 230504 452579291	-$7.36
May 05	PREAUTHORIZED DEBIT GATEWAY SERVICES WEBPAYMENT 230505	-$5.00
May 05	PREAUTHORIZED DEBIT MERCH BANKCARD BILLNG MERCH BANKCARD 195 02324 FRIENDSHIP V ILLAGE OF SCH	-$497.44
May 08	CASH MGMT TRSFR DR REF 1261820L FUNDS TRANSFER TO DEP XXXXXX0172 FROM AP	-$247,494.11
May 08	PREAUTHORIZED DEBIT BridgePay TGate Billing 230508 150967-150967 -	-$35.00
May 08	PREAUTHORIZED DEBIT GATEWAY SERVICES WEBPAYMENT 230508	-$44.32
May 09	PREAUTHORIZED DEBIT FRIENDSHIP VLGE ACH REVERS 230509	-$16.45
May 09	PREAUTHORIZED DEBIT PAY PLUS ACHTRANS 230509 452579291	-$19.76
May 10	PREAUTHORIZED DEBIT FORTE PAYMENTS ACH FEES 230510 10633578	-$13.60
May 16	CASH MGMT TRSFR DR REF 1360432L FUNDS TRANSFER TO DEP XXXXXX0172 FROM AP	-$53,620.78
May 16	WIRE TRANSFER OUT BIB INITIATED OUTG ACCT#1200001095 TMI TRUST COMPANY PNC BANK, NATIONAL ASSOCIATION FOR F URTHER CREDIT TO:	-$240,000.00
May 17	CASH MGMT TRSFR DR REF 1371158L FUNDS TRANSFER TO DEP XXXXXX0202 FROM PR FDN	-$96.00
May 17	CASH MGMT TRSFR DR REF 1371158L FUNDS TRANSFER TO DEP XXXXXX0180 FROM PR BEN	-$32,924.84
May 17	CASH MGMT TRSFR DR REF 1371158L FUNDS TRANSFER TO DEP XXXXXX0199 FROM PR	-$654,597.23
May 17	MAINTENANCE FEE ATM MONTHLY MAINTE NANCE FEE FOR 04/23	-$590.00
May 17	MAINTENANCE FEE ANALYSIS ACTIVITY FOR 04/23	-$2,417.69
May 19	PREAUTHORIZED DEBIT PAY PLUS ACHTRANS 230519 452579291	-$2.86
May 22	CASH MGMT TRSFR DR REF 1402012L FUNDS TRANSFER TO DEP XXXXXX0172 FROM AP	-$136,763.02
May 22	DEPOSIT RETURN ITEM DDA Redp Debit 2027 NSF	-$26,100.00
May 23	ACH ORIG DR RETURN RETURN SETTLE A ACH RTN - R02 Smith, Rosemary 000000000001025 ORIGINAL ENTRY EFF DATE = 230519	-$5,615.00
May 23	WIRE TRANSFER OUT BIB INITIATED OUTG ACCT#1200001095 TMI TRUST COMPANY PNC BANK, NATIONAL ASSOCIATION FOR F URTHER CREDIT TO:	-$205,900.00
May 23	CASH MGMT TRSFR DR REF 1431755L FUNDS TRANSFER TO DEP XXXXXX0164 FROM ERC	-$3,684,637.05
May 24	CASH MGMT TRSFR DR REF 1441302L FUNDS TRANSFER TO DEP XXXXXX0172 FROM MORRISON	-$2,634.19
May 24	CASH MGMT TRSFR DR REF 1441302L FUNDS TRANSFER TO DEP XXXXXX0172 FROM MORRISON	-$681,034.80

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Debits (Continued)

Date	Description	Subtractions
May 25	PREAUTHORIZED DEBIT PAY PLUS ACHTRANS 230525 452579291	-$3.46
May 25	DEPOSIT RETURN ITEM DDA CB Debit 2027 NSF 2nd	-$26,100.00
May 26	CASH MGMT TRSFR DR REF 1461538L FUNDS TRANSFER TO DEP XXXXXX0172 FROM AP	-$852,303.45
May 26	PREAUTHORIZED DEBIT PAY PLUS ACHTRANS 230526 452579291	-$8.69
May 31	CASH MGMT TRSFR DR REF 1511323L FUNDS TRANSFER TO DEP XXXXXX0202 FROM PR FDN	-$96.00
May 31	ACH ORIG DR RETURN RETURN SETTLE A ACH RTN - R16 DeBella, Patricia 000000000435851 ORIGINAL ENTRY EFF DATE = 230526	-$1,193.70
May 31	CASH MGMT TRSFR DR REF 1512157L FUNDS TRANSFER TO DEP XXXXXX0172 FROM TMI	-$5,000.00
May 31	CASH MGMT TRSFR DR REF 1511323L FUNDS TRANSFER TO DEP XXXXXX0180 FROM PR BEN	-$33,038.61
May 31	CASH MGMT TRSFR DR REF 1512157L FUNDS TRANSFER TO DEP XXXXXX0172 FROM CCIC	-$86,728.00
May 31	CASH MGMT TRSFR DR REF 1511739L FUNDS TRANSFER TO DEP XXXXXX0180 FROM BENEFITS	-$87,836.16
May 31	WIRE TRANSFER OUT BIB INITIATED OUTG ACCT#1200001095 TMI TRUST COMPANY PNC BANK, NATIONAL ASSOCIATION FOR F URTHER CREDIT TO:	-$307,000.00
May 31	CASH MGMT TRSFR DR REF 1511323L FUNDS TRANSFER TO DEP XXXXXX0199 FROM PR	-$671,029.96

Credits

Date	Description	Additions
May 01	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230501 389602567214587	$12.42
May 01	DEPOSIT	$30.30
May 01	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230428 389602567214587	$32.38
May 01	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230501 389602567214587	$37.53
May 01	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$138.05
May 01	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$414.50
May 01	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$438.36
May 01	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT C23117E12377990*13 61236610*CP2023042 7E123779900-100392 4721\	$2,000.00
May 01	PREAUTHORIZED CREDIT HUMANA INS CO HCCLAIMPMT 105119949230427*13 91263473\	$6,510.92
May 02	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$9.53

SCHAUMBURG BANK & TRUST COMPANY, N.A.™
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Credits (Continued)

Date	Description	Additions
May 02	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT C23118E12512100*13 61236610*CP2023042 8E125121000-165979 0889\	$41.66
May 02	PREAUTHORIZED CREDIT B OF A-CBIC CLMS HCCLAIMPMT 105264275230429*27 42552026\	$270.33
May 02	PREAUTHORIZED CREDIT HUMANA INS CO HCCLAIMPMT 105185979230428*13 91263473\	$651.72
May 02	PREAUTHORIZED CREDIT UnitedHealthcare HCCLAIMPMT 1903011978*1411289 245*000087726\	$702.49
May 02	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT T23118E34955550*17 31350270*TM2023042 8E349555500-100392 4721\	$20,501.68
May 02	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT C23118E12512090*13 61236610*CP2023042 8E125120900-100392 4721\	$30,810.89
May 02	REMOTE DEPOSIT	$83,311.14
May 03	CASH MGMT TRSFR CR REF 1231320L FUNDS TRANSFER FRM DEP XXXXXX0202 FROM PR FDN 2	$2.50
May 03	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230502 389602567214587	$28.35
May 03	PREAUTHORIZED CREDIT PAY PLUS HCCLAIMPMT 348805576*14702465 11\	$200.00
May 03	CASH MGMT TRSFR CR REF 1231320L FUNDS TRANSFER FRM DEP XXXXXX0180 FROM PR BEN 2	$1,012.47
May 03	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT M23121E22696360*17 31350270*MA2023050 1E226963600-165979 0889\	$1,264.19
May 03	PREAUTHORIZED CREDIT HBPIL HCCLAIMPMT 105475392230501*13 71326199\	$1,916.94
May 03	PREAUTHORIZED CREDIT PAY PLUS HCCLAIMPMT 348741241*14702465 11\	$2,400.00
May 03	PREAUTHORIZED CREDIT HHP HCCLAIMPMT 105475391230501*16 11013183\	$2,860.00
May 03	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$7,171.43
May 04	PREAUTHORIZED CREDIT AARP Supplementa HCCLAIMPMT 9904263820*1362739 571*000036273\	$45.77
May 04	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230503 389602567214587	$54.19
May 04	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$123.48
May 04	PREAUTHORIZED CREDIT PAY PLUS HCCLAIMPMT 349341891*14702465 11\	$297.91
May 04	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT C23122E12808140*13 61236610*CP2023050 2E128081400-165979 0889\	$470.26
May 04	PREAUTHORIZED CREDIT AARP Supplementa HCCLAIMPMT 9904225698*1362739 571*000036273\	$2,887.22
May 05	DEPOSIT	$1.28
May 05	DEPOSIT	$6.72
May 05	DEPOSIT	$11.46
May 05	PREAUTHORIZED CREDIT AARP Supplementa HCCLAIMPMT 9904473412*1362739 571*000036273\	$23.35
May 05	DEPOSIT	$43.18
May 05	DEPOSIT	$57.06
May 05	DEPOSIT	$69.26

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Credits (Continued)

Date	Description	Additions
May 05	DEPOSIT	$71.87
May 05	DEPOSIT	$94.74
May 05	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230504 389602567214587	$133.71
May 05	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT C23123E12940010*13 61236610*CP2023050 3E129400100-165979 0889\	$282.27
May 05	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$1,027.63
May 05	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT C23123E12940000*13 61236610*CP2023050 3E129400000-100392 4721\	$2,000.00
May 05	PREAUTHORIZED CREDIT UnitedHealthcare HCCLAIMPMT 1904840247*1411289 245*000087726\	$7,100.00
May 08	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230508 389602567214587	$8.00
May 08	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230508 389602567214587	$24.03
May 08	DEPOSIT	$45.00
May 08	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$56.30
May 08	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230505 389602567214587	$68.85
May 08	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$206.29
May 08	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT C23124E13056740*13 61236610*CP2023050 4E130567400-165979 0889\	$326.17
May 08	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$536.23
May 08	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT M23124E22849380*17 31350270*MA2023050 4E228493800-100392 4721\	$8,270.59
May 08	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT T23123E35063490*17 31350270*TM2023050 3E350634900-100392 4721\	$12,572.25
May 09	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230508 389602567214587	$11.57
May 09	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$52.64
May 09	PREAUTHORIZED CREDIT PAY PLUS HCCLAIMPMT 350739276*15929534 65\	$800.00
May 09	REMOTE DEPOSIT	$393,042.82
May 10	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230509 389602567214587	$35.66
May 10	DEPOSIT	$75.21
May 10	DEPOSIT	$128.32
May 10	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$384.43
May 10	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT M23128E22950010*17 31350270*MA2023050 8E229500100-100392 4721\	$11,797.67

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Credits (Continued)

Date	Description	Additions
May 10	PREAUTHORIZED CREDIT UnitedHealthcare HCCLAIMPMT 1906724803*1411289 245*000087726\	$28,350.00
May 11	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230510 389602567214587	$25.58
May 11	PREAUTHORIZED CREDIT UnitedHealthcare HCCLAIMPMT 1907065136*1411289 245*000087726\	$205.00
May 11	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$438.99
May 11	PREAUTHORIZED CREDIT AETNA AS01 HCCLAIMPMT 882312601002883*10 66033492\	$4,467.63
May 11	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT C23129E13490670*13 61236610*CP2023050 9E134906700-100392 4721\	$22,555.08
May 11	REMOTE DEPOSIT	$91,834.76
May 12	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230511 389602567214587	$43.04
May 12	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$214.48
May 12	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT C23130E13611130*13 61236610*CP2023051 0E136111300-100392 4721\	$583.50
May 12	PREAUTHORIZED CREDIT UNITEDHEALTHCARE HCCLAIMPMT 1TZ49899822*141128 9245*000087726\	$1,530.00
May 12	REMOTE DEPOSIT	$114,645.46
May 15	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230515 389602567214587	$8.10
May 15	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230515 389602567214587	$39.05
May 15	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230512 389602567214587	$55.57
May 15	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$202.55
May 15	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$307.99
May 15	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$381.94
May 16	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230515 389602567214587	$8.33
May 16	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT C23132E13859360*13 61236610*CP2023051 2E138593600-100392 4721\	$37.23
May 16	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$354.71
May 16	PREAUTHORIZED CREDIT HBPIL HCCLAIMPMT 106371507230514*13 71326199\	$1,027.64
May 16	PREAUTHORIZED CREDIT HUMANA INS CO HCCLAIMPMT 106371506230514*13 91263473\	$1,048.24
May 16	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT C23132E13859370*13 61236610*CP2023051 2E138593700-100392 4721\	$7,017.31
May 16	REMOTE DEPOSIT	$245,025.38

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Credits (Continued)

Date	Description	Additions
May 17	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230516 389602567214587	$55.66
May 17	DEPOSIT	$66.26
May 17	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$259.97
May 17	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT C23135E14010280*13 61236610*CP2023051 5E140102800-100392 4721\	$2,535.54
May 17	PREAUTHORIZED CREDIT AETNA AS01 HCCLAIMPMT 882313201028011*10 66033492\	$4,125.00
May 18	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230517 389602567214587	$15.66
May 18	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$154.68
May 18	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT C23136E14151220*13 61236610*CP2023051 6E141512200-100392 4721\	$1,889.65
May 18	REMOTE DEPOSIT	$327,266.93
May 19	PREAUTHORIZED CREDIT PAY PLUS HCCLAIMPMT 354805640*13142731 20\	$115.83
May 19	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230518 389602567214587	$216.00
May 19	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$269.13
May 19	PREAUTHORIZED CREDIT AETNA AS01 HCCLAIMPMT 882313501006277*10 66033492\	$10,395.00
May 19	PREAUTHORIZED CREDIT IL MERIDIAN CLAI HCCLAIMPMT 0902576777*1203209 671\	$11,490.85
May 19	WIRE TRANSFER IN INCOMING WIRE - CH ACCT#1200001095 SUSANNE C + DEBRA S STOCK SUSANNE C STOCK NEW ACCOUNT	$231,000.00
May 19	PREAUTHORIZED CREDIT Friendship Vlg FVS19 AL/M 230519	$419,095.39
May 19	PREAUTHORIZED CREDIT Friendship Vlg FVS19 IL A 230519	$1,010,207.29
May 19	REMOTE DEPOSIT	$3,772,198.74
May 22	DEPOSIT	$22.94
May 22	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230522 389602567214587	$28.08
May 22	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230519 389602567214587	$30.45
May 22	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$137.29
May 22	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$222.40
May 22	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT C23138E14394500*13 61236610*CP2023051 8E143945000-165979 0889\	$228.82
May 22	PREAUTHORIZED CREDIT AETNA AS01 HCCLAIMPMT 882313601010397*10 66033492\	$613.73
May 22	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$656.33

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Credits (Continued)

Date	Description	Additions
May 22	REDEPOSIT RETURN CHK DDA Redp Credit 2027 NSF	$26,100.00
May 22	PREAUTHORIZED CREDIT ILLINICARE HEALT HCCLAIMPMT 50673553*127251207 2*Aetna Better Hea lth of Illinoi\	$58,910.40
May 23	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$39.20
May 24	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230523 389602567214587	$162.63
May 24	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT C23142E14677960*13 61236610*CP2023052 2E146779600-165979 0889\	$182.84
May 24	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT C23142E14677970*13 61236610*CP2023052 2E146779700-165979 0889\	$2,267.83
May 24	PREAUTHORIZED CREDIT AETNA AS01 HCCLAIMPMT 882313801018010*10 66033492\	$9,890.00
May 24	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$10,400.14
May 24	PREAUTHORIZED CREDIT State of Ill HCCLAIMPMT 47820231380038*137 6002057\	$16,245.03
May 24	REMOTE DEPOSIT	$152,181.51
May 25	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230524 389602567214587	$50.22
May 25	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$122.64
May 25	PREAUTHORIZED CREDIT PAY PLUS HCCLAIMPMT 356559080*12505220 60\	$140.24
May 25	PREAUTHORIZED CREDIT AARP Supplementa HCCLAIMPMT 9912961000*1362739 571*000036273\	$2,373.42
May 25	PREAUTHORIZED CREDIT Friendship Vlg FVS25 IL A 230525	$3,196.62
May 26	DEPOSIT	$8.87
May 26	DEPOSIT	$12.88
May 26	DEPOSIT	$14.50
May 26	DEPOSIT	$14.88
May 26	DEPOSIT	$17.36
May 26	DEPOSIT	$36.02
May 26	DEPOSIT	$38.20
May 26	DEPOSIT	$53.28
May 26	DEPOSIT	$55.30
May 26	DEPOSIT	$59.00
May 26	DEPOSIT	$69.13
May 26	DEPOSIT	$74.59
May 26	DEPOSIT	$75.38
May 26	DEPOSIT	$79.81
May 26	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230525 389602567214587	$83.48
May 26	DEPOSIT	$91.45
May 26	DEPOSIT	$95.93
May 26	DEPOSIT	$103.50
May 26	DEPOSIT	$109.65
May 26	DEPOSIT	$112.49
May 26	DEPOSIT	$124.28

SCHAUMBURG BANK & TRUST COMPANY, N.A.™
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9801 W. Higgins, Box 32, Rosemont, IL 60018

Account Number: XXXXXX1095
Statement Date: 05/31/2023

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Credits (Continued)

Date	Description	Additions
May 26	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$258.24
May 26	PREAUTHORIZED CREDIT PAY PLUS HCCLAIMPMT 357208944*14702465 11\	$351.65
May 26	PREAUTHORIZED CREDIT Friendship Vlg FVS26 Outp 230526	$1,103.57
May 26	PREAUTHORIZED CREDIT UnitedHealthcare HCCLAIMPMT 1913838504*1411289 245*000087726\	$4,495.72
May 26	REMOTE DEPOSIT	$219,841.54
May 26	PREAUTHORIZED CREDIT Friendship Vlg FVS26 HCC 230526	$297,402.06
May 30	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230530 389602567214587	$11.34
May 30	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230526 389602567214587	$29.35
May 30	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230530 389602567214587	$37.09
May 30	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$58.80
May 30	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$121.53
May 30	PREAUTHORIZED CREDIT HBPIL HCCLAIMPMT 107259239230525*13 71326199\	$207.96
May 30	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$297.95
May 30	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$681.36
May 31	DEPOSIT	$10.00
May 31	PREAUTHORIZED CREDIT FISERV MERCHANT DEPOSIT 230530 389602567214587	$27.00
May 31	DEPOSIT	$30.69
May 31	PREAUTHORIZED CREDIT MERCH BANKCARD NET SETLMT MERCH BANKCARD NET SETLMT 1950 2324 FRIEN DSHIP VILLAGE OF S	$51.80
May 31	DEPOSIT	$83.62
May 31	DEPOSIT	$115.56
May 31	DEPOSIT	$118.60
May 31	PREAUTHORIZED CREDIT HBPIL HCCLAIMPMT 107327991230526*13 71326199\	$129.61
May 31	DEPOSIT	$136.65
May 31	DEPOSIT	$137.53
May 31	DEPOSIT	$161.04
May 31	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT C23146E15199900*13 61236610*CP2023052 6E151999000-100392 4721\	$2,000.00
May 31	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT C23146E15199910*13 61236610*CP2023052 6E151999100-100392 4721\	$2,000.00
May 31	PREAUTHORIZED CREDIT HUMANA INS CO HCCLAIMPMT 107327990230526*13 91263473\	$5,541.86
May 31	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT T23146E35661610*17 31350270*TM2023052 6E356616100-100392 4721\	$23,689.75

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Credits (Continued)

Date	Description	Additions
May 31	PREAUTHORIZED CREDIT BCBS ILLINOIS HCCLAIMPMT T23146E35685330*17 31350270*TM2023052 6E356853300-100392 4721\	$28,039.67
May 31	REMOTE DEPOSIT	$51,466.87
May 31	REMOTE DEPOSIT	$540,137.43
May 31	CASH MGMT TRSFR CR REF 1511359L FUNDS TRANSFER FRM DEP XXXXXX4931 FROM	$579,793.52

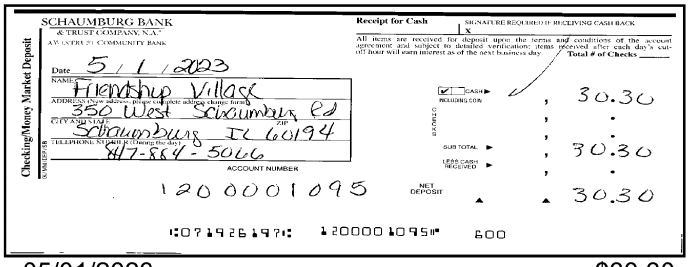
Daily Balances

Date	Balance	Date	Balance	Date	Balance	Date	Balance
Apr 30	$2,221,941.76	May 08	$455,133.26	May 16	$1,088,198.55	May 24	$1,724,563.07
May 01	$2,222,941.48	May 09	$849,004.08	May 17	$404,615.22	May 25	$1,704,342.75
May 02	$2,359,240.92	May 10	$889,761.77	May 18	$733,942.14	May 26	$1,376,813.37
May 03	$666,301.42	May 11	$1,009,288.81	May 19	$6,188,927.51	May 30	$1,378,258.75
May 04	$670,172.89	May 12	$1,126,305.29	May 22	$6,113,014.93	May 31	$1,420,007.52
May 05	$680,592.98	May 15	$1,127,300.49	May 23	$2,216,902.08		

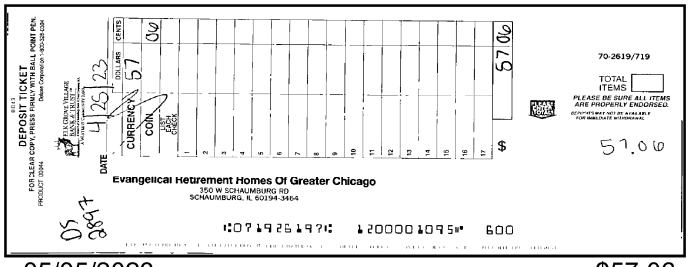
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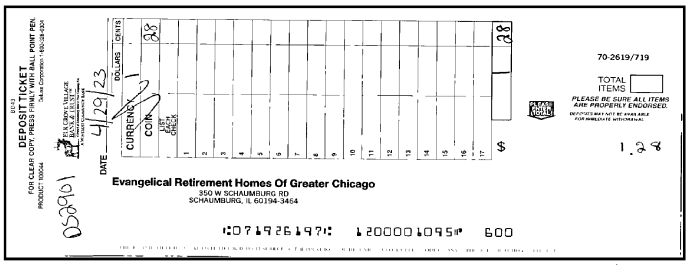
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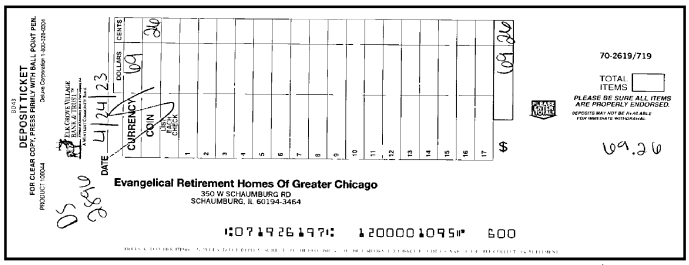
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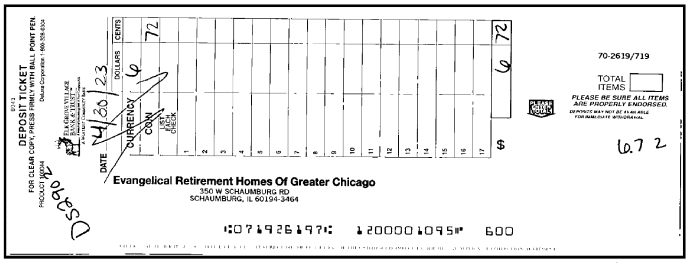
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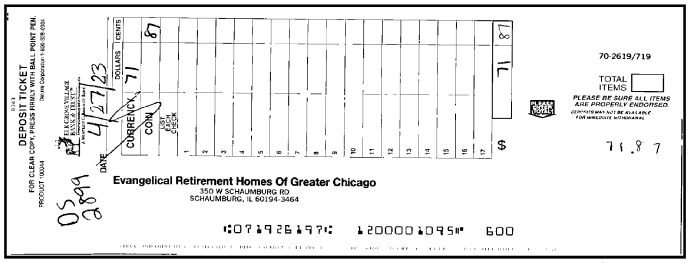
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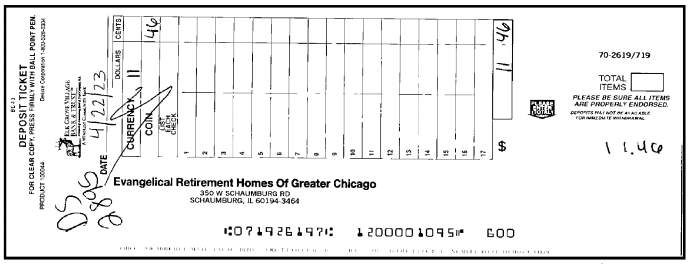
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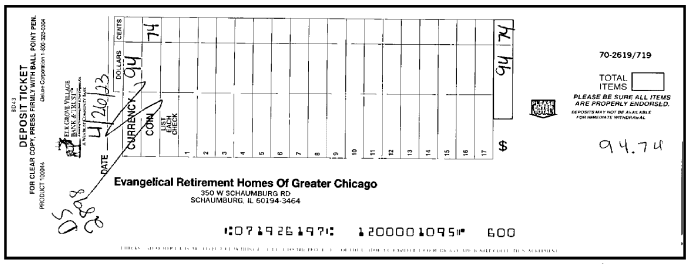
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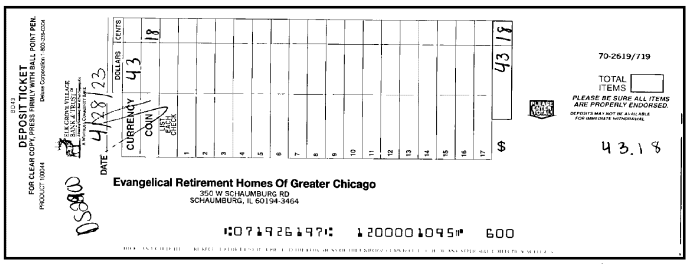
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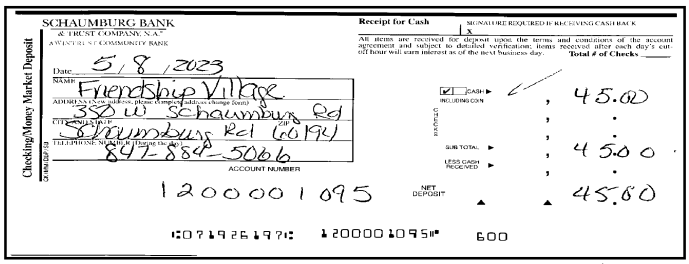
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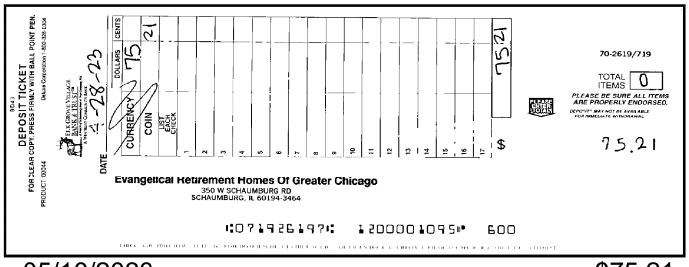
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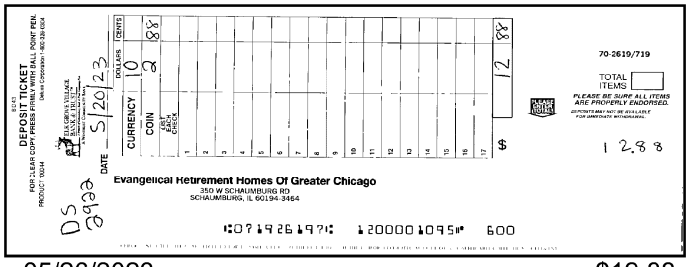
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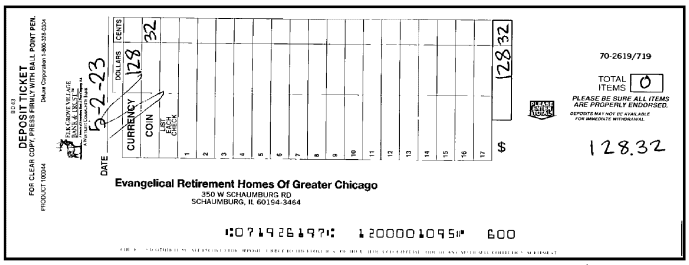
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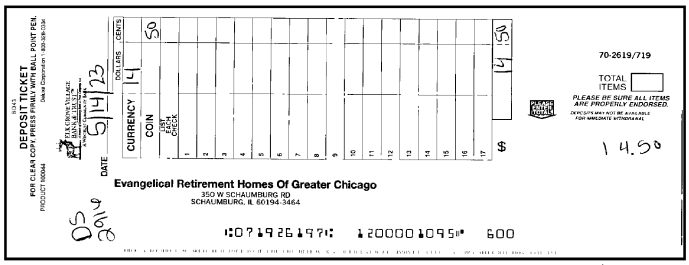
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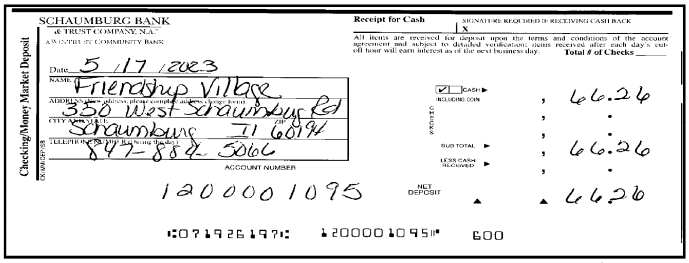
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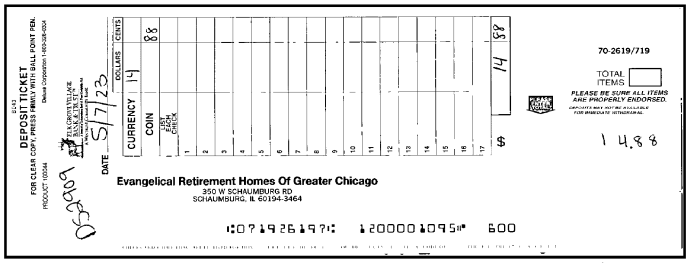
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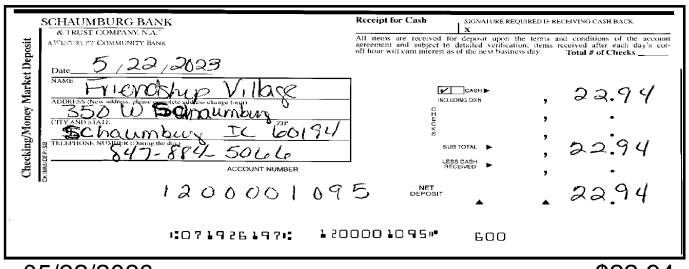
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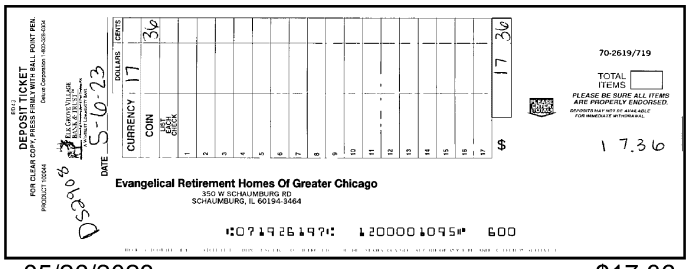
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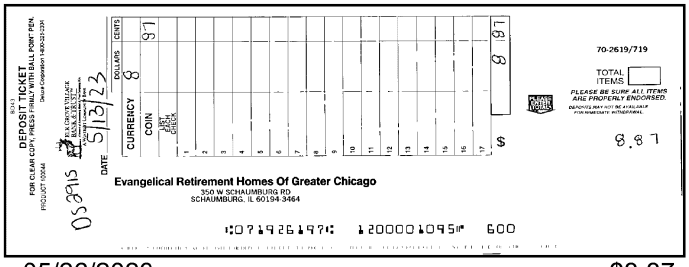
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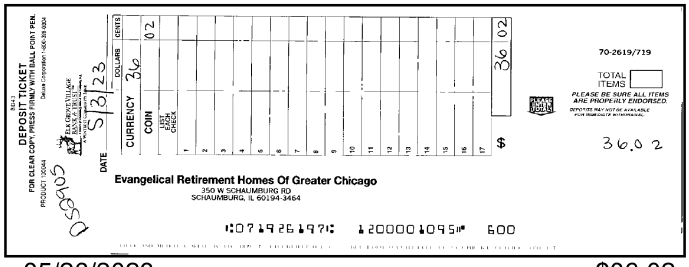
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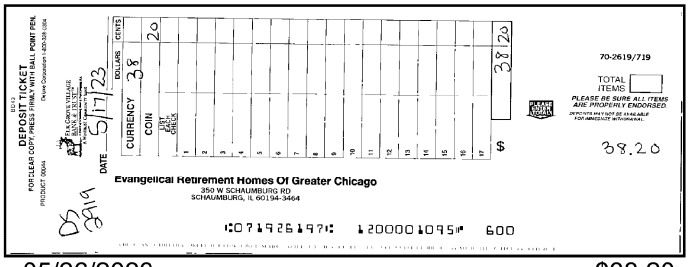
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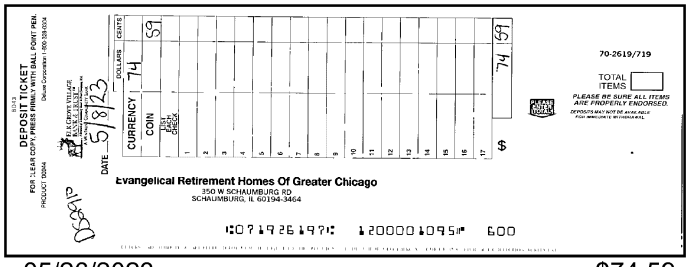
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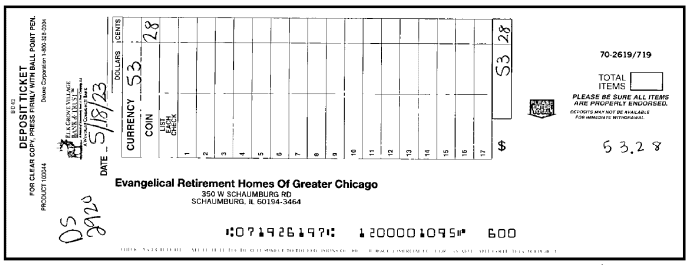
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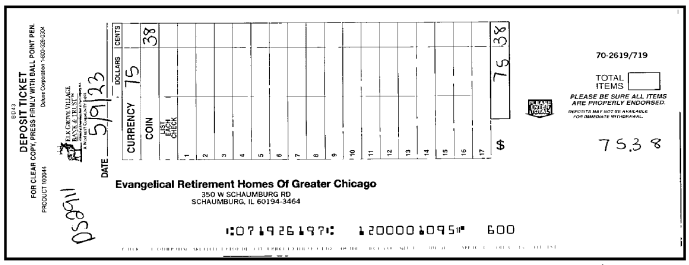
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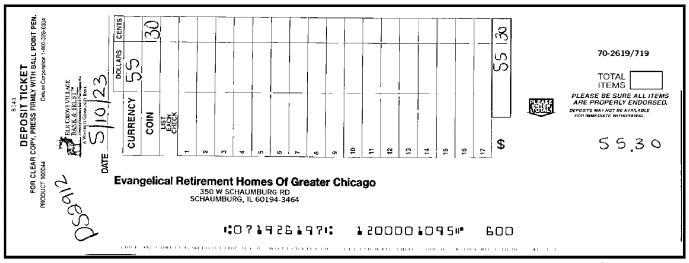
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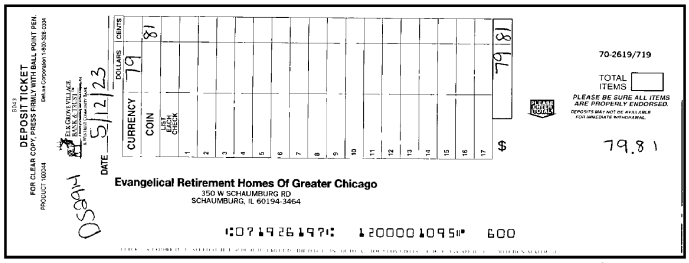
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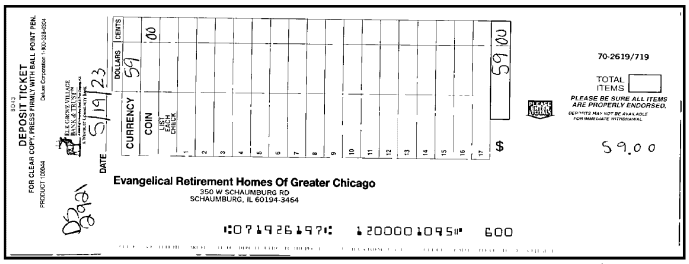
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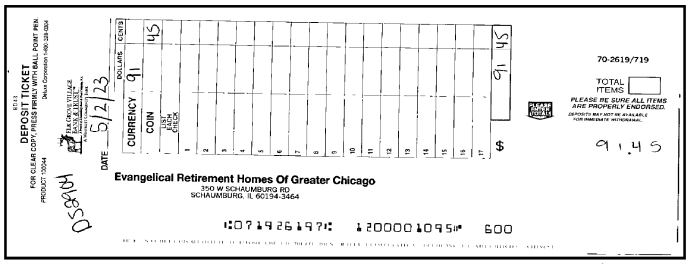
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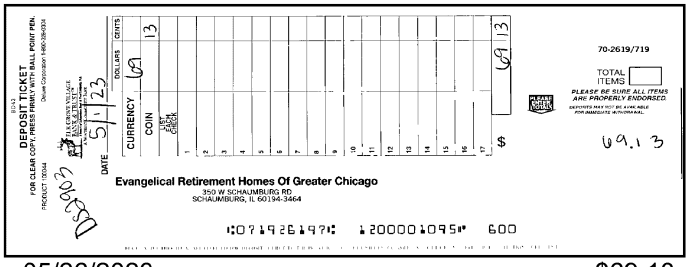
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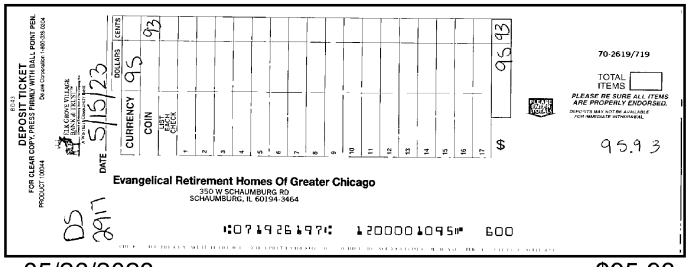
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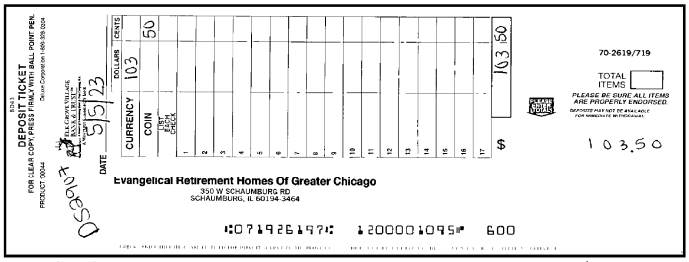


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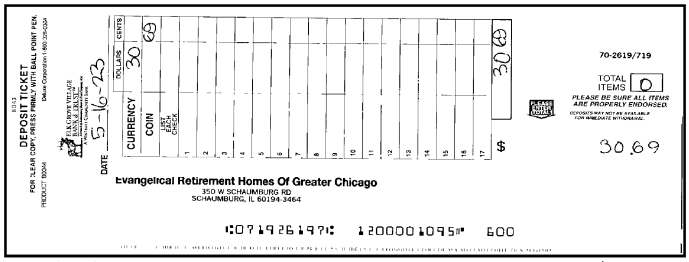
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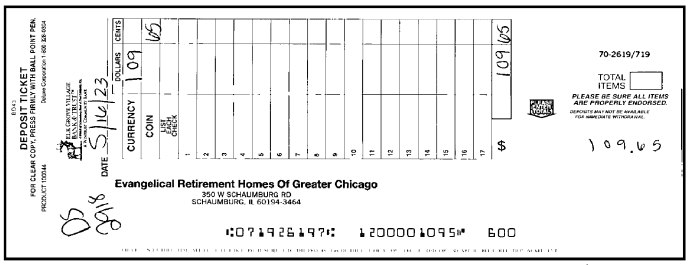
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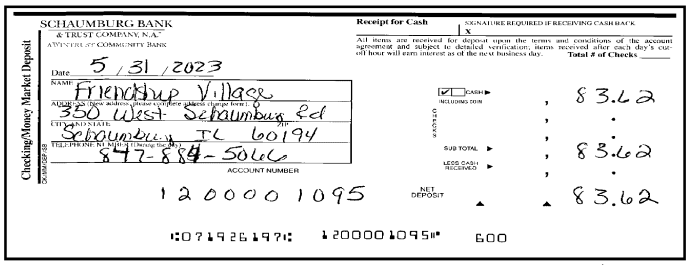
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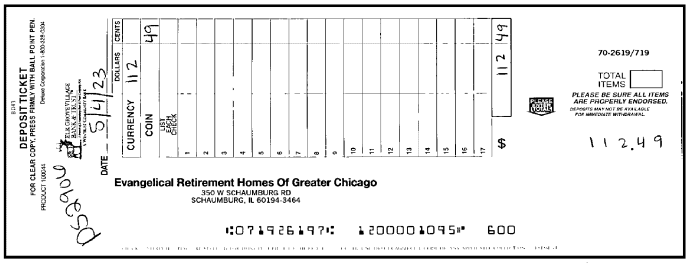
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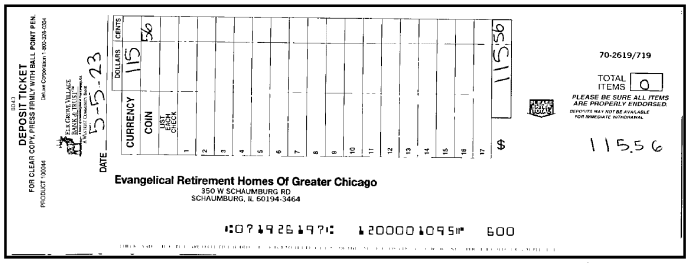
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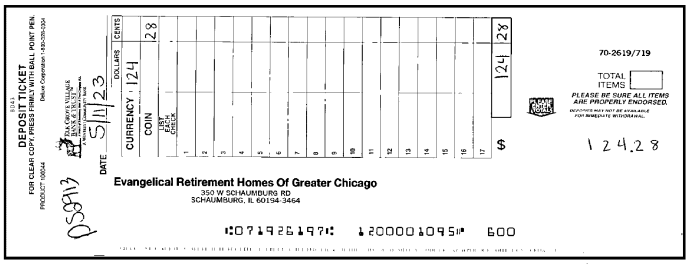
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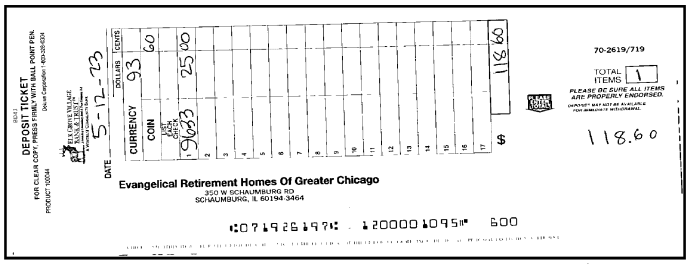
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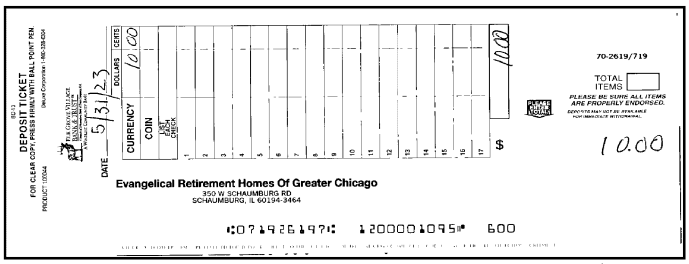
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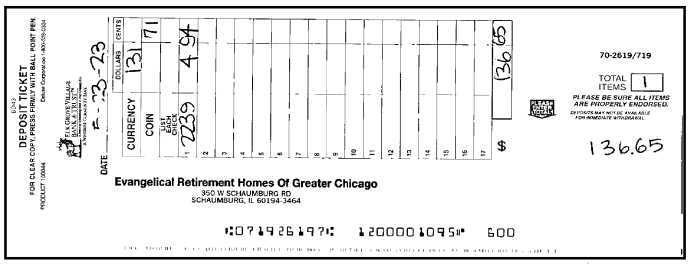
05/26/2023 $124.28



05/31/2023 $118.60



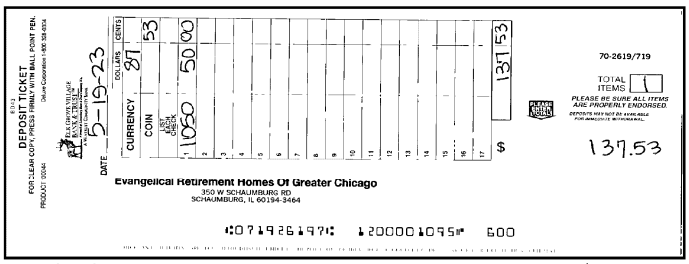
05/31/2023 $10.00



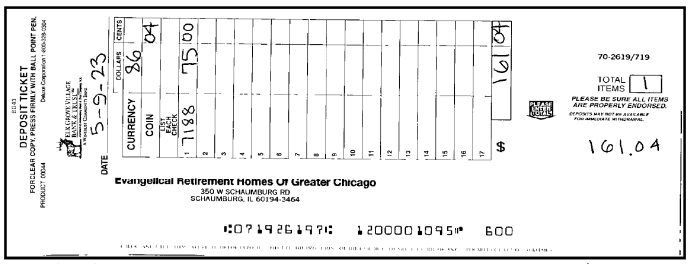
05/31/2023 $136.65

SCHAUMBURG BANK
& TRUST COMPANY, N.A.™
A WINTRUST COMMUNITY BANK
9801 W. Higgins, Box 32, Rosemont, IL 60018

Check Images for Account XXXXXX1095 (Continued)



05/31/2023 $137.53



05/31/2023 $161.04

858 0002614 0015-0015 0000000000000000

858 0002614 0015-0015 TWS318SB060123083818 01 L 0

EXHIBIT 33

SCHAUMBURG BANK & TRUST COMPANY, N.A.™

A WINTRUST COMMUNITY BANK

9801 W. Higgins, Box 32, Rosemont, IL 60018

Last Statement: April 30, 2023
Statement Ending: May 31, 2023
Page: 1 of 2

9819 TWS318SB060123083818 01 000000000 7 003

FRIENDSHIP SENIOR OPTIONS, NFP
OPERATING ACCOUNT
350 W SCHAUMBURG RD
SCHAUMBURG IL 60194-3464

9819 0028917 0001-0002 0000000000000000

Customer Service

Customer Support:
847-427-7808

Branch Hours of Operation:
Mon-Fri 8:30 am - 5:00 pm
Saturday 9:00 am - 1:00 pm

Customer Contact Center Hours:
Mon - Fri 7:00 am - 8:00 pm
Saturday 7:00 am - 5:00 pm

Access Your Account Online:
www.bankschaumburg.com

COMMERCIAL CHECKING — Account Number: XXXXXX0164

We routinely evaluate adjustments to our costs and plans for innovation and expanded capabilities. These investments will help us to continue to deliver the best products and services to help your business. As a result, on July 3, 2023 some fees for commercial business accounts will change. The impact on your organization will depend on the mix and volume of services you use. Please contact your banker or treasury management officer for additional information.

Balance Summary

Beginning Balance as of 05/01/23	**$528,168.55**
+ Deposits and Credits (10)	$3,948,126.31
- Withdrawals and Debits (16)	$943,721.90
Ending Balance as of 05/31/23	**$3,532,572.96**
Analysis or Maintenance Fees for Period	$0.00
Number of Days in Statement Period	31

Debits

Date	Description	Subtractions
May 03	CASH MGMT TRSFR DR REF 1231302L FUNDS TRANSFER TO DEP XXXXXX0202 FROM PR FDN	-$63.00
May 03	CASH MGMT TRSFR DR REF 1231302L FUNDS TRANSFER TO DEP XXXXXX0180 FROM PR BEN	-$4,702.10
May 03	CASH MGMT TRSFR DR REF 1231302L FUNDS TRANSFER TO DEP XXXXXX0199 FROM PR	-$83,120.42
May 08	CASH MGMT TRSFR DR REF 1261820L FUNDS TRANSFER TO DEP XXXXXX0172 FROM AP	-$9,196.00
May 10	CASH MGMT TRSFR DR REF 1300935L FUNDS TRANSFER TO DEP XXXXXX0172 FROM LOYOLA	-$12,900.00
May 16	CASH MGMT TRSFR DR REF 1360432L FUNDS TRANSFER TO DEP XXXXXX0172 FROM AP	-$13,801.37
May 17	CASH MGMT TRSFR DR REF 1371158L FUNDS TRANSFER TO DEP XXXXXX0202 FROM PR FDN	-$63.00
May 17	CASH MGMT TRSFR DR REF 1371158L FUNDS TRANSFER TO DEP XXXXXX0180 FROM PR BEN	-$4,468.45
May 17	CASH MGMT TRSFR DR REF 1371158L FUNDS TRANSFER TO DEP XXXXXX0199 FROM PR	-$82,030.86

BALANCE YOUR ACCOUNT

1. Check off (✓) checks appearing on your statement. Those checks not checked off (✓) should be recorded in the checks outstanding column below.

Checks/Withdrawals Outstanding

Check No.	Amount
TOTAL	

2. **Enter** the Bank Balance shown on this statement	
Add deposits made by you, but not shown on this statement.	
Subtotal	
3. **List** total of checks outstanding	
Subtract check total from above Subtotal	
	The number above should match your checkbook balance

Helpful Suggestions For Finding Differences

1. *Review last month's statement to make sure any differences were corrected.*
2. *Check addtions and subtractions in your checkbook.*
3. *Compare the amount of each check and deposit on this statement with the amount recorded in your checkbook.*
4. *Make sure all outstanding checks have been listed, including those that may not have been paid from the previous statement.*
5. *Make sure that any electronic fund transfers or automatic payments are recorded in your checkbook.*

Important Information

In Case of Errors or Questions About Your Electronic Transfers. Telephone us or write us using the telephone number or address listed on the front of this statement, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared.

- Tell us your name and account number (if any).
- Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. For consumer accounts, if we take more than ten (10) business days to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.

How Your Finance Charge (If Any) is calculated. If this statement includes billing information regarding a personal line of credit, the finance charge for each statement (loan) period is calculated by applying the applicable daily periodic rate(s) to the daily balances(including current transactions). To get daily balances, we take the beginning principle balance of your account each day, add any new loans or charges and subtract any payment or credits. Then, we multiply the daily balance each day of the statement period by the applicable daily periodic rate(s). We then add up all of these daily finance charges to get your total finance charge.

In Case of Errors or Questions About Your Personal Line of Credit (This is a Summary of Your Billing Rights). If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet at the address shown on the front of your statement as soon as possible. We must hear from you no later than sixty (60) days after we sent the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

SCHAUMBURG BANK & TRUST COMPANY, N.A.™
A WINTRUST COMMUNITY BANK
9801 W. Higgins, Box 32, Rosemont, IL 60018

Account Number: XXXXXX0164
Statement Date: 05/31/2023
Page : 2 of 2

9819 0028919 0002-0002 0000000000000000

Debits (Continued)

Date	Description	Subtractions
May 22	CASH MGMT TRSFR DR REF 1402012L FUNDS TRANSFER TO DEP XXXXXX0172 FROM AP	-$12,150.44
May 26	CASH MGMT TRSFR DR REF 1461538L FUNDS TRANSFER TO DEP XXXXXX0172 FROM AP	-$68,920.02
May 26	CASH MGMT TRSFR DR REF 1461352L FUNDS TRANSFER TO DEP XXXXXX0172 FROM GF ERC	-$554,234.43
May 31	CASH MGMT TRSFR DR REF 1511323L FUNDS TRANSFER TO DEP XXXXXX0202 FROM PR FDN	-$63.00
May 31	CASH MGMT TRSFR DR REF 1511323L FUNDS TRANSFER TO DEP XXXXXX0180 FROM PR BEN	-$4,468.45
May 31	CASH MGMT TRSFR DR REF 1511739L FUNDS TRANSFER TO DEP XXXXXX0180 FROM BENEFITS	-$14,753.73
May 31	CASH MGMT TRSFR DR REF 1511323L FUNDS TRANSFER TO DEP XXXXXX0199 FROM PR	-$78,786.63

Credits

Date	Description	Additions
May 03	CASH MGMT TRSFR CR REF 1231320L FUNDS TRANSFER FRM DEP XXXXXX0199 FROM PR 2	$218.59
May 08	CASH MGMT TRSFR CR REF 1261831L FUNDS TRANSFER FRM DEP XXXXXX0210 FROM MGMT FEE MAR	$42,500.00
May 08	CASH MGMT TRSFR CR REF 1261831L FUNDS TRANSFER FRM DEP XXXXXX0210 FROM MGMT FEE FEB	$42,500.00
May 08	CASH MGMT TRSFR CR REF 1261831L FUNDS TRANSFER FRM DEP XXXXXX0210 FROM MGMT FEE APR	$42,500.00
May 08	CASH MGMT TRSFR CR REF 1261831L FUNDS TRANSFER FRM DEP XXXXXX0210 FROM MGMT FEE MAY	$62,500.00
May 11	REMOTE DEPOSIT	$7,581.29
May 18	REMOTE DEPOSIT	$31.30
May 19	REMOTE DEPOSIT	$44,509.00
May 23	CASH MGMT TRSFR CR REF 1431755L FUNDS TRANSFER FRM DEP XXXXXX1095 FROM ERC	$3,684,637.05
May 25	WIRE TRANSFER IN INCOMING WIRE - CH ACCT#4200000164 CARING COMMUNITIES , A RECIPROCAL RI CLAIM #65478 CLAIM #65478	$21,149.08

Daily Balances

Date	Balance	Date	Balance	Date	Balance	Date	Balance
Apr 30	$528,168.55	May 11	$615,986.91	May 19	$560,163.53	May 25	$4,253,799.22
May 03	$440,501.62	May 16	$602,185.54	May 22	$548,013.09	May 26	$3,630,644.77
May 08	$621,305.62	May 17	$515,623.23	May 23	$4,232,650.14	May 31	$3,532,572.96
May 10	$608,405.62	May 18	$515,654.53				

9819 0028919 0002-0002 TWS318SB060123083818 01 L 7

EXHIBIT 34

From: Jeremy Johnson[jeremy.johnson@polsinelli.com]
Sent: Tue 5/2/2023 7:57:03 PM Coordinated Universal Time
To: Bobby Guy[BGuy@Polsinelli.com]
Cc: Trinitee Green[tggreen@polsinelli.com]; Jeremy Johnson[jeremy.johnson@polsinelli.com]
Sent on behalf of: Jeremy Johnson <jeremy.johnson@polsinelli.com>
Subject: FVS - ERC Eligibility and Ownership

I. ERC Eligibility

Trinitee had someone research the issue, didn't find any express prohibition in IRS materials stating that insolvency/bankruptcy makes you in eligible and found one case where the debtor and lender were fighting about who owned it. Also a panel with some Frost lawyers (check with Lutz maybe?) saying debtors could use ERC money to fund chapter 11 cases. So it seems we're in the clear that FVS likely won't be considered ineligible for the program (but hard to be 100%). Also, even if FVS were, FSO isn't going to file, so I think we're fine there.

II. ERC Ownership

On the one case mentioned above, it was just one debtor, so it was the simple issue of whether the ERC money constituted a general intangible under the loan docs. They briefed it (we have them), but settled it. My gut is that it's a general intangible that's likely part of Bleck's collateral package if it went directly to FVS.

Separate from the research, there are some analogs in the bank holding company space that we didn't dig into. I know from my past days on bank holding bankruptcy cases, there's always a fight when a tax return comes in because it comes into the holding company. Does it belong to the subsidiary bank (which the FDIC has usually taken over, sold the deposits and is liquidating) or the holding company? Those are different, usually hinges on a tax allocation agreement between the entities that we don't have here, but circuits are split on who gets it.

UMB may try and make some constructive trust argument or something.

We'll find out what Dan has to say tomorrow.

Jeremy Johnson
Shareholder
he / him

jeremy.johnson@polsinelli.com
T 646.289.6507 **M** 732.423.1148

Polsinelli PC, Polsinelli LLP in California

polsinelli.com

Visit ***The Devil's Dictionary*** website for an accurate and humorous description of sophisticated bankruptcy jargon.

EXHIBIT 35

From: Trinitee Green[tggreen@polsinelli.com]
Sent: Mon 7/24/2023 1:38:15 AM (UTC)
To: Dopkelaw LLC[bd@dopkelaw.com]
Cc: Jeremy Johnson[jeremy.johnson@polsinelli.com]
Subject: Re: a few concerns/questions about the DiP loan

Bruce,
I looked at our research relating to ERTC monies and discovered I was recalling research one of our associates did to consider whether acceptance of ERTC monies by a debtor or its non debtor affiliate could cause the debtor to be ineligible for bankruptcy protection. So I misremembered.

Jeremy and I connected and he reminded me that while we didn't find affirmative authority to say the funds are Not subject to UMB liens, we uncovered no authority that would support the position that they are.

So from my perspective this is good to if you want to move the ball forward with Clar on these issues.

Thanks,

Trinitee

Sent from my iPhone

On Jul 23, 2023, at 12:29 PM, Dopkelaw LLC <bd@dopkelaw.com> wrote:

EXTERNAL EMAIL bd@dopkelaw.com

Here's one that I was thinking of responding to. I'll give you the answers and then you let me know whether I should respond.

Bruce Dopke, Member
Dopkelaw LLC
1535 W. Schaumburg Road
Schaumburg, IL 60194
Tel: 847-524-4811
bd@dopkelaw.com

From: Scott Clar <sclar@cranesimon.com>
Sent: Friday, July 21, 2023 6:56 PM
To: Dopkelaw LLC <bd@DopkeLaw.com>
Subject: a few concerns/questions about the DiP loan

1. Is FSO being granted administrative priority?;

11 U.S.C. §364(b)

2. Is the source the ERC $, and isn't there an argument that these funds belong to the debtor?;

In the first place, we haven't seen any case authority to establish that the ERTC refunds should have gone to the Debtor instead of FSO, which unlike the Debtor, applied for the credit, was given the credit, was paid a refund for the credit. We know that the Bondholders are pushing to establish that the Bond Trust has a lien on the credits. You would think, after all the time we've been working with them, that they would have shown us some authority to consider. Frankly, we have a lot to do and finances are very tight, as your FA will eventually tell you.

3. The budget falls short for professional fees for the Committee in my opinion. My last look at our fees approximately a day ago revealed approximately $30,000 in services provided by my firm.

I'm sorry you feel that way. But you have $75,000 a month. I think I remember you telling me that $75,000 was a lot of money. And this is for a carve out. It should be good enough.

CONFIDENTIALITY NOTICE:

THIS EMAIL IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL TO WHOM IT IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED OR CONFIDENTIAL AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. IF THE READER OF THIS EMAIL IS NOT THE INTENDED RECIPIENT OR THE EMPLOYEE OR AGENT RESPONSIBLE FOR DELIVERING THE MESSAGE TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED.

IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY THE SENDER IMMEDIATELY VIA EMAIL OR BY TELEPHONE AND DELETE THE EMAIL IMMEDIATELY. THANK YOU.

EXHIBIT 36

From: Trinitee Green[tggreen@polsinelli.com]
Sent: Sat 1/6/2024 5:46:18 PM Coordinated Universal Time
To: Trinitee Green[tggreen@polsinelli.com]
Cc: Jeremy Johnson[jeremy.johnson@polsinelli.com]
Sent on behalf of: Trinitee Green <tggreen@polsinelli.com>
Subject: FVS/FSO - Notes (Jan 6 Call with Bruce, JJ, Doug and Cooley)

Jeremy, Trinitee, Bruce, Eric, [Doug]

Bruce wants to get in front of the board to let them know what we're doing. Eric says there have been recent FSO board meetings. Bruce wants to get in front of the FVS board to tell them what's been happening and he wants this meeting to occur quickly.

Not sure that FVS board members have a vote but we've been providing information to them so that they have ability to give suggestions and blessings to parent.

Eric says he understands that FVS does take action on behalf of FVS but Doug says FVS cannot do much on its own but makes recommendations to FSO board. And FSO board typically blesses those decisions.

Agenda?

- Demand letter from Bond Trustee
  - We have to tell them where they are incorrect and what we're willing to do.
- He's been noodling a term sheet for a liquidating plan
- 8 million interco liability has Bruce very concerned
  - If Mike Flynn and Jeff Nyberg just sat down without authority to eliminate a legitimate itnerco claim that FVS had against FSO, he's very nervous and we should consider a claim that would …

Jeremy

- Bond Trustee Letter – Dan has extended the response timeline to Jan. 9 at noon
  - We have confirmation from FSO that notice has been provided to insurance company; we disagree with allegations re ERTC funds but we can confirm that FSO provided notice to the carriers pursuant to your request for such confirmation.
    - **TGG to get draft to Bruce on Sunday morning**
  - We can easily deal with this and send it before the new, extended deadline
- Fraudulent Conveyance – not really an issue in their letter but we know it will come up in bankruptcy
  - How can we make sure that the FVS board get the information and be ready for our response when trustee files dec action re ownership of ERTC funds

Bruce

- Plan Term Sheet he drafted; he says we could satisfy the dec action claims by giving the ERTC funds to FVS
- A lot of assets
  - Cashflow from AR; Bond Trustee's collateral

Eric

- 3 issues in Bond Trustee Demand letter
  - ERTC
  - Interco claim – wiped away inappropriately
    - They reconciled the receivable and there is analysis to show why it was incorrect; this was done in connection with schedules and it was done at the direction of counsel so it has not been produced to Bond Trustee
  - D&O Claims
- Letter from Committee counsel
  - We have notified the insurance carrier as to the Committee letter AND UMB's letter
- Settlement Discussions with Committee to allocate value that FSO has for benefit of residents; term sheet has been finalized and agreement in principal has been reached
  - Settlement allocates net remaining assets of FSO
    - Waiver of DIP
    - Cash Contribution to Resident Trust
    - Remaining Net Assets will be combined with assets of Foundation to be held and used to support current residents going forward

Bruce

- Reconciliation to be provided to FVS counsel?
  - Do we have common interest?
  - Was Wyse involved in the reconciliation? Jeremy is going to look into this and ask whether he can support Bruce on this issue.

Jeremy

- Do need Bruce to get a meeting with FVS board so that he can't be caught saying he hasn't discussed this with his client; should call a meeting quick
  - Great if Bruce could say he has some understanding as to why the reconciliation went the way that it did
  - Bruce cannot be viewed as being a puppet to FSO
- Need to talk about what Bruce put together
- Letter from Bond Trustee and interco receivable in a way that is confidential

Eric

- FSO Board is prepared to go forward with a plan based on the deal struck with the Committee

Doug says the FVS Board would be informational.

- If we're asking for decisions to be made then we have to have the FSO board present

Trinitee G. Green
Shareholder

tggreen@polsinelli.com

Office: 214.397.0030

Cell: 713.679.4455

2950 N. Harwood, Suite 2100

Dallas, TX 75201

Direct: 312.463.6201

150 N. Riverside Plaza, Suite 3000
Chicago, IL 60606



Polsinelli PC, Polsinelli LLP in California

polsinelli.com

EXHIBIT 37

From: Trinitee Green[tggreen@polsinelli.com]
Sent: Tue 1/9/2024 11:08:53 PM Coordinated Universal Time
To: Trinitee Green[tggreen@polsinelli.com]
Sent on behalf of: Trinitee Green <tggreen@polsinelli.com>
Subject: FVS - Notes (Jan 9 Board Meeting with FVS)

Doug explained the background with FSO negotiating a settlement

- FSO waives $1 mm of DIP Facility to help fund the case to get us through plan confirmation
  - Creditors Committee wants a Residents Trustee put into place and a plan confirmed
- FSO gets to sign off on final plan
- $1.5 mm to former residents in a trust
- FSO and FSO Foundation to combine assets for current residents (around $600k with FSO Foundation)
- Releases for the benefit of FS) and Directors and Officers

Bond Trustee will object.

JJ says we don't know for sure the amount that FSO has.

- Whatever is left will be there to support the residents

Foundation

- Will anyone come back to her to ask for the $; not familiar with the foundation documents, but presumably it was provided to be used in a certain fashion and it will have to be used in accordance with the donor's intention and direction

FVS still exists and is the Debtor and the Board that has to make decisions on behalf of the Debtor; FSO has reserved powers over everything they do. This conversation is going to be a little delicate because they have fiduciary duties that are owed to creditors and residents. FSO has gone to the Committee and negotiated release of D&O Claims that they could pursue to get to insurance proceeds. FSO cut a deal because it's a nonprofit and not trying to preserve profit and we're going to cut a deal. That's the deal that Doug explained. The Committee has agreed to it. The Term Sheet is written as if FVS entered into the deal but FVS wasn't involved in those negotiations. So that's why we're here to have the conversation.

January 4 Letter from Bond Trustee

- They say they are convinced the funds are FVS property based on testimony from Mike Flynn
  - Mike Flynn said the intention was always to use the money for FVS or to give it to FVS. And, because ERTC monies were transferred to Greensfields in the deal.
- They say they think they have D&O Claims against FVS and FSO
- Intercompany Receivable – it was on the books as money that FSO owed FVS (about $8 mm)
  - Around the filing Mike Flynn and Jeff Nyberg reconciled the ledger account and determined it wasn't a liability actually owed
- Letter said we need to put insurance carrier on notice; we responded saying we already did.

The ERTC Claims are garbage and we're not engaging with them on this. We looked at the tax records and analysis and our research and analysis shows that FSO owns the funds.

Bruce says that we should send them his letter that he sent to the Bond Trustee

Jean: Moved to support the plan settlement that has been proposed by FSO to the Committee and accepted by the Committee. Kathy and Mary voted in favor.

Trinitee G. Green
Shareholder

tggreen@polsinelli.com

Office: 214.397.0030
Cell: 713.679.4455
2950 N. Harwood, Suite 2100
Dallas, TX 75201

Direct: 312.463.6201
150 N. Riverside Plaza, Suite 3000
Chicago, IL 60606



EXHIBIT 38

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

IN RE:	)	Chapter 11
	)	
EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INCORPORATED d/b/a FRIENDSHIP VILLAGE OF SCHAUMBERG,	)	Case No. 23-07541
	)	
Debtors.	)	

REMOTE VIDEOTAPED DEPOSITION OF
JEAN SCHLINKMANN

TAKEN: April 9, 2024
TIME: 4:00 p.m.

STENOGRAPHICALLY REPORTED BY:
Brandi Bigalke, RPR, RSA, CSR NO. 084-4870

sheets?

MR. DOPKE: Objection; form.

THE WITNESS: Yes.

BY MR. SCHOEN:

Q. Sorry, I didn't hear your answer.

A. Yes.

Q. So was it concerning to you when you learned that when Mr. Flynn came out in January of 2024 and said, Actually, we looked back at those intercompany balances and we think they were way off, and we just, we reconciled them and now we have a number that's at least $8.5 million different than it was before?

MR. DOPKE: Objection. And false premise.

THE WITNESS: Yes.

BY MR. SCHOEN:

Q. You said it was concerning to you. What did you do about that concern?

A. There were -- so there may have been questions asked and answered, and they were satisfactory to me.

Q. Do you recall any questions that were asked?

A. I do not recall.

had received from the government on account of salary expenses that were paid by FVS?

MR. DOPKE: Objection; form.

THE WITNESS: I'm sorry, could you repeat that, please.

BY MR. SCHOEN:

Q. Do you recall any discussion within the FVS board about the fact or about the fact that the bond trustee was asserting that the debtor should bring a claim against FSO to seek to recover the ERTC monies that FSO had received from the government on account of salary expenses that were paid by FVS?

MR. DOPKE: Objection; form.

THE WITNESS: I recall there was a discussion, yes.

BY MR. SCHOEN:

Q. When did that discussion take place?

A. Within the last six months.

Q. Do you think it was at the same time as that January 2024 meeting you described where the intercompany balances were discussed, or was it prior to that?

A. I don't recall.

Q. Do you recall who brought up the

issue?

A. Not specifically, no.

Q. Do you recall whether the board of FVS was asked to vote or weigh in in some way on whether the debtor should pursue those funds from FSO?

A. I don't recall.

Q. Okay. Do you recall anything that the board discussed about the ERTC credit issue?

A. Just that it would help with staff payroll and operations.

Q. If those funds were received, it would help FVS with those things?

A. Yes.

Q. And did that in fact happen?

A. I believe it did.

Q. Well, do you know whether the ERTC funds were in fact received?

A. I believe they came in, not all at once, but they came in in two chunks of money.

Q. A small amount in 2022 and then larger amounts in 2023, does that ring --

A. That sounds right.

Q. Do you know what FSO did with the funds it received in 2022?

C E R T I F I C A T E

STATE OF MINNESOTA:

: SS.:

COUNTY OF HENNEPIN:

BE IT KNOW, that I, Brandi N. Bigalke, RPR, RSA, Stenographic Court Reporter, do hereby certify that the foregoing transcript of JEAN SCHLINKMANN, in the matter of In Re: EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INCORPORATED d/b/a FRIENDSHIP VILLAGE OF SCHAUMBERG, is true, correct and accurate;

That said transcript was prepared under my direction and control from my stenographic shorthand notes taken on the 9th day of April, 2024;

That I am not related to any of the parties in this matter, nor am I interested in the outcome of this action;

That the cost of the original has been charged to the noticing party, and that all parties who ordered copies have been charged at the same rate for such copies;

That any copy of this transcript obtained from a source other than the court reporting firm, including from the adversary or co-counsel in the matter, is uncertified and may not be used at trial.

WITNESS MY HAND AND SEAL this 9th of April, 2024.

Brandi N. Bigalke, RPR

Brandi N. Bigalke, RPR, RSA, CSR
CSR License No. 84-004870

EXHIBIT 39

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

IN RE:	)	Chapter 11
	)	
EVANGELICAL RETIREMENT HOMES	)	
OF GREATER CHICAGO,	)	No. 23-07541
INCORPORATED d/b/a FRIENDSHIP	)	
VILLAGE OF SCHAUMBURG,	)	
	)	
Debtor.	)	

VIDEO RECORDED DEPOSITION OF
MARY ROONEY SHEAHEN

April 5, 2024
3:13 p.m. CST

Taken via Zoom by agreement

Anton Evangelista, Videographer
Diana G. Rodriguez, Certified Shorthand Reporter

accords with your memory but it filed for Chapter 11 on June 9 of 2023, does that sound familiar?

A Sounds familiar.

Q And do you recall when the ERTC tax credit was received by FSO whether it paid it through to FVS as you had expected when you sent this email to Senator Durbin's office or whether FSO kept the money itself?

A I think the money sits within FSO is my understanding as the parent.

Q Right. But you had expected when you sent the email to Senator Durbin that if the ERTC money came in that FSO would pass that money through to FVS since FVS had paid the salary expenses that gave rise to the ERTC credit in the amount of the $7.2 million, correct?

MR. DOPKE: Objection, form.

BY THE WITNESS:

A I believed that would be the case.

BY MR. SCHOEN:

Q But that's not what happened because once the money came in, FSO kept the money and didn't give it to FVS.

MR. DOPKE: Objection, form.

BY THE WITNESS:

A Are you asking me a question or stating?

BY MR. SCHOEN:

Q I'm asking are you aware that's what happened that, in fact, when the money came in FSO didn't pay the money to FVS and instead kept it for itself and then loaned some of it to FVS for interest.

A I don't know if I would have called it a loan but FSO is where the money comes from, right?

Q Did you make any inquiry as a board member of FVS as to why the tax credit that was received wasn't passed through to FVS as you fully expected to happen before the credit was paid?

A Still I'm not following you here.

Q So do I understand that FSO was the one who applied for the tax credit on behalf of its constituent entities including FVS and its other main affiliate at the time Greenfields, you're familiar with Greenfields?

A Yes, I am.

MR. DOPKE: Objection to part of that.

BY MR. SCHOEN:

Q So you understood that FSO submitted -- FSO as the common pay master had these employees on-site at FVS and at Greenfields and it would charge the affiliates where those employees were housed for

the salary expense for those employees and those affiliates would pay that money to FSO and then your expectation was that when the tax credit came in that the tax credit would go back to offset the costs that those affiliates had paid and that's why you told Senator Durbin's office, hey, if we get this tax credit that will be $7.6 million that will go into FVS and it will really help us with liquidity, it's really important we get the money soon. That's what your expectation was when you sent that email, right?

MR. DOPKE: Objection for the speech.

BY THE WITNESS:

A FSO and FVS have always worked very closely together during my tenure so I expected that FSO would do what it needed to do for FVS with the money appropriated. I don't know what else to say.

BY MR. SCHOEN:

Q You understand that FVS is now in bankruptcy, right?

A I do understand that.

Q And FSO is not. Correct?

A Correct.

Q So do you understand that as a board member of FVS you have certain duties to maximize the

C E R T I F I C A T E

I, Diana G. Rodriguez, a Certified Shorthand Reporter do certify that heretofore said witness appeared before me produced as a witness for examination in said cause.

I further certify that the said witness was by me first duly sworn to testify the truth, the whole truth, and nothing but the truth in the cause aforesaid before the taking of the deposition; that the testimony was reduced to writing by means of machine shorthand and afterwards transcribed into typewriting via computer-aided transcription under my personal direction; and that the foregoing is a true and correct record of the testimony given by said witness.

I further certify that my certificate annexed hereto applies to the original transcript and copies thereof, signed and certified under my hand only. I assume no responsibility for the accuracy of any reproduced copies not made under my control or direction.



Diana G. Rodriguez, CSR

CSR No. 084-002945

EXHIBIT 40

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

In re:

EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INCORPORATED d/b/a FRIENDSHIP VILLAGE OF SCHAUMBURG,

Debtor.

Chapter 11

Case No. 23-07541

~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~

REMOTE VIDEO DEPOSITION OF

KATHLEEN RIVERA

April 15, 2024

3:30 p.m.

Stenographically Reported By:

Deanna Amore - CRR, RPR, CSR - 084-003999
~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~

A. I don't remember. I'm sorry. It was a long time ago.

Q. Are you aware that on May 26, 2023, FVS posted financial statements on the EMMA database, which is a database that provides information to securities holders, showing that FVS had an asset called "due from affiliates" of $8.9 million?

Do you recall knowing that?

A. No.

Q. Do you recall ever having any discussion at the board level about the intercompany balances between FSO and FVS and who owed who money?

A. If it was on the agenda, we discussed it, but right now I can't recall specifically what you're asking.

Q. Do you recall during 2023 there being a substantial adjustment in the balance sheet of FSO and FVS where an intercompany liability from FSO to FVS was reduced by over $8 million? Does that ring a bell at all?

A. The numbers rings a bell, but I'm sorry, I can't recall specifically what you're asking. Sorry. It was over a year ago.

Q. What $8 million number rings a bell to you?

A. Just the number. Just the number. I'm sorry.

Q. Do you remember the board having a discussion how was it that FVS owed us $8.9 million and now all of a sudden they only owe us $328,000? Where did the other $8.5 million go?

MR. DOPKE: Objection. Form.

THE WITNESS: All I can say is I don't remember what specifically you're asking at the time, what that was -- when that came into the conversation.

BY MR. SCHOEN:

Q. Do you recall ever learning that the bond trustee who represents the bondholder that financed FVS had suggested that it was requested that the debtor bring a claim against FSO for the ERTC funds relating to payroll expenses that were funded by FVS? Do you recall hearing that?

MR. DOPKE: Objection. Form.

THE WITNESS: No.

BY MR. SCHOEN:

Q. Do you recall any discussion happening about any decision under consideration by the board as to whether to explore a potential claim against FSO relating to the -- any ERTC funds?

MR. DOPKE: Objection. Form.

THE WITNESS: No.
BY MR. SCHOEN:
Q. Do you recall any discussion at the board level with FVS about whether or not FVS might have potential claims against FSO or any of its officers or directors relating to the write-down of intercompany liabilities from FSO to FVS that occurred during 2023?
MR. DOPKE: Objection. Form.
THE WITNESS: All I can say is, at this moment, I don't recall.
BY MR. SCHOEN:
Q. Just don't recall anything on that topic at all?
A. I know it was discussed, but if you're asking me for details right now, I can't give you the details because I just -- I just don't remember, but I know that it was on one of our agendas, and it was -- we always discussed everything very thoroughly and given all kinds of information at the time and answered all questions that we, as board members, had at the time, and were satisfied.
Q. But sitting here today, you don't remember any discussion that happened about any intercompany

balances between FSO and FVS and any potential claims that FVS might have as a result; is that right?

A. You know, I don't recall the details. Sorry. I just don't.

Q. I'm asking if you recall anything. When you say you "don't recall details," that seems to suggest you recall something. So what do you recall?

A. Well, all I remember is that whenever those numbers came to us as board members, I, as chairman, always asked the questions what was the best benefit to our residents because we knew that the residents were going to get shortchanged, and I always, as a board member, wanted the surety that our residents came first, and those were heavy topics of conversation at the time. That's what I recall.

Q. So if management had come to you and said, "Hey, our balance sheet showed that FSO owes FVS, you know, $8.8 million, but if we just reduce that by $8 and a half million, we can route that money to the residents and the former residents," that would be okay with you?

MR. DOPKE: Objection. Form. Hypothetical.

THE WITNESS: I don't have an answer for that.
BY MR. SCHOEN:
Q. Okay. So you don't recall anything like that happening where somebody said, "We've got to make this adjustment to the intercompany balances, but it's good for residents. So you should sign off on it"?
MR. DOPKE: Objection. False premise. Form.
THE WITNESS: Why -- what I know is that our FVS board was always putting our residents first. That was our main goal, and that's as -- I was a very vocal board member, as other board members can attest. I always had serious questions. My questions were answered and qualified, and I was satisfied as long as I knew our residents came first.
BY MR. SCHOEN:
Q. Do you remember residents coming first coming up in any discussion of the intercompany balances or the ERTC credits at the board level?
A. I don't recall right now, no.
Q. Are you aware that there is a proposed settlement that's been entered into between FSO and FVS, and the unsecured creditors' committee that's being submitted to the court for approval as part

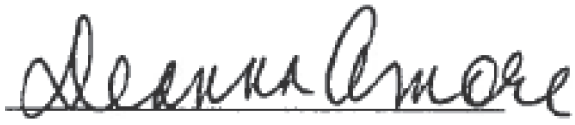
C E R T I F I C A T E

I, DEANNA AMORE, a Shorthand Reporter and notary public, within and for the State of Illinois, County of DuPage, do hereby certify:

That KATHLEEN RIVERA, the witness whose examination is hereinbefore set forth, was first duly sworn by me and that this transcript of said testimony is a true record of the testimony given by said witness.

I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of April 2024.



Deanna M. Amore, CRR, RPR, CSR

EXHIBIT 41

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

In re:	)	
	)	Chapter 11
EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INCORPORATED d/b/a FRIENDSHIP VILLAGE OF SCHAUMBURG,	)	Case No. 23-07541
Debtor.	)	

Videotaped deposition of CLARK DELANOIS, taken remotely before NADINE J. WATTS, CSR, RPR, and Notary Public, pursuant to the Federal Rules of Civil Procedure for the United States District Courts pertaining to the taking of depositions, commencing at 2:33 p.m. Central Daylight Time on the 8th day of April, A.D., 2024.

the value of the claims being released?

MR. SCHOEN: Q Sure. Was there any discussion in your presence by the FVS board members or any questions asked to you by the FVS board members about what are the claims that are being released and what's their potential value?

MR. WALKER: I'll just object on privilege grounds and instruct the witness not to answer to the extent it would require -- let me finish my objection please -- require you to divulge information, either legal advice that was asked of counsel or legal advice that was given by counsel, with respect to potential litigation claims, the value of those claims, or the releases of the settlement.

MR. SCHOEN: Q And that's why I qualified my question by saying any questions that they asked of you or of the board members of each other in your presence. I didn't ask what they asked counsel.

A Most of the questions, if not all, were to counsel.

Q So you can't recall a single question that was asked of you during the meeting?

A No.

Q Can you recall anything specifically that you

said during the meeting about the proposed settlement term sheet?

A No.

MR. WALKER: Larry, do you have a sense of how much longer you may have? I know Mr. Delanois has a work commitment that starts here pretty soon.

MR. SCHOEN: I think you're going to like my answer.

MR. WALKER: I picked the right time to ask.

MR. SCHOEN: Just give me one second.

MR. WALKER: Yep.

MR. SCHOEN: I don't have anything further. Thank you very much for your time, Mr. Delanois.

THE WITNESS: All right. Thank you.

MR. WALKER: Are we off the record?

MR. SCHOEN: Yes.

MR. WALKER: Very good.

THE VIDEOGRAPHER: We are off the record at 4:49 p.m., and this concludes today's testimony given by Clark Delanois. The total number of media units used was two and will be retained by Veritext.

STATE OF ILLINOIS)
) SS:
COUNTY OF C O O K)

The within and foregoing deposition of the aforementioned witness was taken before NADINE J. WATTS, CSR, RPR and Notary Public, at the place, date and time aforementioned.

There were present during the taking of the deposition the previously named counsel.

The said witness was first duly sworn and was then examined upon oral interrogatories; the questions and answers were taken down in shorthand by the undersigned, acting as stenographer and Notary Public; and the within and foregoing is a true, accurate and complete record of all of the questions asked of and answers made by the forementioned witness, at the time and place hereinabove referred to.

The signature of the witness was not waived, and the deposition was submitted, pursuant to Rules 30(e) of the Rules of Civil Procedure for the United States District Courts, to the deponent per copy of the attached letter.

The undersigned is not interested in the within case, nor of kin or counsel to any of the parties.

Witness my official signature and seal as Notary Public in and for Cook County, Illinois on this 9th day of April, A.D. 2024.



NADINE J. WATTS, CSR, RPR
License No. 084-002736
Notary Public
One North Franklin Street
Suite 3000
Chicago, Illinois 60606
Phone: (312) 442-9087

EXHIBIT 42

Fill in this information to identify the case:

Debtor Evangelical Retirement Homes of Greater Chicago, Inc., ...

United States Bankruptcy Court for the District of Northern District of Illinois

Case number 23-07541

Official Form 410

Proof of Claim 04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) **that you received.**

Part 1: Identify the Claim

1. **Who is the current creditor?**

Friendship Senior Options, NFP, an Illinois not-for-profit corporation

Name of the current creditor (the person or entity to be paid for this claim)

Other names the creditor used with the debtor

2. **Has this claim been acquired from someone else?**

☐ No

☐ Yes. From whom?

3. **Where should notices and payments to the creditor be sent?**

Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)

See Additional/Expanded Creditor Address(es) page:

Where should notices to the creditor be sent?	Where should payments to the creditor be sent? (if different)
Friendship Senior Options, NFP, an Illinois not-for-profit corporation ... C/O Cooley LLP 110 N. Wacker Drive Suite 4200 Chicago, IL 60606 United States **P:** (312) 881-6500 **E:** ewalker@cooley.com	Friendship Senior Options, NFP, an Illinois not-for-profit corporation ... Finance Department 350 W. Schaumburg Road Schaumburg, IL 60194 United States **P:** (847) 884-5007 **E:** mike.flynn@myfso.org

Uniform claim identifier for electronic payments in chapter 13 (if you use one):

4. **Does this claim amend one already filed?**

☑ No

☐ Yes. Claim number on court claims registry (if known) Filed on MM/DD/YYYY

5. **Do you know if anyone else has filed a proof of claim for this claim?**

☑ No

☐ Yes. Who made the earlier filing?

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. **Do you have any number you use to identify the debtor?**
   - [x] No
   - [ ] Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____

7. **How much is a claim?** 215,354.73 Does this amount include interest or other charges?
   - [x] No
   - [ ] Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. **What is the basis of the claim?**
   Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card
   Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
   Limit disclosing information that is entitled to privacy, such as health care information.

   See attached addendum

9. **Is all or part of the claim secured?**
   - [x] No
   - [ ] Yes. The claim is secured by a lien on property

   Nature of property
   - [ ] Real estate. If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A)with this Proof of Claim.
   - [ ] Motor vehicle.
   - [ ] Other. Describe: _____

   Basis for perfection: _____

   Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

   Value of property: _____

   Amount of the claim that is secured: _____

   Amount of the claim that is unsecured: _____ (The sum of the secured and unsecured amounts should match the amount in line 7.)

   Amount necessary to cure any default as of the date of the petition: _____

   Annual Interest Rate (when case was filed) _____ %
   - [ ] Fixed
   - [ ] Variable

10. **Is this claim based on a lease?**
    - [x] No
    - [ ] Yes. Amount necessary to cure any default as of the date of the petition. $ _____

11. **Is this claim subject to a right of setoff?**
    - [x] No
    - [ ] Yes. Identify the property: _____

12. **Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?**

A Claim may be partly priority and partly nonpriority.For example, law limits the amount entitled to priority.

		Amount entitled to priority
☑	No	
☐	Yes. Check one:	
☐	Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	
☐	Up to $3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	
☐	Wages, salaries, or commissions (up to $15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4)	
☐	Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	
☐	Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	
☐	Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.	

*Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box

- ☐ I am the creditor.
- ☑ I am the creditor's attorney or authorized agent.
- ☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
- ☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this Proof of Claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt

I have examined the information in this Proof of Claim and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date & time 10/13/2023 at 02:16 pm PT
MM / DD / YYYY HH : MM

/s/Mike Flynn
Signature

Print the name of the person who is completing and signing this claim:

Name: Mike (First Name) | (Middle Name) | Flynn (Last Name)

Title: Chief Executive Officer

Company: Friendship Senior Options, NFP, an Illinois not-for-profit corpor...
Identify the corporate servicer as the company if the authorized agent is a servicer

Address: 350 W. Schaumburg Road
Number Street

Schaumburg | IL | 60194
City | State | ZIP Code

Contact phone: 8478845007

Email: mike.flynn@myfso.org

Additional/Expanded Creditor Address(es):

Primary Address (Expanded)
Friendship Senior Options, NFP, an Illinois not-for-profit corporation
C/O Cooley LLP
110 N. Wacker Drive
Suite 4200
Chicago, IL 60606
United States
Phone: (312) 881-6500
ewalker@cooley.com

Distribution Address (Expanded)
Friendship Senior Options, NFP, an Illinois not-for-profit corporation
Finance Department
350 W. Schaumburg Road
Schaumburg, IL 60194
United States
Phone: (847) 884-5007
mike.flynn@myfso.org

Fill in this information to identify the case:
Debtor & Case No.: Evangelical Retirement Homes of Greater Chicago, Inc. dba Friendship Village of Schaumburg (23-07541)
United States Bankruptcy Court for the Northern District of Illinois

ADDENDUM TO PROOF OF CLAIM OF FRIENDSHIP SENIOR OPTIONS, NFP, AN ILLINOIS NOT-FOR-PROFIT CORPORATION

1. The proof of claim to which this addendum is attached (this "Proof of Claim") is supplemented by the following:

2. Evangelical Retirement Homes of Greater Chicago, Inc. d/b/a Friendship Village of Schaumburg (the "Debtor") and Friendship Senior Options, NFP, an Illinois not-for-profit corporation ("Claimant") are parties to that certain Exclusive Administrative Services and Personnel Lease Agreement, dated as of November 13, 2017 (the "Management Agreement"). A copy of the Management Agreement is annexed hereto as **Exhibit 1**.

3. Pursuant to the Management Agreement,[1] Claimant agreed to provide the Debtor with certain management and administrative services and lease clinical and non-clinical personnel employed or independently contracted by Claimant needed by the Debtor in connection with the Debtor's operations (the "Administrative Services"). As consideration for the Administrative Services, the Debtor agreed to pay Claimant an amount equal to 15.63 percent of the Debtor's annual "Operating Expenses" excluding depreciation, amortization, and interest expenses. As set forth in the Management Agreement, "Operating Expenses" include expenses incurred by Claimant related to Personnel payroll, benefits, and other expenses; insurance; license fees; equipment; supplies; maintenance fees; vendor fees; services fees; and any other costs or expenses incurred to operate the Debtor's day-to-day operations. However, the Operating Expenses do not include payroll, benefits, or other expenses incurred by Claimant related to Management

[1] Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Management Agreement.

Personnel. Additionally, all expenses incurred by Claimant in connection with the Administrative Services are to be paid by the Debtor within 10 days of receiving an invoice from Claimant (the "Administrative Expenses").

4. On June 9, 2023 (the "Petition Date"), the Debtor filed a voluntary petition in this Court, commencing a bankruptcy case under Chapter 11 of the United States Bankruptcy Code. Claimant has calculated that, as of the Petition Date, Claimant was owed $215,354.73 on account of the Management Fees and Administrative Expenses.[2] Accordingly, Claimant has an unsecured claim against the Debtor in the amount of $215,354.73.

5. This Proof of Claim is filed pursuant to Bankruptcy Rule 3003 and under the compulsion of the *Order and Notice Granting Amended Motion to Set Last Day to File Proofs of Claim* [ECF No. 148], in order to protect Claimant from forfeiture of its claims. As such, this Proof of Claim does not constitute a waiver by Claimant of any rights under any subsequently confirmed plan of reorganization or otherwise. In addition, the filing of this Proof of Claim does not constitute, is not intended to be and should not be deemed or construed as (i) a consent by Claimant to the jurisdiction of any court, including, without limitation, with respect to any counterclaims or related claims brought or otherwise asserted by any person relating to the subject matter of the claims set forth in this Proof of Claim, including, without limitation, in any other proceeding commenced with respect thereto or any other proceeding otherwise involving Claimant and including, without limitation, any counterclaim or other proceeding asserted or brought against Claimant in which any such court does not have the constitutional authority to enter a final order or judgment without the consent of Claimant; (ii) a waiver of any procedural or substantive defense or right with respect to any claim that may be asserted against Claimant in any case; (iii) a waiver

[2] Supporting documentation for the basis of this amount can be made available upon request of the Court or parties with standing to contest the validity and amount of this Proof of Claim.

of any of Claimant's rights and remedies against any other person or entity who may be liable for all or part of the claims set forth herein, whether an affiliate of the Debtor, an assignee, a guarantor, or otherwise; (iv) a waiver of any obligation owed to Claimant, or any right to any security that may be determined to be held by it or for its benefit; (v) a waiver of any of Claimant's rights in connection with the "DIP Obligations" pursuant to Sections 3.6 and 4.l of the *Order Granting Debtor's Motion for Entry of an Order (I) Authorizing the Debtor to Obtain Unsecured Postpetition Financing; (II) Modifying the Automatic Stay; and (III) Granting Related Relief* (ECF No. 205); (vi) an election of remedies (including, but not limited to, an election of remedies that waives or otherwise affects any other remedies); (vii) consent by Claimant to the treatment of any non-core claim against it as a core claim; (viii) a waiver of the right to move to withdraw the reference with respect to the Proof of Claim or otherwise, including, without limitation, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced against or otherwise involving Claimant; (ix) a waiver of any right to the subordination, in favor of Claimant, of indebtedness or liens held by other creditors of Debtor or its affiliates; (x) consent by Claimant to a jury trial, or waiver of Claimant's right to a jury trial, in each case, in this court or any other court, in any proceeding, as to any and all matters so triable herein or in any case, controversy, or proceeding related hereto, whether or not the same be designated as legal, public, or private rights, notwithstanding the designation or not of such matters as "core proceedings," pursuant to 28 U.S.C. § 157(e) or otherwise; (xii) a waiver of Claimant's right to have final orders in matters for which the bankruptcy court is not constitutionally authorized to enter final orders, notwithstanding the designation or not of such matters as "core proceedings," pursuant to 28 U.S.C. § 157(b)(2), entered only after de novo review by a district court judge or, if applicable, the United States Court of Appeals for the Seventh Circuit; or (xiii)

an admission by Claimant that any property held by the Debtor constitutes property of the estate of the Debtor and any affiliates or any interest asserted by the Debtor or its estates herein.

6. In addition, Claimant reserves the right to withdraw this Proof of Claim with respect to any or all parts of the Proof of Claim set forth herein and/or with respect to the Debtor, for any reason whatsoever. Claimant (a) expressly reserves and does not waive any right or remedy, at law or in equity, of Claimant, including, without limitation, any and all rights of setoff, recoupment, or counterclaim, howsoever arising, any right to any security held by or for it or them, or any right to claim an interest in specific assets or any other rights or causes of action that Claimant has, or may have, against the Debtor and its affiliates, or any other persons or entities, and expressly reserves all such rights; (b) reserves the right to file additional proofs of claim and to further amend or supplement this Proof of Claim in any respect, including, without limitation, by (i) asserting claims arising from, or relating to, the avoidance of transfers made to Claimant or any other entity, (ii) further amending, quantifying, or correcting the dollar amount of any part of the Proof of Claim, including, without limitation, quantifying the expenses incurred by Claimant after the date hereof that were not incurred and thus, were unliquidated, as of the date hereof, (iii) adding or including any other debtor entity or any other entity, including, but not limited to, any entity that may become a debtor or debtor-in-possession in this bankruptcy case, (iv) providing additional detail regarding this Proof of Claim set forth herein, including, without limitation, quantifying the expenses incurred by Claimant after the date hereof that were not incurred and thus, unliquidated as of the date hereof, (v) adding or amending categories of payments or liabilities, and/or (vi) asserting any administrative claim entitled to a priority under section 507(a)(2) of the Bankruptcy Code.

[End of Addendum]

Exhibit 1

EXCLUSIVE ADMINISTRATIVE SERVICES AND PERSONNEL LEASE AGREEMENT

THIS EXCLUSIVE ADMINISTRATIVE SERVICES AND PERSONNEL LEASE AGREEMENT (this "Agreement") is made as of November 13, 2017 (the "Effective Date") by and between **Friendship Senior Options, NFP**, an Illinois not-for-profit corporation ("Parent") and **Evangelical Retirement Homes of Greater Chicago, Inc. d/b/a Friendship Village of Schaumburg**, an Illinois not-for-profit corporation ("FVS" or "Organization").

FVS and Parent enter this Agreement on the basis of the following facts, understandings and intentions:

A. FVS and Parent are nonstock corporations organized and operated for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

B. FVS and Parent are part of a system of affiliated entities providing for the delivery of healthcare services to individuals in Illinois and such entities are operated under the common direction and control of Parent, which is the sole corporate member of FVS.

C. FVS provides skilled nursing and residential and care services (collectively, the "Services") for individual residents (collectively, the "Residents").

D. FVS and Parent entered into that certain Administrative Services Agreement dated May 19, 2010 (the "2010 Agreement") under which Parent provided to FVS certain management and administrative services.

E. FVS desires to continue to obtain certain management and administrative services and lease all clinical and non-clinical personnel needed by FVS in connection with the operations of FVS' business from Parent and Parent desires to continue to provide such services and lease such personnel to FVS in accordance with the terms and subject to the conditions set forth in this Agreement.

F. FVS and Parent desire to replace, in its entirety, the 2010 Agreement with this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises herein made, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties, the parties hereto agree as follows:

1. Management and Administrative Services. Subject to the terms and conditions contained in this Agreement, Parent shall, on an exclusive basis, provide FVS with certain management and administrative services and lease clinical and non-clinical personnel employed or independently contracted by Parent needed by FVS in connection with the operations of FVS' business (collectively, the "Personnel") to FVS as more fully described below (collectively, the "Administrative Services"), which may be amended by the parties in writing from time to time. The Personnel shall exclude any corporate management personnel, including, but not limited to,

Parent's Chief Financial Officer and Vice President of Marketing, and other management personnel as designated by Parent in its sole discretion (collectively, "Management Personnel").

1.1 Corporate Management. Parent shall provide Management Personnel, expertise, and direction as may be necessary to achieve Organization's business objectives.

1.2 Personnel Lease. Parent shall lease the Personnel to FVS on a full-time basis subject to the following:

1.2.1 Direction and Control. The Personnel shall be and remain throughout the Term, leased personnel of Parent and the Personnel may be disciplined, transferred, or discharged in Parent's sole discretion; provided, however, while the Personnel are providing the Services to FVS pursuant to the terms of this Agreement, the Personnel shall be subject to direction and instruction from FVS as if the Personnel were employed by FVS.

1.2.2 Termination and Replacement of Personnel. FVS shall report to Parent any professional, technical, or other deficiencies in the Personnel. FVS shall have the right to request the replacement of any Personnel whom FVS reasonably believes does not have the requisite skills and qualifications for the Services required to be rendered by such Personnel, or for whom good cause exists for the replacement of such Personnel. Any such Personnel shall be replaced in Parent's sole discretion.

1.2.3 Workers Compensation. To the extent required by Applicable Law, FVS and Parent shall each maintain workers compensation insurance coverage on the Personnel for the Services rendered by such Personnel to either party.

1.2.4 Wages, Payroll Taxes. All salary, wages, benefits, payroll taxes, and unemployment compensation taxes payable with respect to the Personnel and attributable to the Services provided by such Personnel on behalf of FVS shall be allocated as an Operating Expense (as defined herein) of FVS. The compensation to be paid to the Personnel for the performance of such Services shall be determined by Parent in the exercise of its sole and absolute discretion. Notwithstanding the foregoing, to the extent required by Applicable Law, FVS represents and warrants that it will maintain and provide to Parent accurate and complete time records reflecting the time spent by Personnel performing the Services on behalf of FVS in compliance with all Applicable Law.

1.3 Financials. The Parent shall also provide financial reporting, cash management, investment oversight, and oversight and guidance in treasury related functions of the Organization and assist Organization in the performance of Organization's annual audit of financials.

1.4 Human Resources. Parent shall provide all necessary human resources support for Organization, including the processing of payroll for all Personnel and administration of fringe and other benefits to such Personnel.

1.5 Information Technology. Parent will provide the management and operational oversight of all of the information technology needs of Organization.

1.6 Marketing. Parent shall manage the marketing and public relations services to help the Organization promote its programs and services. The Parent assumes no responsibility for the outcomes of the marketing programs developed through the marketing services provided by Parent to FVS under this Agreement.

1.7 Risk Management. Parent will determine appropriate insurance policies and coverage for Organization to obtain and maintain in connection with the operation of its business and provide risk management and corporate compliance services for the Organization.

1.8 Equipment and Supplies. Parent shall assist FVS in the purchase of, or purchase on FVS' behalf, the equipment or supplies used by FVS in connection with the operation of its business.

1.9 Third Party and Resident Billing and Collection Services.

1.9.1 Appointment. FVS hereby appoints Parent as its agent to bill and collect all sums due and payable to FVS for the Services provided by FVS from third party payors and Residents, as applicable.

1.9.2 Compliance. Parent will use commercially reasonable efforts to collect monies owed on the bills for the Services provided to FVS' Residents ("Accounts") from third party payors including, but not limited to, commercial insurers and federal health care programs, and Residents, as applicable, in accordance with FVS' fee schedules, written policies and procedures, and all applicable federal, state and local laws, regulations and ordinances; applicable federal, state, and local wage and hour laws; professional and ethical standards of the clinical Personnels' professions; third party payor requirements, policies, and guidance; accreditation and credentialing standards; federal and state fraud and abuse laws; state fee-splitting prohibitions and requirements; state and federal privacy and security requirements, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act, and their implementing regulations (collectively, "HIPAA"); and the rules, regulations, policies, and bylaws of FVS, in each as adopted and amended, from time to time (collectively, "Applicable Law"). FVS shall provide copies to Parent of FVS' fee schedules and written policies and procedures that Parent must comply with under this Agreement.

1.9.3 Documentation. To the extent required, for all Accounts, FVS will provide the procedure, diagnosis, and other codes for each applicable professional Service and Parent will complete billing based upon the information submitted by FVS. FVS will be solely responsible for obtaining all clinical and other data required to support the codes, and any required authorizations, certifications, or

any other documentation required by third party payors or Residents, as applicable, in connection with furnishing of the professional Services to FVS' Residents.

1.4 Billing. Parent will, on behalf of FVS and in FVS' name, bill and collect from third party payors and Residents, as applicable, for the Services provided to FVS' Residents. All claims submitted to third party payors by Parent on behalf of FVS will use FVS' applicable payor billing number(s). Parent does not guarantee that FVS may bill for or collect payment for the Services. FVS acknowledges and agrees that it shall not hold Parent liable for any failure of any third party payors, Residents, or other responsible party to make any payment or reimbursement to FVS for the Services.

1.5 Collection. Parent will collect, receive and endorse, in the name of FVS, and on behalf of FVS, all cash, notes, checks, money orders, insurance payments, and any other payments received as payment on the Accounts. Parent will deposit all amounts collected on behalf of FVS for the Accounts into a separate bank account designated by FVS ("Bank Account"), which Bank Account will be under FVS' sole control. Further, FVS may at any time modify or revoke these disposition instructions for the funds to be deposited to the Bank Account. Parent and FVS will not commingle the funds to be deposited in the Bank Account with Parent's funds or with any other FVS' funds.

1.6 Resident and Billing Records. Parent will supervise and maintain custody of copies of FVS' Residents' medical records and billing and collection records required for performance of the Administrative Services in accordance with Applicable Law and the terms and conditions of the business associate agreement substantially in the form attached hereto as **Exhibit A** and incorporated by this reference.

1.10 Contract Negotiations. Parent will advise FVS with respect to, and negotiate and manage, on FVS' behalf, all contractual arrangements with third parties as are reasonably necessary and appropriate for the operation of FVS.

1.11 Licenses, Permits, Certifications, Accreditations. FVS shall be solely responsible for obtaining and maintaining all federal, state, and local licenses, permits, certifications, and accreditations required for or in connection with its operations (collectively, "Licenses"). However, upon FVS' request, Parent will provide advice and assistance to FVS with respect to obtaining and maintaining any the Licenses.

2. Independent Contractor Relationship; Independent Professional Judgment.

2.1 Independent Contractor Relationship. In carrying out its duties hereunder, Parent shall be an independent contractor of FVS and, except as stated herein, shall not be subject to any right of control, or any control in fact, by FVS with respect to the methods by which Parent carries out its duties hereunder. Further, with respect to any discretion permitted or contemplated as being exercised herein by Parent, Parent shall

exercise such discretion based on what it deems to be reasonably necessary or appropriate from time to time for the effective operation of FVS.

2.2 Independent Professional Judgment. FVS and the clinical Personnel shall, at all times, retain ultimate control and authority for the professional Services provided to and for FVS' Residents. Nothing contained herein shall be construed as allowing Parent to exercise control or authority over the independent professional judgment of such clinical Personnel. To the extent that any act or service herein required of Parent should be construed by a court or regulatory body to constitute the practice of medicine or other healthcare profession, the requirement to perform that act or service by Parent shall be deemed waived and unenforceable.

3. Compensation for the Administrative Services.

3.1 Management Fee. In consideration for the Administrative Services, the Organization shall pay the Parent an amount equal to 15.63 percent of FVS' annual Operating Expenses (as defined herein) excluding depreciation, amortization and interest expense (the "Management Fee") within thirty (30) days from the end of FVS' applicable fiscal year during which the Administrative Services were provided.

3.2 Expenses.

3.2.1 FVS' Expenses. Parent shall use FVS funds to pay for all third party payments or expenses incurred by FVS including, but not limited to, expenses related to: Personnel payroll, benefits, and other expenses; insurance; license fees; equipment; supplies; maintenance fees; vendor fees; services fees; and any other costs or expenses incurred to operate FVS' day-to-day operations (collectively, "Operating Expenses"). Parent may, but shall not be obligated to, advance its own funds to pay such Operating Expenses or to perform those obligations hereunder requiring such funds to the extent such funds are not available in FVS' Bank Account. The parties acknowledge and agree that: (a) the Operating Expenses shall not include payroll, benefits, or other expenses incurred by Parent related to Management Personnel; and (b) the payment of FVS' Operating Expenses are not part of its Management Fee.

3.2.2 Parent's Expenses Related to Administrative Services. All expenses incurred by Parent in connection with the provision of the Administrative Services (collectively, "Administrative Expenses" and together with Operating Expenses, the "Expenses") shall be paid by FVS within ten (10) business days from receipt of an invoice from Parent. The parties acknowledge and agree that the payment of Parent's Administrative Expenses incurred in connection with the provision of the Administrative Services are not part of its Management Fee.

3.3 Acknowledgment. The parties acknowledge and agree that the Management Fee and payment of the Expenses set forth in this Section 3 are representative of the fair market value for the Administrative Services rendered by Parent

and are not determined in a manner that takes into account the volume or value of any referrals or business otherwise generated between the parties for which payment is made in whole or part under Medicare, Medicaid, or any other federal or state governmental healthcare program.

4. Accounting, Records, Reports.

4.1 Financial Records. Parent shall provide oversight of recordkeeping and assist Organization in establishing policies and procedures related to record retention. Organization shall provide Parent, upon prior written notice and during regular business hours, reasonable access to such records, accounts and books and to all vouchers, files and all other material pertaining to FVS' business necessary for Parent to provide the Administrative Services. The Organization shall be solely responsible for ensuring compliance with IRS and other Applicable Law regarding record retention and being able to provide documentation to ensure compliance with auditing requirements.

4.2 Financial Reports. Parent shall furnish to FVS, as requested by FVS, unaudited financial statements including the following: a Balance Sheet, a Profit and Loss statement showing the results of the operations of the business for the preceding month. The Parent will also ensure that income detail and expense detail, aged receivables, bank reconciliations, check register, and any other statements for the business are issued monthly or as reasonably requested by the Organization. All reports shall be consistently prepared in accordance with sound accounting principles.

5. Indemnification. Each party shall protect, defend without cost, indemnify and hold harmless the other party from and against any and all loss, cost, damage, liability and expense (including court costs and reasonable attorneys' fees) arising out of gross negligence or willful act or omission of the other party; provided, however, neither party shall be obligated to, indemnify the other party for any such loss, cost damage, liability or expense arising out of gross negligence or willful act or omission of the other party. Each party shall protect, defend, indemnify and hold harmless the other party, its officers, employees and agents from and against any and all loss, cost, damage, liability and expense (including court costs and reasonable attorneys' fees) arising out of any act or omission of the other party including, without limitation, a material breach or default by the other party hereunder that is not cured within thirty (30) days of days of receipt of notice of such material breach by the non-breaching party. Notwithstanding any other provision in this Agreement, Parent shall not have liability under this Section 5 in excess of the aggregate Management Fee paid to Parent under this Agreement. The provisions of this Section 5 shall survive the termination of this Agreement for any reason.

6. Term and Termination.

6.1 Term. The initial term of this Agreement shall commence on the Effective Date and continue for a twelve (12) month period (the "Initial Term"). After the Initial Term, this Agreement shall automatically renew and continue in full force and effect for successive periods of twenty-four (24) months (each a "Renewal Term" and collectively with the Initial Term, the "Term"), unless terminated by either party in accordance with Section 6.2, Section 6.3, Section 6.4, or Section 6.5.

6.2 Termination Without Cause by Parent. Parent may, at any time during the Term of this Agreement and any extension thereof, terminate this Agreement without cause with ninety (90) days written notice to FVS. Such termination shall be effective with or upon receipt of written notice of such termination given or thereafter upon such other date as specified in such written notice.

6.3 Termination For Cause. Either party may terminate this Agreement for cause in the event that the other party materially breaches a term of this Agreement and such breach is not cured within thirty (30) days of receipt of notice of such material breach by the non-breaching party.

6.4 Mutual Termination. This Agreement may be terminated at any time by mutual, written agreement of the parties effective as of the date mutually agreed to by the parties.

7. Obligations after Termination. Upon the termination of this Agreement:

7.1 Management Fee and Expenses. All Management Fees and Expenses accrued through, but unpaid, as of the effective date of this Agreement shall be immediately paid by Organization to Parent. Except as otherwise set forth in this Agreement, neither party shall have any further obligations to the other party under this Agreement after the effective date of termination.

7.2 Books and Records. Parent shall immediately deliver to the Organization all books and records of the Organization not previously transmitted.

7.3 Cooperation. Parent shall cooperate with the Organization in the orderly transfer and assumption of the management responsibilities of the business during the next ninety (90) day period.

8. Confidentiality and Nondisclosure. Each party shall hold in strictest confidence all "Confidential Information" of the disclosing party and shall only use and disclose such Confidential Information to the extent necessary to perform the Services and obligations under this Agreement. For purposes of this Agreement, "Confidential Information" shall include, without limitation: Resident accounts, Resident lists, Resident files, copyrighted items, trade secrets, business assets, medical records, patents, processes, machines, technical documentation, computer programs, business plans, marketing plans, programs and techniques, pricing data, accounting data, financial data, financial institution files, technical expertise and know how, tangible or intangible items which either party works on or develops during the Term, this Agreement (including, without limitation, any and all terms contained herein and any and all attachments and exhibits incorporated by reference hereby).

9. Miscellaneous.

9.1 Captions. The captions of this Agreement are inserted only for the purpose of convenient reference and do not define, limit or prescribe the scope or intent of this Agreement or any part hereof.

9.2 Applicable Law. The Agreement shall be construed in accordance with the laws of the State of Illinois without regard to its conflict of law provisions.

9.3 Entire Agreement. This Agreement embodies the entire understanding of the parties and there are no further agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof.

9.4 Amendments. No provision of this Agreement may be altered, waived, modified or changed unless in writing, signed by the parties hereto, and no alleged verbal agreements, modifications or understandings shall be enforceable.

9.5 Assignment. Neither party may assign its rights and obligations under this Agreement to any third party without the prior written consent of the other party.

9.6 Notices. All notices and other communications required or permitted to be given hereunder shall be in writing and may be delivered by hand, by facsimile, by email, by email in .pdf format or similar format, by nationally recognized private courier, or by United States mail. Notices delivered by mail shall be deemed given three (3) business days after being deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested. Notices delivered by hand shall be deemed delivered when actually delivered. Notices given by nationally recognized private courier shall be deemed delivered on the date delivery is promised by the courier. Notices given by facsimile or by email with a confirmation or acknowledgment of transmission (including any response to such transmission) shall be deemed given when transmitted. All notices shall be addressed as follows:

If to FVS:

Evangelical Retirement Homes of Greater Chicago, Inc. d/b/a Friendship Village of Schaumburg
350 Schaumburg, Illinois 60194
Attn: Vice President and Chief Financial Officer
Telephone: (847) 884-5371
Email: mike.flynn@myfso.org

If to Parent:

Friendship Senior Options, NFP
350 Schaumburg Road
Schaumburg, Illinois 60194
Attn: Vice President and Chief Financial Officer
Telephone: (847) 884-5371
Email: mike.flynn@myfso.org

Any party thereto may change its address for the service of notice hereunder by delivering written notice of said change to the other party hereunder, in the manner provided above, at least ten (10) days prior to the effective date of such change.

9.7 Survival. Notwithstanding the termination of this Agreement, the parties acknowledge the provisions of Section 3 (Compensation for the Administrative Services), Section 4 (Accounting, Records, Reports), Section 5 (Indemnification), Section 8 (Confidentiality and Nondisclosure), and Section 9 (Miscellaneous) shall survive such termination.

9.8 Compliance with Applicable Law. The parties expressly acknowledge that it is, and shall continue to be, their intent to fully comply with Applicable Law. Parent and FVS each represents and warrants that that neither it nor any of their employees, directors, officers, managers, independent contractors, or agents are: (i) excluded, debarred, or otherwise ineligible to participate in Federal health care programs, as defined in 42 U.S.C. §1320a-7b(f); and (ii) under investigation or otherwise aware of any circumstances that may result in it being excluded from participation in federal health care programs. Each party shall immediately notify the other party of any change in the status of this representation and warranty. Any breach of this Section 9.8 shall give either party the right to terminate this Agreement immediately for cause.

9.9 Change in Law. The parties further acknowledge and agree that at any time during the Term of this Agreement if, in the reasonable judgment of either party, state or federal statutes, case law, or regulations, the interpretation of any of the foregoing, the adoption of new federal or state legislation, is likely to materially and adversely affect the manner in which either party may perform its obligations under this Agreement, the parties shall immediately enter into good faith negotiations regarding a new service arrangement that complies with the law, regulation or policy at issue and that approximates as closely as possible the position of the parties prior to the change. In the event that such negotiations are unsuccessful, either party may terminate this Agreement upon thirty (30) days' prior written notice.

9.10 Access to Records. To the extent required by law, upon the written request of the Secretary of the U.S. Department of Health and Human Services, the U.S. Comptroller General or any of their duly authorized representatives to one party ("Requested/Disclosing Party"), that Requested/Disclosing Party shall make available those contracts, books, documents and records necessary to verify the nature and extent of the costs of providing the Administrative Services under this Agreement. Such inspection shall be available for up to four (4) years after the rendering of such Administrative Services. If Requested/Disclosing Party is requested to disclose books, documents or records pursuant to this Section 9.10 for any purpose, Requested/Disclosing Party shall notify the other Party to this Agreement ("Receiving Party") of the nature and scope of such request, and Requested/Disclosing Party shall make available, upon written request of Receiving Party, all such books, documents or records. Requested/Disclosing Party shall indemnify and hold harmless Receiving Party if any amount of reimbursement is denied or disallowed because of Requested/Disclosing Party's failure to comply with the obligations set forth in this Section 9.10. Such indemnity shall include, but not be limited to, the amount of reimbursement denied, plus any interest, penalties and legal costs. If Requested/Disclosing Party carries out any of the duties of this Agreement thorough a subcontract with a value of $10,000 or more over a twelve (12) month period with a related individual or organization, Requested/Disclosing Party agrees to include this requirement in any such subcontract. This Section 9.10 is included pursuant to and is governed by the requirements of 42
U.S.C. § 1395x(v)(1) and the regulations thereto. No attorney-client, accountant-client, or other legal privilege will be deemed to have been waived by Requesting/Disclosing Party or Receiving Party by virtue of this Agreement.

9.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

9.12 Recital; Attachments; Exhibits. All recitals, attachments, and exhibits to this Agreement are incorporated herein by reference.

9.13 Authority of Signatory. Each signatory represents that such signatory is fully authorized to enter into the terms and conditions of this Agreement and to legally bind the Party on whose behalf the signature is proffered.

9.14 Waiver of Breach. The failure or delay of either Party to insist upon compliance of any provision hereof will not operate as, and shall not be construed as, a waiver of any subsequent breach, irrespective of whether such breach occurs under similar or dissimilar circumstances.

[SIGNATURE PAGE FOLLOWS]

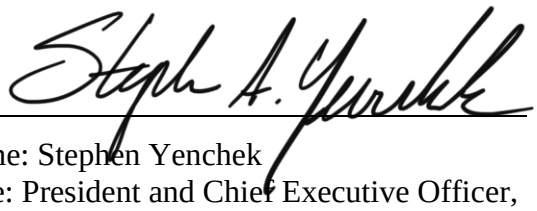
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

FRIENDSHIP SENIOR OPTIONS, NFP

By: 

Name: Stephen Yenchek
Title: President and Chief Executive Officer

EVANGELICAL RETIREMENT HOMES OF GREATER CHICAGO, INC. D/B/A FRIENDSHIP VILLAGE OF SCHAUMBURG

By: 

Name: Stephen Yenchek
Title: President and Chief Executive Officer, Friendship Senior Options, NFP