

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

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

**NOTICE OF MOTION AND MOTION TO EMPLOY DAVID KIEWER,
JASON “JAY” JORDAN AND GRANDBRIDGE
REAL ESTATE CAPITAL LLC AS BROKERS**

PLEASE TAKE NOTICE that on Wednesday, July 5, 2023, at 11:00 a.m., I will appear before the Honorable Timothy A. Barnes, or any judge sitting in that judge’s place, **either** in courtroom 744 of the Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, IL 60604, or electronically as described below, and present the “Motion To Employ David Kiewer, Jason “Jay” Jordan and Grandbridge Real Estate Capital LLC As Brokers” filed by Evangelical Retirement Homes of Greater Chicago, Incorporated, d/b/a Friendship Village of Schaumburg, debtor and debtor in possession herein, a copy of which is attached.

All parties in interest, including the movant, may appear for the presentment of the motion either in person or electronically using Zoom for Government.

You may appear electronically by video or by telephone.

To appear by video, use this link: <https://www.zoomgov.com/>. Then enter the meeting ID and passcode.

To appear by telephone, call Zoom for Government at 1-669-254-5252 or 1-646-828-7666. Then enter the meeting ID and passcode.

Meeting ID and passcode. The meeting ID for this hearing is 161 329 5276, and the passcode is 433658. The meeting ID and passcode can also be found on the judge’s page on the court’s web site.

If you object to this motion and want it called on the presentment date above, you must file a Notice of Objection no later than two (2) business days before that date. If a Notice of Objection is timely filed, the motion will be called on the presentment date. If no Notice of Objection is timely filed, the court may grant the motion in advance without calling it.

Dated: June 15, 2023

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

By: /s/ Bruce Dopke
Proposed counsel for the Debtor

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

In re:

FEIN: 36-2815382

Debtor.

Chapter 11

Case No. 23-07541

Email: TeamFVS@Stretto.com

Exhibit A

Name	Attention	Address 1	Address 2	City	State	Zip
Chuhak & Tecson as Counsel to Secured Creditor	Attn Brandon R. Freud	120 S. Riverside Plz., Suite 1700		Chicago	IL	60606-7512
Cook County Treasurer's Office	Attn Officer/Director or Legal Dept	118 North Clark Street, Room 112		Chicago	IL	60602
Evangelical Retirement Homes of Greater Chicago, Incorporated d/b/a Friendship Village of Schaumburg	c/o Polsinelli PC	Attn: Trinitee G. Green	150 N Riverside Plaza Suite 3000	Chicago	IL	60606
Friendship Senior Options, NFP, an Illinois not-for-profit corporation	c/o Cooley LLP	Attn: Eric E. Walker	110 N. Wacker	Chicago	IL	60606
Illinois Department of Financial and Professional Regulation	Attn Officer/Director or Legal Dept	555 West Monroe Street, 5th Floor		Chicago	IL	60661
Illinois Department of Human Services	Attn Officer/Director or Legal Dept	401 South Clinton Street		Chicago	IL	60607
Illinois Department of Public Health	Att. Director	69 Washington Street	35th Floor	Chicago	IL	60602
Illinois Department of Public Health	Attn Officer/Director or Legal Dept	122 S. Michigan Avenue, 7th & 20th Floors		Chicago	IL	60603
Illinois Department of Public Health	c/o Office of the Illinois Attorney General	Attn: John P. Reding	100 West Randolph St Suite 13-225	Chicago	IL	60601
Illinois Department of Revenue	Bankruptcy Unit	PO Box 19037		Springfield	IL	62794-9037
Illinois Department of Revenue	David Harris - Director	555 West Monroe Street	Suite 1100	Chicago	IL	60661
Illinois Finance Authority	Attn Officer/Director or Legal Dept	160 N. LaSalle St., Suite S-1000		Chicago	IL	60601
Independent Living Residents Association of Friendship Village	c/o Crane, Simon, Clar & Goodman	Attn: Scott R. Clar	135 S LaSalle #3950	Chicago	IL	60603
Internal Revenue Service	Attn. Centralized Insolvency Operation	P.O. Box 7346		Philadelphia	PA	19101
Office of the United States Trustee	Jeffrey L. Gansberg	219 S. Dearborn Street	Room 873	Chicago	IL	60604
Resident 14000-IL		Address on File				
Resident 15101-IL		Address on File				
Resident 15166-IL		Address on File				
Resident 15264-AL		Address on File				
Resident 15306-IL		Address on File				
Resident 15397-IL		Address on File				
Resident 15400-IL		Address on File				
Resident 15404-IL		Address on File				
Resident 15410-IL		Address on File				
Resident 15438-IL		Address on File				
Resident 15479-IL		Address on File				
Resident 15489-IL		Address on File				
Resident 718487-IL		Address on File				
Resident 719355-IL		Address on File				
Resident 720136-IL		Address on File				
Resident 720451-IL		Address on File				
Resident 720732-IL		Address on File				
Resident 720953-IL		Address on File				
Schaumburg Bank & Trust Company N.A.	Teresa Faidley	1180 E. Higgins Rd.		Schaumburg	IL	60173
The U.S. Department of Health & Human Services	Attn Officer/Director or Legal Dept	200 Independence Avenue, S.W.		Washington	DC	20201
U.S. Centers for Medicare & Medicaid Services	Attn Officer/Director or Legal Dept	7500 Security Blvd		Baltimore	MD	21244
UMB Bank	Brian Krippner	2 South Broadway		St. Louis	MO	63102
UMB Bank, N.A., as Bond Trustee and Master Trustee	c/o Mintz, Levin, Cohn, Ferris, Glovsky and P	Attn: Megan Preusker	919 3rd Ave	New York	NY	10022
UMB Bank, NA, in its capacity as Bond Trustee	c/o Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.	Attn: Daniel S. Bleck	1 Financial Center	Boston	MA	02111-0000
United States Attorney's Office Northern District of Illinois, Eastern Division	Attn Officer/Director or Legal Dept.	219 S. Dearborn Street, 5th Floor		Chicago	IL	60604
Verdant Comm Cap Titling Trust	Attn: Officer/Director or Legal Dept	12301 Whitewater Drive, Ste. 80		Minnetonka	MN	55343
Wells Fargo Bank, National Association, as Master Trustee	Attn Officer/Director or Legal Dept	230 W. Monroe Steet	Suite 2900	Chicago	IL	60606
Wells Fargo Bank, National Association, as Master Trustee	Attn: Corbin B Connell	600 S. 4th Street, 6th Floor	MAC N9300-061	Minneapolis	MN	55479
Wells Fargo Bank, National Association, as Mortgagee	Attn Officer/Director or Legal Dept	230 W. Monroe Steet	Suite 2900	Chicago	IL	60606

Exhibit B

Exhibit B
Served Via Electronic Mail

Name	Attention 1	Attention 2	Email
Chuhak & Tecson as Counsel to Secured Creditor	Attn Brandon R. Freud		bfreud@chuhak.com
Cook County Treasurer's Office	Attn Officer/Director or Legal Dept		lbankruptcy@cookcountytreasurer.com
Evangelical Retirement Homes of Greater Chicago, Incorporated d/b/a Friendship Village of Schaumburg	c/o Polsinelli PC	Attn: Trinitee G. Green	tggreen@polsinelli.com
Friendship Senior Options, NFP, an Illinois not-for-profit corporation	c/o Cooley LLP	Attn: Eric E. Walker	er@cooley.com
Illinois Department of Public Health	c/o Office of the Illinois Attorney General	Attn: John P. Reding	john.reding@ilag.gov
Office of the United States Trustee	Jeffrey L. Gansberg		jeffrey.l.gansberg@usdoj.gov
Resident 15497-IL			Email on File
UMB Bank	Brian Krippner		brian.krippner@umb.com
UMB Bank, N.A., as Bond Trustee and Master Trustee	c/o Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.	Attn: Megan Preusker	mpreusker@mintz.com
UMB Bank, NA as Bond Trustee and Master Trustee	c/o Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.	Attn: Daniel S. Bleck	dsbleck@mintz.com

**IN THE UNITED STATES BANKRUPTCY COURT
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IN RE:	§ Chapter 11
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EVANGELICAL RETIREMENT	§ Case No. 23-07541
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FEIN: 36-2815382,	§
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Debtor.	§ Hon. Timothy A. Barnes

**MOTION TO EMPLOY DAVID KLIEWER,
JASON “JAY” JORDAN AND GRANDBRIDGE
REAL ESTATE CAPITAL LLC AS BROKERS**

Evangelical Retirement Homes of Greater Chicago, Incorporated d/b/a Friendship Village of Schaumburg (“**FVS**” or the “**Debtor**”), debtor and debtor-in-possession in the above-captioned chapter 11 case, files this “Motion To Employ David Kliever, Jason “Jay” Jordan and Grandbridge Real Estate Capital LLC As Brokers” (the “**Motion**”). In support of this Motion, FVS relies upon and incorporates by reference the Declaration of David Kliever (the “**Kliever Declaration**”) attached hereto as **Exhibit A**.

Jurisdiction, Venue and Statutory Authority

1. On June 8, 2023 (the “**Petition Date**”) FVS filed a voluntary petition which commenced this bankruptcy case (the “**Case**”) under chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §101 et seq. (the “**Bankruptcy Code**”) in this judicial district and division (the “**Court**”).

2. FVS owns and operates a continuing care retirement community (“CCRC”) located in Schaumburg, Illinois known as Friendship Village of Schaumburg (the “Campus”). The Campus is improved with buildings which include (i) 537 independent living apartments, (ii) 84 assisted

living apartments, (iii) 25 memory care apartments, (iv) 169 nursing beds, and (v) related common areas and parking. Approximately 635 senior citizens reside at the Campus (“Residents”).

3. The factual background regarding the Debtor and the events leading to the filing of this Case is set forth in the Declaration of Mike Flynn, Chief Executive Officer of the Debtor in Support of the Debtor’s First Day Pleadings (the “**First Day Declaration**”), which is filed contemporaneously herewith and incorporated herein by reference.¹

4. The Debtor is continuing in possession of its assets and is administering its business as a debtor-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code. No party has requested the appointment of a trustee or examiner in this Case, and no committees have been appointed or designated.

5. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue of these proceedings and this Application is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory bases for the relief requested herein are Sections 105, 327(a), 328(a) and 1107(b) of the Bankruptcy Code, and Federal Rules of Bankruptcy Procedure 2014 and 2016.

Relief Requested

6. By this Motion, the Debtor respectfully requests that the Court enter an order which authorizes the Debtor to continue to retain and employ David Kliwer, Jason “Jay” Jordan and Grandbridge Real Estate Capital LLC, 401 East Jackson Street, Floor 19, Tampa, Florida 33602 (collectively, “**Grandbridge**”) in this Case on the terms set forth in the “Exclusive Right To Sell Agreement” which was executed by Grandbridge and the Debtor on or about June 5, 2023 (the

¹ Unless otherwise defined herein, all capitalized terms have the meaning ascribed to such terms in the First Day Declaration.

“Agreement”). A true copy of the Agreement is attached to this Motion as **Exhibit B**. The Agreement executed on June 5, 2023 supersedes and replaces a prior agreement that was executed on Jan. 24, 2023. Under the Agreement, Grandbridge was charged with the responsibility to market the Campus to the unique pool of qualified buyers and potential affiliation partners, and then, subject to the Court’s authority and permission, conduct a public auction of the Debtor’s tangible and intangible property in this Case (the **“Sale”**).

Basis for Relief

7. Under Section 327(a) of the Bankruptcy Code, a debtor in possession may employ one or more professionals to represent it in carrying out its duties under the Bankruptcy Code, provided that such professionals are disinterested persons and do not hold or represent an interest adverse to the estate. Bankruptcy Code section 327(a) provides in relevant part:

Except as otherwise provided in this section, the debtor, with the court's approval, may employ one or more professionals, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the debtor in carrying out the debtor's duties under this title.

11 U.S.C. § 327(a).

8. Section 101(14) of the Bankruptcy Code defines “disinterested person” as one who:

[I]s not a creditor, an equity security holder, or an insider; [or] is not and was not, within 2 years before the date of the filing of the petition, a director, officer or employee of the debtor; and . . . does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason.

11 U.S.C. § 101(14).

9. Section 328 of the Bankruptcy Code provides, in pertinent part, that under Section 327 of the Bankruptcy Code, a professional may be employed “on any reasonable terms and

conditions of employment, including a retainer, on an hourly basis, on a fixed percentage fee basis, or on a contingent fee basis.” 11 U.S.C. § 328(a).

10. Bankruptcy Rule 2014 requires that an application for retention of a professional person include:

[S]pecific facts showing the necessity for the employment, the name of the person to be employed, the reasons for the selection, the professional services to be rendered, any proposed arrangement for compensation, and to the best of the applicant’s knowledge, all of the person’s connections with the debtor, creditors, any other party in interest, their respective professionals and accountants, the United States trustee, or any person employed in the office of the United States trustee.

Fed. R. Bankr. P. 2014(a).

Background

11. On March 9, 2022, the Debtor launched an effort to find an affiliation partner. That initial effort failed to produce a bid that was acceptable to the Bond Trustee and the Debtor. Beginning in August of 2022, talks continued with the high bidder in the unsuccessful affiliation process (the “**High Bidder**”) in an effort to raise the High Bidder’s bid (the “**Bid**”). After approximately three months of negotiations, the High Bidder agreed in principle to raise its Bid. However, the High Bidder notified the Debtor and the Bond Trustee that it preferred to go forward with an asset sale rather than an affiliation. As a result of this change, the Debtor hired Grandbridge on January 24, 2023, to plan and execute a sale procedure on the assumption that the High Bidder would become the high bidder in the auction.

12. Negotiations with the High Bidder continued for another three months (December 2022 through early March 2023) during which time the amount of the Bid decreased fifteen percent (15%). Then, in the first week of March 2023, the High Bidder informed the Debtor and the Bond

Trustee that it preferred to acquire the Debtor's assets in a bankruptcy auction. Previously, the sale process was understood by the Debtor to be a public auction conducted outside of a bankruptcy proceeding. The Debtor responded to this change by preparing to enter bankruptcy while the negotiations with the High Bidder over the terms of the Bid continued without resolution. Grandbridge, in the meantime, planned the sale process, established a data room and took further steps to move the sale effort forward.

13. On April 17, 2023, the High Bidder withdrew its Bid and terminated further discussions.

14. The Debtor responded to this series of disappointing developments by preparing to enter bankruptcy to implement a sale process designed by Grandbridge to identify a "stalking horse" bidder for the Campus by August 28, 2023, followed by an auction of the Campus and related non-cash assets conducted in bankruptcy court on October 3, 2023, and a closing of the sale in December 2023.

Services to be Performed

15. Grandbridge is willing to continue to serve as the Debtor's broker in connection with the Sale and to take all steps necessary to ensure the success of the Sale including any or all of the following services, as necessary and appropriate and as more fully set forth in the Agreement:

- a. prepare marketing materials including a standard marketing flyer, offering memorandum, and virtual data room, subject to Owner's review and approval of all such materials;
- b. distributing a marketing "teaser" issued on June 5, 2023 to 2,852 potential purchasers;
- c. preparing the confidential offering memorandum and virtual data room access to all potential purchasers who execute a non-disclosure agreement;

- d. working to solicit Qualified Bids from potential purchasers including regular communication with interested parties to encourage their interest; and
- e. assist the Debtor in coordinating due diligence materials to the purchaser and serve as an advisor to the Debtor through the closing of the transaction.

Qualifications of Grandbridge

16. Grandbridge's engagement will be led by David Kliever, the co-head of Grandbridge's senior housing investment sales team. Mr. Kliever has specialized exclusively in senior housing brokerage for more than 20 years and he has broad experience in highly complex transactional work. Mr. Kliever will be assisted by his co-head, Mr. Jordan, who joined Kliever in 2019 and prior to this spent the previous 9 years lending nationally to the senior housing sector.

17. The members of the Grandbridge team have brokered more than 200 sales of senior housing communities sold across 35 States in the Union. Thirty of those sales involved CCRC properties, which makes Grandbridge to the best of its knowledge, the leading LifePlan/Entrance Fee CCRC sales advisor in the Country. In the past 12 months, Grandbridge has been involved in the sale of CCRC properties with total, gross sales amounts of approximately \$350,000,000.00. Approximately Seven Hundred Fifty Million Dollars (\$750,000,000) of the team's sales activity involved senior housing sales located in the Midwest. Grandbridge is eminently qualified to successfully manage the Sale process for the Campus which the Debtor needs and requires. In addition, given Grandbridge's existing knowledge of Debtor and Debtor's marketing and Sale process to date, Grandbridge is in a unique position to continue to assist the Debtor with the completion of the marketing and Sale process in this Case.

Disinterestedness of Grandbridge

18. To the best of the Debtor's knowledge, information and belief, and based entirely and in reliance upon the Kliewer Declaration, Grandbridge is a "disinterested person" as that term is defined in Section 101(14) of the Bankruptcy Code, as modified by Section 1107(b) of the Bankruptcy Code. As described in the Kliewer Declaration, neither Mr. Kliewer, Mr. Jordan nor any individuals on their team working on this matter:

- a. are not creditors, equity security holders or insiders of the Debtor;
- b. are not and were not, within two (2) years before the Petition Date, a director, officer, or employee of the Debtor; and

19. do not have an interest materially adverse to the interest of the estate or any class of creditors or equity security holders, by reason of any direct or indirect relationship with, or interest in, the Debtor or for any other reason.

20. Further, Grandbridge has no connection to the Debtor, its creditors, shareholders or related parties herein except as disclosed in the Kliewer Declaration and as noted in the following paragraph.

21. Grandbridge does not, and has not, represented any entities, other than the Debtor, in matters related to this Case. Grandbridge may have in the past represented, may currently represent, and likely in the future will represent, parties in interest, including creditors of the Debtor in connection with matters unrelated to the Debtor and this Case. As is part of its customary practice, Grandbridge is involved in cases, proceedings, reorganizations and transactions involving many different parties, some of which may represent, or be, claimants, or other parties in interest in this Case.

Compensation

22. Grandbridge requests compensation in the amount listed in Schedule A to the Agreement, which includes:

- a. a fee of 1.5% of the Total Sale Price of the successful bidder at the sale; or
- b. In the event that the successful bid proposes an “Alternate Transaction” Grandbridge’s compensation will be the sum of (a) 1.125% of the par amount of any current-pay bonds issued or assumed, plus (b) 0.05% of the par amount of any deferred-pay and/or subordinate bonds issued or assumed, or

If there is no new contribution of cash by a plan sponsor or other funder not affiliated with the Owner, then the sum of (a) 0.90% of the par amount of any current-pay bonds issued or assumed, plus (b) 0.05% of the par amount of any deferred-pay and/or subordinate bonds issued or assumed.

The foregoing calculations will not include any Entrance Fee refund liabilities assumed in a debt restructuring or affiliation or a sale. Notwithstanding anything to the contrary in this Motion or in the Agreement, all compensation payable to Grandbridge will be subject to the Court’s approval after notice and a hearing.

23. Grandbridge may seek reimbursement from the Debtor and its estate for actual, out-of-pocket, third-party marketing expenses, up to a maximum of \$15,000.00. Reimbursable expenses include, but are not limited to, the costs of the third party virtual data room, travel to the Campus, and professional photography. The expense reimbursement to Grandbridge will be subject to the approval of the Court after notice and a hearing. Grandbridge will provide documentation of expenses as required by the Debtor and the Court.

24. Considering the nature and extent of Grandbridge’s anticipated work, risks involved, and the value to be provided, the Debtor believes the proposed compensation is reasonable and appropriate pursuant to Section 328 of the Bankruptcy Code. Likewise, the overall

compensation structure described above is comparable to compensation generally charged by similarly situated firms for comparable engagements, both in and out of court.

25. The Debtor requests the retention of Grandbridge to be effective as of the Petition Date because it was necessary for Grandbridge to continue its efforts relative to the Sale process on behalf of the Debtor before this Motion could be presented or ruled upon.

26. Grandbridge has received no retainer deposit in connection with this engagement and/or the Agreement.

Notice

27. Notice of this Motion has been served on the following parties or, in lieu thereof, to their counsel, if known: (i) the United States Trustee for the Northern District of Illinois; (ii) the United States Attorney for the Northern District of Illinois; (iii) counsel for the Bond Trustee; (iv) the Debtor's other secured creditors; (v) the Internal Revenue Service; (vi) the Illinois Department of Revenue; (vii) the United States Department of Health and Human Services; (viii) the Illinois Department of Human Services; (ix) the Illinois Finance Authority; (x) the Centers for Medicare and Medicaid Services; (xi) the Illinois Department of Financial and Professional Regulation; (xii) the Illinois Department of Public Health; (xiii) the holders of the twenty largest unsecured claims against the Debtor; (xiv) those who have formally appeared and requested service in these proceedings pursuant to Bankruptcy Rule 2002; and (xv) Schaumburg Bank & Trust Co., N.A.. In light of the nature of the relief requested herein, the Debtor submits that no other or further notice need be given.

28. The Debtor requests that the Court, as permitted by Rule 9006(b)(1), should determine that the notice of the hearing on the Motion given to parties in interest was reasonable and sufficient under the circumstances.

No Prior Request

29. No prior request for the relief sought in the Motion has been made to this or any other Court.

WHEREFORE, Evangelical Retirement Homes of Greater Chicago, Incorporated d/b/a Friendship Village of Schaumburg respectfully requests that this Court enter an order, substantially in the form that was electronically filed with this Motion, that: (a) authorizes the Debtor to employ David Kliever, Jay Jordan and Grandbridge Real Estate Capital as of the Petition Date under the terms and conditions set forth herein and in the Agreement; and (b) grants such other and further relief as the Court deems necessary and just.

Dated: June 8, 2023

EVANGELICAL RETIREMENT HOMES
OF GREATER CHICAGO, INCORPORATED,
d/b/a Friendship Village of Schaumburg,
Debtor and Debtor-in-Possession

By:


Michael Flynn, CEO

- and -

By: /s/ Bruce Dopke

Proposed Counsel for the Debtor

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

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

**UNSWORN STATEMENT UNDER PENALTY OF PERJURY OF
DAVID KLIEWER IN SUPPORT OF MOTION TO RETAIN AND EMPLOY
DAVID KLIEWER, JASON “JAY” JORDAN AND
GRANDBRIDGE REAL ESTATE CAPITAL LLC AS BROKERS**

David Kliewer, under penalty of perjury, in accordance with 28 U.S.C. § 1746, solemnly affirms that he has read the statements which appear below and that they are, to the best of his knowledge and belief, true and accurate in every respect:

1. As a representative and employee of Grandbridge Real Estate Capital LLC (“**Grandbridge**”), I submit this statement pursuant to Federal Rule of Bankruptcy Procedure 2014, in support of the “Motion To Retain And Employ David Kliewer, Jason “Jay” Jordan and Grandbridge Real Estate Capital LLC As Brokers” (the “**Motion**”).¹ Unless otherwise stated, all facts set forth herein are based on my personal knowledge, review of relevant documents, discussions with, among others, other members of Grandbridge and the Debtor’s advisors and other professionals, or are my opinion, which is based on my personal experience and knowledge

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

regarding the Debtor and its efforts to market and sell its assets. If I am called as a witness in this Case, I would testify competently to the facts set forth herein.

2. On June 5, 2023, Grandbridge (through my electronic signature) and the above captioned debtor and debtor-in-possession (the “**Debtor**”) signed the “Exclusive Right To Sell Agreement” (the “**Agreement**”) in the form attached to the Motion as Exhibit B. The Agreement executed on June 5, 2023 supersedes and replaces a prior agreement that was executed on Jan. 24, 2023. Under the Agreement, Grandbridge was charged with the responsibility to market the Campus to the unique pool of qualified buyers and potential affiliation partners, and then, subject to the Court’s authority and permission, conduct a public auction of the Debtor’s tangible and intangible property in this Case.

3. After the Agreement was signed, Grandbridge worked diligently to perform its duties and responsibilities as set forth in the Agreement. Grandbridge had substantially completed its due diligence relative to the Debtor under its earlier (January 24, 2023) version of its contract with the Debtor. Grandbridge populated its own data room (using new and updated documents provided by the Debtor as well as relevant documentation from the data room created by Debtor’s former advisor (B.C. Zeigler & Company (“**Ziegler**”))) and prepared a buyer list. On June 5, 2023, Grandbridge issued a marketing “teaser” to 2,852 potential purchasers; which included approximately 77 prospects which had previously submitted NDAs, plus over 2,700 additional new prospects including 55 additional “higher tier prospects” which Grandbridge had identified. Grandbridge is prepared to move forward with the remainder of its marketing plan, subject to authorization from the Court to proceed with that plan.

4. I believe that Grandbridge is well qualified to broker a successful sale of the Debtor's campus, which is a continuing care retirement community ("CCRC") located in Schaumburg, Illinois. The services necessary to accomplish that result may include any and all of the following:

- a. continue to prepare marketing materials including a standard marketing flyer, offering memorandum, and virtual data room, subject to Owner's review and approval of all such materials;
- b. distribute the marketing flyer to potential purchasers;
- c. distribute the offering memorandum and virtual data room access to all potential purchasers who execute a non-disclosure agreement;
- d. work to solicit Qualified Bids from potential purchasers including regular communication with interested parties to encourage their interest; and
- e. assist the Debtor in coordinating due diligence materials to the purchaser and serve as an advisor to the Debtor through the closing of the transaction.

5. I am the co-head of Grandbridge's sales team. I have specialized exclusively in sell-side representation of senior housing communities for more than 20-years and have broad experience in complex transactional work, including a variety of court-approved sale processes..

6. I will be assisted in the engagement by my co-worker at Grandbridge, Mr. Jordan, who is co-head of our senior housing investment sales team at Grandbridge Mr. Jordan joined me in 2019 having previously spent 9 years lending nationally to the senior housing sector.

7. The members of the Grandbridge team have brokered more than 200 sales of senior housing communities sold across 35 States in the Union. Thirty of those sales involved CCRC properties, which makes Grandbridge, to the best of its knowledge, the leading LifePlan/Entrance Fee CCRC sales advisor in the Country. In the past 12 months, Grandbridge has been involved in the sale of CCRC properties with total, gross sales amounts of approximately \$350,000,000.00. Approximately Seven Hundred Fifty Million Dollars (\$750,000,000) of the team's sales activity

involved senior housing sales located in the Midwest. Grandbridge is eminently qualified to successfully manage the Sale process for the Campus which the Debtor needs and requires.

8. Additionally, Grandbridge has existing knowledge of the Debtor and the Debtor's marketing and Sale process.

9. To the best of my knowledge, information and belief, Grandbridge is a "disinterested person" as that term is defined in Section 101(14) of the Bankruptcy Code, as modified by Section 1107(b) of the Bankruptcy Code. Neither I, Mr. Jordan or any individuals on our team working on this matter:

- a. are not creditors, equity security holders or insiders of the Debtor;
- b. are not and were not, within two (2) years before the Petition Date, a director, officer, or employee of the Debtor; and
- c. do not have an interest materially adverse to the interest of the estate or any class of creditors or equity security holders, by reason of any direct or indirect relationship with, or interest in, the Debtor or for any other reason.

10. Further, Grandbridge has no connection to the Debtor, its creditors, shareholders or related parties herein except as noted in the following paragraph.

11. Grandbridge does not, and has not, represented any entities, other than the Debtor, in matters related to this Case. Grandbridge may have in the past represented, may currently represent, and likely in the future will represent, parties in interest, including creditors of the Debtor in connection with matters unrelated to the Debtor and the Case. As is part of its customary practice, Grandbridge is involved in cases, proceedings, reorganizations and transactions involving many different parties, some of which may represent, or be, claimants, or other parties in interest in this case.

12. Grandbridge requests compensation in the amount listed in Schedule A to the Agreement, which includes:

- a. a fee of 1.5% of the Total Sale Price of the successful bidder at the sale; or
- b. In the event that the successful bid proposes an “Alternate Transaction” Grandbridge’s compensation will be the sum of (a) 1.125% of the par amount of any current-pay bonds issued or assumed, plus (b) 0.05% of the par amount of any deferred-pay and/or subordinate bonds issued or assumed, or

If there is no new contribution of cash by a plan sponsor or other funder not affiliated with the Owner, then the sum of (a) 0.90% of the par amount of any current-pay bonds issued or assumed, plus (b) 0.05% of the par amount of any deferred-pay and/or subordinate bonds issued or assumed.

The foregoing calculations will not include any Entrance Fee refund liabilities assumed in a debt restructuring or affiliation or a sale. Notwithstanding anything to the contrary in this Motion or in the Agreement, all compensation payable to Grandbridge will be subject to the Court’s approval after notice and a hearing.

13. Grandbridge may seek reimbursement from the Debtor and its estate for actual, out-of-pocket, third-party marketing expenses, up to a maximum of \$15,000.00. Reimbursable expenses include, but are not limited to, the costs of the third party virtual data room, travel to the Campus, and professional photography. The expense reimbursement to Grandbridge will be subject to the approval of the Court after notice and a hearing. Grandbridge will provide documentation of expenses as required by the Debtor and the Court.

14. It was necessary for Grandbridge to provide services and engage in continued efforts relative to the Sale process on behalf of the Debtor before the Motion could be presented or ruled upon.

15. Grandbridge has received no retainer deposit in connection with this engagement and/or the Agreement.

16. I understand and Grandbridge and my co-workers acknowledge and agree that if Grandbridge seeks to receive compensation and the reimbursement of costs and expenses associated with the Case from the Debtor, Grandbridge will apply to this Court for authorization to do so in a manner consistent with the Bankruptcy Code and applicable Bankruptcy Rules.

17. Reserved.

18. Reserved.

[Intentionally Blank]

19. Apart from the undertakings noted above in this Affirmation, Grandbridge has not received any consideration or promise of consideration for services for the Debtor, although the Debtor has agreed to pay Grandbridge such reasonable fees and reimburse such reasonable costs and expenses as the Court may allow pursuant to 11 U.S.C. §§ 330 and 331, on the terms set forth on Schedule A to the Agreement and with respect to expenses, those expenses set forth in paragraph 3 of the Agreement.

Executed on June 11, 2023

By: 
David Kliwer, Co-Head of Sales
Grandbridge Real Estate Capital LLC

EXCLUSIVE RIGHT TO SELL AGREEMENT

Evangelical Retirement Homes of Greater Chicago, Inc. d/b/a Friendship Village of Schaumburg ("Owner") hereby appoints Grandbridge Real Estate Capital LLC ("Grandbridge") as its exclusive agent for the sale of the real property known as Friendship Village of Schaumburg located at 350 West Schaumburg Road, Schaumburg, Illinois 60194 ("Friendship Village" or "Property"). This agreement shall commence on April 21, 2023 and expire after 180 days, and it supersedes in full the prior agreement between the parties under the same name dated January 24, 2023.

1. **Marketing Services:** Grandbridge will provide brokerage services in an effort to obtain a purchaser for the Property at a sale price and terms acceptable to Owner in its sole discretion. Marketing services to be performed by Grandbridge include but are not limited to:
 - a. Preparation of marketing materials including a standard marketing flyer, offering memorandum, and virtual data room, subject to Owner's review and approval of all such materials.
 - b. Distribution of the marketing flyer to potential purchasers.
 - c. Distribution of the offering memorandum and virtual data room access to all potential purchasers who execute a non-disclosure agreement.
 - d. Assist Owner in selecting a purchaser and negotiating the business terms of a Purchase & Sale Agreement on behalf of Owner.
 - e. Assist Owner in coordinating due diligence materials to the purchaser and serving as advisor to Owner through closing of the transaction.
2. **Owner Duties:** Owner will refer all inquiries and offers received to Grandbridge, regardless of the source of such inquiries or offers. Owner represents it has the authority to sell the Property, and individuals signing below represent they are authorized to sign this agreement by the entity indicated.
3. **Expense Reimbursement:** Owner shall reimburse Grandbridge for actual, out-of-pocket, third-party marketing expenses, up to a maximum of **\$15,000** (inclusive of any fees related to the period from January 24, 2023 until now). Reimbursable expenses include, but are not limited to, the costs of the third-party virtual data room, travel to the Property, and professional photography. The expense reimbursement to Grandbridge will be due and payable by Owner upon the closing of a sale transaction, or expiration of this agreement. Grandbridge will provide documentation of expenses as required by Owner.
4. **Commission:** If during the term of this agreement, Owner sells any interest in the Property or an Alternative Transaction (as defined in Schedule A) is completed, Owner shall pay Grandbridge a commission based on the commission schedule as outlined in the attached Schedule A. If a prospective purchaser to whom the Property was submitted to by any party during the term of the agreement, enters into a Purchase & Sale Agreement within 180 days after the end of the term, and thereafter a sale or Alternative Transaction is closed, Owner will pay Grandbridge a commission based on the terms in Schedule A. Owner agrees that the 180-day period will be extended for as long as negotiations are continuing with a prospective purchaser.
5. **Other Brokers:** Grandbridge will cooperate with outside licensed Real Estate brokers, provided that outside brokers representing a potential purchaser must seek payment from its own client. In no event shall Owner be required to pay a commission to any outside broker.
6. **Venue & Statutory Provisions:** This agreement will be governed by the laws of the State of Illinois, without giving effect to principles of conflicts of law. Grandbridge will cooperate and work with an appropriate licensed broker within Illinois to meet State real estate requirements.

The following must be included in brokerage agreements in the State of Illinois: It is illegal for either party to discriminate against any person because of one's membership in a protected class (e.g. race, color, religion, national origin, sex, ancestry, age, marital status, physical or mental handicap, familial status, or any other class protected by Article 3 of the Illinois Human Rights Act)

EXHIBIT B

7. **Fees & Expenses:** If either party commences litigation against the other party to enforce its rights under this agreement, the prevailing party will be entitled to recover from the other party the costs and expenses (including reasonable attorneys' fees) incurred.
8. **Professional Advice:** Grandbridge recommends that Owner obtain legal, tax or other professional advice relating to this agreement and the proposed sale of the Property as well as the condition and/or legality of the Property, including, but not limited to, the improvements, equipment, soil, tenancies, title, environmental aspects and compliance with the Americans with Disabilities Act. Grandbridge will have no obligation to investigate any such matters unless expressly otherwise agreed to in writing by Owner and Grandbridge. Owner further agrees that in determining the financial soundness of any prospective purchaser, Owner will rely solely upon Owner's own investigation and evaluation, notwithstanding Grandbridge's assistance in gathering any financial information.
9. **OFAC:** Each party represents and warrants to the other that it, and all persons and entities owning (directly or indirectly) an ownership interest in it: (a) are not, and will not become, a person or entity with whom a party is prohibited from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order or other governmental action; and (b) are not knowingly engaged in, and will not knowingly engage in, any dealings or transactions or be otherwise associated with such persons or entities described in clause (a) above.
10. **Anti-Bribery & Corruption:** Each party represents and warrants to the other that it (and any party acting on its behalf) has not, in order to enter into this agreement, offered, promised, authorized or made any payments or transfers of anything of value which have the purpose or effect of public or commercial bribery, kickbacks or other unlawful or improper means of doing business ("Prohibited Activity") and will not engage in Prohibited Activity during the term of this agreement. In the event of any violation of this section, the non-offending party shall be entitled to immediately terminate this agreement and take such other actions as are permitted or required to be taken under law or in equity.
11. **Miscellaneous:** This agreement constitutes the entire agreement between the parties regarding the subject matter herein, and no amendments, changes or modifications may be made to this agreement without the express written consent of each of the parties. If any term or provision of this agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms and provisions of the Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated. No failure or delay by a party in exercising any right hereunder or any partial exercise thereof shall operate as a waiver thereof or prohibit any other or further exercise of any right hereunder. This agreement shall benefit and be binding upon the parties and their respective successors and assigns. This agreement may be executed and delivered (including by facsimile, "pdf" or other electronic transmission) in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

Evangelical Retirement Homes of
Greater Chicago, Inc. d/b/a
Friendship Village of Schaumburg

By: Michael A. Flynn
Name: MICHAEL A. FLYNN
Title: CEO
Date: 6/2/23

Grandbridge Real Estate Capital LLC

By: David Kliwer
Name: David Kliwer
Title: Vice President
Date: 6/5/2023

[Commission Schedule A Follows]

Schedule A

Commission Schedule

Commission: The commission to Grandbridge shall be 1.50% of the Total Sale Price (as calculated below).

Alternative Transactions: If a proposed transaction covered by the Agreement to which this Schedule is annexed turns into any other transaction, including, but not limited to, an affiliation, debt restructuring, bond sale or bond assumption (as a means to take ownership/control of the Property), exchange, option to purchase, right of first refusal, ground lease or lease, then Grandbridge will automatically, without the necessity of any further acts by Owner or Grandbridge or an amendment to the Agreement to which this Schedule is annexed, be Owner's sole and exclusive agent for such transaction and will be entitled to a commission on such transaction under the terms of the Agreement.

In the event an Alternative Transaction includes a debt restructuring or affiliation, Grandbridge's Commission shall be the following:

- 1) If there is a new contribution of cash by a plan sponsor or other funder not affiliated with the Owner, then the sum of (a) 1.125% of the par amount of any current-pay bonds issued or assumed, plus (b) 0.05% of the par amount of any deferred-pay and/or subordinate bonds issued or assumed, or
- 2) If there is no new contribution of cash by a plan sponsor or other funder not affiliated with the Owner, then the sum of (a) 0.90% of the par amount of any current-pay bonds issued or assumed, plus (b) 0.05% of the par amount of any deferred-pay and/or subordinate bonds issued or assumed.

The foregoing calculations will not include any Entrance Fee refund liabilities assumed in a debt restructuring or affiliation or a sale.

Time of Payment: The commission shall be paid in full at the time of the closing or transfer of title to the Property, except in the case of an installment purchase contract, in which case the commission shall be paid in full at the time of full execution and delivery of the installment purchase contract between Owner and purchaser.

Computation of Total Sales Price: The commission shall be computed in accordance with the above rates based upon the gross sales price, which shall include any mortgages, loans or other obligations of Owner which may be assumed by purchaser or which purchaser takes title "subject to," and any purchase money loans or mortgages taken back by Owner, the sales price of any fixtures or other personal property sold by separate agreement between Owner and purchaser as part of the overall sale of the real property, and the current market value of any other real or personal property transferred from Owner to the seller as part of the sale.

Definitions: "Sales" shall also include, in addition to a conventional purchase of a fee simple interest, swaps, joint ventures, affiliations, bond sales, bond assumptions and any other transaction, however characterized, by which the equity and/or control in the Property is transferred to a third party for consideration.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
Eastern Division

In Re:	)	BK No.: 23-07541
EVANGELICAL RETIREMENT	)	
HOMES OF GREATER CHICAGO,	)	
INCORPORATED, d/b/a Friendship Village	)	Chapter: 11
of Schaumburg, FEIN: 36-2815382,	)	Honorable Timothy A. Barnes
	)	
Debtor(s)	)	

**Order Granting Motion To Employ David Kliever, Jason "Jay" Jordan
and Grandbridge Real Estate Capital LLC As Brokers**

This matter was heard on the "Motion To Employ David Kliever, Jason "Jay" Jordan and Grandbridge Real Estate Capital LLC As Brokers" (the "Motion") filed by Evangelical Retirement Homes of Greater Chicago, Incorporated d/b/a Friendship Village of Schaumburg, debtor and debtor-in-possession herein, and the Court, having considered the record in this Case, the pleadings on file and the statements of counsel in support of their respective positions, and having afforded the parties an opportunity for hearing as was appropriate under the circumstances, and being advised in the premises:

IT IS ORDERED:

1. The Motion is GRANTED to the extent set forth herein.
2. David Kliever, Jason "Jay" Jordan and Grandbridge Real Estate Capital LLC (collectively, "Grandbridge") are authorized pursuant to 11 U.S.C. § 327(a) to represent the Debtor as Brokers for the sale of the Debtor's real estate and related assets which are commonly known as "Friendship Village of Schaumburg" on the terms set forth in the "Exclusive Right To Sell Agreement" (the "Agreement") dated June 5, 2023, a copy of which is attached to this Order as Exhibit 1; provided, however, that such employment shall be authorized effective as of the Petition Date of this Case, and further, that no compensation or reimbursement of expenses shall be made to Grandbridge without first being allowed by the Court under Sections 330 and 331 of the Bankruptcy Code after notice and a hearing.
3. Any dispute arising from or relating to the Debtor's engagement of Grandbridge, notwithstanding any provision in the Engagement Agreement, shall be subject to the exclusive jurisdiction and venue of this Bankruptcy Court so long as this Case is pending.
4. The Debtor is authorized, but not directed, to take all actions necessary to effectuate the relief granted pursuant to this Order.
5. Notice of the Motion as provided therein is deemed to be good and sufficient notice, satisfying the requirements of the Bankruptcy Rules.
6. Notwithstanding any Bankruptcy Rule to the contrary, this Order shall be immediately effective and enforceable upon its entry.
7. The Court shall retain jurisdiction over any and all matters arising from the interpretation, implementation, or enforcement of this Order.

Enter:

Honorable Timothy A. Barnes
United States Bankruptcy Judge

Dated:

Prepared by:

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