

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:

MIDWEST CHRISTIAN VILLAGES, INC.
et al.,¹

Debtors.

Chapter 11
Case No. 24-42473-659
(Jointly Administered)

Related Docket Nos. 11, 60, 160

Hearing Date: September 11, 2024
Hearing Time: 10:00 a.m. (CT)
Hearing Location: Courtroom 7 North

NOTICE OF PROPOSED FINAL DIP ORDER

PLEASE TAKE NOTICE THAT on July 16, 2024 the Debtors filed the *Motion for Interim and Final Orders (1) Authorizing the Debtors To Obtain Post-Petition Financing, (2) Authorizing Debtors In Possession to Use Cash Collateral, (3) Providing Adequate Protection, (4) Granting Liens, Security Interests and Superpriority Claims, and (5) Scheduling a Final Hearing (“DIP Motion”)*² [Docket No. 11].

PLEASE TAKE FURTHER NOTICE that on July 19, 2024, the Court entered the *Interim Order (1) Authorizing Debtors in Possession to Obtain Post-Petition Financing; (2) Authorizing Debtors in Possession to Use Cash Collateral; (3) Providing Adequate Protection;*

¹ The address of the Debtors headquarters is 2 Cityplace Dr, Suite 200, Saint Louis, MO 63141-7390. The last four digits of the Debtors’ federal tax identification numbers are: (i) Midwest Christian Villages, Inc. [5009], (ii) Hickory Point Christian Village, Inc. [7659], (iii) Lewis Memorial Christian Village [3104], (iv) Senior Care Pharmacy Services, LLC [1176], (v) New Horizons PACE MO, LLC [4745], (vi) Risen Son Christian Village [9738], (vii) Spring River Christian Village, Inc. [1462], (viii) Christian Homes, Inc. [1562], (ix) Crown Point Christian Village, Inc. [4614], (x) Hoosier Christian Village, Inc. [3749], (xi) Johnson Christian Village Care Center, LLC [8262], (xii) River Birch Christian Village, LLC [7232], (xiii) Washington Village Estates, LLC [9088], (xiv) Christian Horizons Living LLC [4871], (xv) Wabash Christian Therapy and Medical Clinic, LLC [2894], (xvi) Wabash Christian Village Apartments, LLC [8352], (xvii) Wabash Estates, LLC [8743], (xviii) Safe Haven Hospice, LLC [6886], (xix) Heartland Christian Village, LLC [0196], (xx) Midwest Senior Ministries, Inc. [3401], (xxi) Shawnee Christian Nursing Center, LLC [0068], and (xxii) Safe Haven Hospice, LLC [6886].

² Capitalized terms used but not otherwise defined herein have the meanings given to them in the DIP Motion.



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(4) Granting Liens, Security Interests and Superpriority Claims; and (5) Scheduling a Final Hearing [Docket No. 60] (the “First Interim DIP Order”).

PLEASE TAKE FURTHER NOTICE that on August 16, 2024, the Court entered the *Second Interim Order (I) Authorizing Debtors in Possession to Obtain Post-Petition Financing; (2) Authorizing Debtors in Possession to Use Cash Collateral; (3) Providing Adequate Protection; (4) Granting Liens, Security Interests and Superpriority Claims; and (5) Scheduling a Final Hearing* [Docket No. 160] (the “Second Interim DIP Order”).

PLEASE TAKE FURTHER NOTICE, that in advance of the final hearing on the DIP Motion scheduled for **September 11, 2024 at 10:00 a.m. (Central Time)** in Courtroom 7 North, of the Thomas F. Eagleton United States Courthouse, 111 South Tenth Street, St. Louis, Missouri, the Debtors hereby file a proposed final DIP order (the “Proposed Final DIP Order”), reflecting informal comments received to the form of order. A clean version of the Final DIP Order is attached hereto as **Exhibit A**, and a redline showing changes against the First Interim DIP Order is attached hereto as **Exhibit B**.

Dated: September 4, 2024
St. Louis, Missouri

Respectfully submitted,

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/s/ Stephen O'Brien

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EXHIBIT A

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

In re:)
) **Chapter 11**
MIDWEST CHRISTIAN VILLAGES,)
INC., et al.,¹) **Case No. 24-42473-659**
) **(Joint Administration Requested)**
Debtors.)
) Related Docket Nos. 11, 60 & 160

**FINAL ORDER (1) AUTHORIZING DEBTORS IN POSSESSION
TO OBTAIN POST-PETITION FINANCING; (2) AUTHORIZING DEBTORS IN
POSSESSION TO USE CASH COLLATERAL; (3) PROVIDING ADEQUATE
PROTECTION; AND (4) GRANTING LIENS, SECURITY INTERESTS
AND SUPERPRIORITY CLAIMS**

This Final Order (1) Authorizing Debtors in Possession to Obtain Post-Petition Financing; (2) Authorizing Debtors in Possession to Use Cash Collateral; (3) Providing Adequate Protection; and (4) Granting Liens, Security Interests and Superpriority Claims (this “Final Order”) is entered by this Court after adequate notice of and hearings held July 17, 2024, August 14, 2024 and September 11, 2024 upon the Debtors’ *Motion for Interim Order and Final Order (1) Authorizing Debtors in Possession to Obtain Post-Petition Financing; (2) Authorizing Debtors in Possession to Use Cash Collateral; (3) Providing Adequate Protection; (4) Granting Liens, Security Interests*

¹ The address of the Debtors is 2 Cityplace Dr, Suite 200, Saint Louis, MO 63141-7390. The last four digits of the Debtors’ federal tax identification numbers are: (i) Midwest Christian Villages, Inc. [5009], (ii) Hickory Point Christian Village, Inc. [7659], (iii) Lewis Memorial Christian Village [3104], (iv) Senior Care Pharmacy Services, LLC [1176], (v) New Horizons PACE MO, LLC [4745], (vi) Risen Son Christian Village [9738], (vii) Spring River Christian Village, Inc. [1462], (viii) Christian Homes, Inc. [1562], (ix) Crown Point Christian Village, Inc. [4614], (x) Hoosier Christian Village, Inc. [3749], (xi) Johnson Christian Village Care Center, LLC [8262], (xii) River Birch Christian Village, LLC [7232], (xiii) Washington Village Estates, LLC [9088], (xiv) Christian Horizons Living LLC [4871], (xv) Wabash Christian Therapy and Medical Clinic, LLC [2894], (xvi) Wabash Christian Village Apartments, LLC [8352], (xvii) Safe Haven Hospice, LLC [6886], (xviii) Heartland Christian Village, LLC [0196], (xxiii) Shawnee Christian Nursing Center, LLC [0068] and (xxiv) Safe Haven Hospice LLC [6886].

and Superpriority Claims and (5) Scheduling a Final Hearing (the “Motion”),² and upon the terms agreed to by and among the above-captioned debtors and debtors-in-possession (the “Debtors”), UMB Bank, N.A., as successor bond trustee (in such capacity, the “Bond Trustee”) under the Bond Indentures (as defined below), UMB Bank, N.A., as successor master trustee (the “Master Trustee”) and together with the Bond Trustee, the “Trustee”) under the Master Indenture (as defined below), and UMB Bank, N.A., in its capacity as Trustee, as lender (the “DIP Lender”) with respect to the DIP Credit Agreement (as defined below). Upon the terms of the Motion, the stipulations, acknowledgements and agreements of the Debtors, the DIP Lender, and the Trustee (collectively, the “Parties”), the Declarations of Kathleen (Kate) Bertram and Shawn O’Conner submitted in support of the Motion, the statements of the Parties and their counsel at the hearings on the Motion, and the record of the proceedings, the Court makes the following findings of fact and rulings of law:

FINDINGS OF FACT

The Debtors’ Chapter 11 Cases; Procedural Background; Jurisdiction and Notice

A. On July 16, 2024 (the “Petition Date”), the Debtors each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) and thereby commenced their cases thereunder (the “Chapter 11 Cases”). Since the Petition Date, the Debtors have been operating their businesses and managing their property as debtors and debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

B. The Court held a hearing to consider granting the relief requested in the Motion on an interim basis on July 17, 2024. Following such hearing, the Court entered its *Interim Order*

² All defined terms used but not defined herein shall have the meanings ascribed to them in the Motion, the Bond Documents, or the DIP Credit Agreement, as applicable.

(1) Authorizing Debtors in Possession to Obtain Post-Petition Financing; (2) Authorizing Debtors in Possession to Use Cash Collateral; (3) Providing Adequate Protection; (4) Granting Liens, Security Interests and Superpriority Claims; and (5) Scheduling a Final Hearing on July 19, 2024 [Docket No. 60] (the “First Interim Order”).

C. On August 8, 2024, the Office of the United States Trustee (the “United States Trustee”) appointed an official committee on unsecured creditors in the Chapter 11 Cases (the “Committee”). No request has been made for the appointment of a trustee or examiner in the Chapter 11 Cases.

D. On August 14, 2024, the Court held a hearing to consider extending the relief requested in the Motion and granted on an interim basis in the First Interim Order on a further interim basis. Following such hearing, the Court entered its *Second Interim Order (1) Authorizing Debtors in Possession to Obtain Post-Petition Financing; (2) Authorizing Debtors in Possession to Use Cash Collateral; (3) Providing Adequate Protection; (4) Granting Liens, Security Interests and Superpriority Claims; and (5) Scheduling a Final Hearing on August 16, 2024 [Docket No. 160] (the “Second Interim Order,” and together with the First Interim Order, the “Interim Orders”).*

E. The Court has jurisdiction over the Chapter 11 Cases and the Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue of the Chapter 11 Cases and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

F. The Debtors have properly served notice of the Motion and the hearings thereon pursuant to sections 102, 105, 361, 362, 363 and 364 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6003 and 6004, and Local Bankruptcy Rules 2002-1, 9013-1 and 9013-2, which notice was sent to, among others (i) the Office of the United States Trustee; (ii) the Trustee; (iii) the Debtors’ other prepetition secured lenders; (iv) the DIP Lender; (v) the Internal Revenue Service;

(vi) the parties included on the Debtors' consolidated list of their 30 largest unsecured creditors; (vii) the United States Attorney for the Eastern District of Missouri; (viii) the Committee; (ix) the state attorneys general in each state where the Debtors conduct their business; and (x) all parties entitled to notice pursuant to Bankruptcy Rule 2002 (the "Notice Parties"). Such notice is sufficient under the Bankruptcy Code and the applicable Bankruptcy Rules and Local Rules with respect to the relief requested, and no further notice of the relief sought in the Motion is necessary.

The Debtors and the Facilities

G. The Debtors own and operate senior living facilities and related businesses in Illinois, Indiana, Iowa and Missouri (collectively, the "Facilities").

H. The Debtors offer residential units for their residents (each a "Resident") in independent living, assisted living, memory care, or skilled nursing units and provide those Residents with necessary healthcare services, multiple entertainment outlets and other social benefits. As of the Petition Date, the Debtors provide accommodations for more than 1,000 Residents. The Debtors employ approximately 960 employees and also have individuals from staffing agencies to run their operations.

The Secured Bond Obligations

I. Pursuant to the First Interim Order, the Debtors admitted, stipulated, and agreed, and now reaffirm, that each of the following Debtors is a member of the Obligated Group (defined below): Christian Homes, Inc. ("Christian Homes"); Crown Point Christian Village, Inc. (f/k/a Chicagoland Christian Village, Inc.); Hickory Point Christian Village, Inc. (f/k/a Fair Havens Christian Homes, Inc.); Hoosier Christian Village, Inc.; Lewis Memorial Christian Village; Midwest Senior Ministries, Inc.; New Horizons PACE MO, LLC; Risen Son Christian Village; Senior Care Pharmacy Services, LLC; and Spring River Christian Village, Inc. (each, an

“Obligated Group Member,” and collectively referred to herein as the “Obligated Group Members” or the “Obligated Group”).

J. Pursuant to the First Interim Order, the Debtors admitted, stipulated, and agreed, and now reaffirm, that the Obligated Group Members are obligated to the Trustee for the benefit of the beneficial holders of the following series of bonds: (i) Illinois Finance Authority Revenue Refunding Bonds, Series 2016 (Christian Homes, Inc. Obligated Group) (the “Series 2016 Bonds”); (ii) Health and Educational Facilities Authority of the State of Missouri Senior Living Facilities Revenue Bonds (Christian Horizons Obligated Group), Series 2018 (the “Series 2018 Bonds”); (iii) Illinois Finance Authority Revenue Bonds, Series 2021A (Christian Horizons Obligated Group) (the “Series 2021A Bonds”); and (iv) Illinois Finance Authority Taxable Revenue Bonds, Series 2021B (Christian Horizons Obligated Group) (the “Series 2021B Bonds,” and collectively with the Series 2016 Bonds, the Series 2018 Bonds and the Series 2021A Bonds, the “Bonds”).

K. Pursuant to the First Interim Order, the Debtors admitted, stipulated, and agreed, and now reaffirm, that (i) the Series 2016 Bonds were issued pursuant to that certain Bond Trust Indenture dated as of March 1, 2016 (the “2016 Bond Indenture”) between the Illinois Finance Authority (the “Illinois Issuer”) and Wells Fargo Bank, National Association (“Wells Fargo”), as original bond trustee thereunder; (ii) the Series 2018 Bonds were issued pursuant to that certain Bond Trust Indenture dated as of December 1, 2018 (the “2018 Bond Indenture”) between the Health and Educational Facilities Authority of the State of Missouri (the “Missouri Issuer”) and Wells Fargo, as original bond trustee thereunder; and (iii) the Series 2021A Bonds and the Series 2021B Bonds were issued pursuant to two separate Bond Trust Indentures, each dated as of September 1, 2021 (together, the “2021 Bond Indenture”), each between the Illinois Issuer and

Wells Fargo, as original bond trustee thereunder. The 2016 Bond Indenture, the 2018 Bond Indenture and the 2021 Bond Indentures are referred to collectively herein as the “Bond Indentures.”

L. Pursuant to the First Interim Order, the Debtors admitted, stipulated, and agreed, and now reaffirm, that: (i) the proceeds of the Series 2016 Bonds were loaned to Obligated Group Members pursuant to that certain Loan Agreement dated as of March 1, 2016 (the “2016 Loan Agreement”) between the Illinois Issuer and Christian Homes; (ii) the proceeds of the Series 2018 Bonds were loaned to Obligated Group Members pursuant to that certain Loan Agreement dated as of December 1, 2018 (the “2018 Loan Agreement”) between the Missouri Issuer and Christian Homes; and (iii) the proceeds of the Series 2021A Bonds and the Series 2021B Bonds were loaned to Obligated Group Members pursuant to two separate Loan Agreements, each dated as of September 1, 2021 (together, the “2021 Loan Agreements”), each between the Illinois Issuer and Christian Homes. The 2016 Loan Agreement, the 2018 Loan Agreement and the 2021 Loan Agreements are referred to collectively herein as the “Loan Agreements.” Pursuant to the First Interim Order, the Debtors further admitted, stipulated, and agreed, and now reaffirm, that the Illinois Issuer and the Missouri Issuer, as applicable, assigned their respective rights under the Loan Agreements to the Bond Trustee in accordance with the Bond Indentures.

M. Pursuant to the First Interim Order, the Debtors admitted, stipulated, and agreed, and now reaffirm, that the Obligated Group Members used the proceeds of the Bonds primarily to finance or refinance the acquisition, construction, equipping or improving, as applicable, of various communities owned and operated by Obligated Group Members.

N. Pursuant to the First Interim Order, the Debtors admitted, stipulated, and agreed, and now reaffirm, that the Obligated Group Members’ payment obligations with respect to the

Bonds are evidenced and secured by, *inter alia*, certain Direct Note Obligations (the “Master Obligations”) issued under and pursuant to that certain Master Trust Indenture dated as of June 1, 2007 (as amended or supplemented from time to time, the “Master Indenture”) among the Obligated Group Members and Wells Fargo, as original master trustee thereunder.

The Bond Claim

O. Pursuant to the First Interim Order, the Debtors admitted, stipulated, and agreed, and now reaffirm, that as of July 15, 2024, the amounts due and owing by the Obligated Group Members with respect to the Bonds and the obligations under the Bond Documents (as defined below) are as follows (collectively, the “Bond Claim”):

- (i) Unpaid principal on the Bonds in the aggregate amount of \$75,570,000, consisting of \$27,795,000 in principal amount of Series 2016 Bonds, \$27,685,000 in principal amount of Series 2018 Bonds, \$12,860,000 in principal amount of Series 2021A Bonds, and \$7,230,000 in principal amount of Series 2021B Bonds;
- (ii) Accrued but unpaid interest on the Bonds in the aggregate amount, as of July 15, 2024, of \$585,979.16, consisting of \$230,375.00 in accrued interest on the Series 2016 Bonds, \$230,708.33 in accrued interest on the Series 2018 Bonds, \$85,733.33 in accrued interest on the Series 2021A Bonds, and \$39,162.50 in accrued interest on the Series 2021B Bonds; and
- (iii) unliquidated, accrued and unpaid fees and expenses of the Trustee and its professionals incurred through the Petition Date. Such amounts, when liquidated, shall be added to the aggregate amount of the Bond Claim.

Security for the Bond Obligations

P. Pursuant to the First Interim Order, the Debtors admitted, stipulated, and agreed, and now reaffirm, that, as security for their obligations with respect to the Bonds and the other obligations owing under the Bond Documents (as defined below): (i) the Obligated Group Members entered into the Master Indenture, wherein the Obligated Group Members granted a first priority security interest in, among other assets, the Gross Revenues of the Obligated Group (as defined in the Master Indenture, and including, without limitation, “all receipts, revenues, rentals,

income, insurance proceeds (including, without limitation, all Medicaid, Medicare and other third-party payments”), condemnation awards and other moneys received by or on behalf of any Obligated Group Member, including (without limitation) revenues derived from (a) the ownership, operation or leasing of any portion of the Facilities (including, without limitation, fees payable by or on behalf of residents of the Facilities) and all rights to receive the same ... whether in the form of accounts, general intangibles or other rights ... and (b) gifts, grants, bequests, donations and contributions ... that are legally available to meet any of the obligations of the Obligated Group Member[s]”); and (ii) each of the Obligated Group Members owning an interest in real property entered into a mortgage and security agreement (or deed of trust and security agreement, as applicable), each in favor of the Master Trustee (collectively, the “Mortgages”). Each of the Mortgages grants a first priority mortgage lien (or deed of trust lien) on the real estate described therein and all buildings, structures, improvements and appurtenances standing or thereafter placed upon such real estate, and grants a first priority security interest in all machinery, equipment, inventory, furniture, spare parts, general intangibles, intellectual property rights and other personal property on or related to such real estate, and in all judgments, awards of damages, settlements and other compensation resulting from condemnation proceeds or the taking of the subject real estate (all of the foregoing, collectively, the “Mortgaged Property”). The Mortgaged Property includes all of the facilities in which the principal operations of Obligated Group Members are located and substantially all assets of each of the Obligated Group Members.

Q. The Master Indenture, the Bond Indentures, the Loan Agreements, the Mortgages and the various other agreements, documents and instruments evidencing the obligations of the

Obligated Group Members with respect to the Bonds or the Master Obligations, or providing security for such obligations, are referred to collectively herein as the “Bond Documents.”

R. Pursuant to the First Interim Order, but subject to paragraph 34 therein, the Debtors admitted, stipulated, and agreed, and now reaffirm, subject to paragraph 37 herein, that, pursuant to the Bond Documents, the Trustee holds a valid and enforceable first priority lien and security interest in substantially all of the Obligated Group Members’ real and personal property (other than Permitted Encumbrances, as defined in the Master Indenture), including all of the Obligated Group Members’ rights, titles, interests and estates in the following assets, as security for the Bonds and the Master Obligations: (i) all Gross Revenues of the Obligated Group Members; (ii) the Mortgaged Property; and (iii) all funds held in the various accounts established under the Master Indenture and the Bond Indentures (all such collateral, the “Pre-Petition Bond Collateral”; and the liens on such Pre-Petition Bond Collateral, the “Pre-Petition Liens”).

S. Pursuant to the First Interim Order, but subject to paragraph 34 therein, the Debtors admitted, stipulated, and agreed, and now reaffirm, subject to paragraph 37 herein, that the Bond Claim (i) constitutes legal, valid, binding, enforceable, and non-avoidable obligations of the Obligated Group Members; (ii) is not subject to setoff, defense, claim, counterclaim, or subordination of any kind; and (iii) is secured by first-priority Pre-Petition Liens in the Pre-Petition Bond Collateral.

Lument-Financed Properties

T. The Debtors own and operate Wabash Estates in Carmi, Illinois (“Wabash Estates”) and Washington Village Estates in Washington, Illinois (“Washington Estates,” and together with Wabash Estates, the “Lument-Financed Properties”). The Lument-Financed Properties are each subject to mortgages securing loans made by Lument Real Estate Capital, LLC f/k/a Lancaster

Pollard Mortgage Company (“Lument”) and indorsed for insurance by the United States Department of Housing and Urban Development.

U. As of the Petition Date, the Lument-Financed Properties were not subject to mortgages in favor of the Trustee.

IDHA-Financed Property

V. The Debtors also own and operate Wabash Christian Village Apartments (“Wabash Apartments,” and together with Wabash Estates, the “Wabash Properties”), which facility is located on property adjacent to Wabash Estates and financed by a loan from the Illinois Housing Development Authority (“IHDA,” and such loan, the “IHDA Loan”). The property is encumbered by a mortgage in favor of IHDA securing the IHDA Loan.

W. As of the Petition Date, the IHDA-Financed Property was not subject to a mortgage in favor of the Trustee.

The Debtors’ Need for Use of Cash Collateral

X. The Debtors have requested the use of the Cash Collateral of the Trustee and the cash collateral, if any, of Lument and IHDA (as to the applicable facilities encumbered by their mortgages) in connection with the Chapter 11 Cases. The Trustee only consents to the use of its Cash Collateral upon the express terms of this Final Order.

Y. Without the use of cash collateral, the Debtors’ continued operation as a going concern would be disrupted, and the Debtors and their Residents, estates and creditors would be immediately and irreparably harmed. The Debtors would not have the funds necessary to maintain the Facilities, pay employee compensation, payroll taxes, overhead and other expenses. The Debtors require use of cash collateral as provided herein.

The Debtors' Need for Debtor-in-Possession Financing

Z. A critical need exists for the Debtors to obtain funds to cover the operational, capital and administrative needs of the Facilities, solely to the extent set forth under the Budget and under the DIP Facility (as each is defined below). The Debtors are unable to obtain postpetition financing on an unsecured basis under sections 364(c)(1) or 503(b)(1) of the Bankruptcy Code. Further, the Debtors assert that they are also unable to obtain secured credit from sources other than the DIP Lender that would be allowable under sections 364(c)(2), 364(c)(3) and 364(d)(1) of the Bankruptcy Code for the purposes set forth in this Final Order. Further, the Trustee would not consent to any priming liens and would have argued that the Debtors could not have provided adequate protection for any such proposed financing.

AA. In addition to the use of the Trustee's Cash Collateral, the DIP Lender has agreed to provide the requested DIP Loans (as defined below) under the DIP Facility and use of Cash Collateral in accordance with the terms contained in this Final Order, in the amounts, categories and times set forth in the Budget (as defined below), which shall be used for the necessary operational costs associated with the Facilities and other costs and expenses of administration of the Chapter 11 Cases.

BB. Without the DIP Loans, the Debtors will be unable to pay necessary payroll, costs, and operating expenses and obtain goods and services in a manner that will avoid irreparable harm to the Debtors' estates and to the Residents. At this time, the Debtors' ability to finance the ongoing operation and availability of sufficient liquidity through the incurrence of new indebtedness for borrowed money and other financial accommodations as provided herein are vital to the preservation and maintenance of the going concern of the Debtors' estates and to otherwise provide the necessary services to the Residents.

CC. The Debtors have requested that the DIP Lender advance funds (each advance, a “DIP Loan”) up to an aggregate amount of \$[TBD], inclusive of amounts approved under the Interim Orders (collectively, the “DIP Facility”), which funds shall be used by the Debtors solely to the extent provided in the Budget attached as **Exhibit 1** (which Budget, for the avoidance of doubt, replaces and supersedes the budgets previously attached to the Interim Orders).

DD. The DIP Lender has provided, and is willing to continue to provide, the DIP Loans, subject to the terms and conditions set forth in the Interim Orders and herein, including the provisions of this Final Order providing that the Post-Petition Liens (as defined below) and the various claims, superpriority claims and other protections granted pursuant to this Final Order will not be affected by any subsequent reversal or modification of this Final Order or any other order, as provided in section 364(e) of the Bankruptcy Code.

EE. The DIP Lender’s lending of the DIP Loans is conditioned upon the grant of a lien that: (i) will prime and remain senior to the Trustee’s Pre-Petition Liens; and (ii) will otherwise constitute a first priority lien in all Post-Petition Collateral (as defined below), subject only to the Carve-Out (as defined below).

FF. Pursuant to the First Interim Order, the Debtors admitted, stipulated, and agreed, and now reaffirm, that the terms of the DIP Loans have been negotiated in good faith and at arm’s length among the Debtors and the DIP Lender; that the terms of the DIP Loans are at least as favorable to the Debtors as those available from alternative sources, under all of the circumstances; that given the current market conditions and under the particular circumstances of the Chapter 11 Cases, no other sources of funding are available on better overall terms; and that given the exigencies of the case, the Debtors believe the DIP Loans are the best and only option.

GG. The Debtors and the DIP Lender have represented to the Bankruptcy Court that they have negotiated at arm's length and have acted in good faith in the negotiation and preparation of the DIP Credit Agreement and this Final Order, have been represented by counsel, and intend to be and are bound by their respective terms. Pursuant to the First Interim Order, the Debtors admitted, stipulated, and agreed, and now reaffirm, that the terms and conditions of the Interim Orders and this Final Order, the DIP Documents and the DIP Loans are fair and commercially reasonable under the circumstances, reflect the Debtors' exercise of their prudent business judgment consistent with their fiduciary duties, are supported by reasonably equivalent value and fair consideration, and are enforceable in accordance with applicable law. As such, the funds advanced should be deemed to have been extended by the DIP Lender in "good faith" as that term is used in section 364(e) of the Bankruptcy Code and based upon the express reliance of the protections offered by section 364(e) of the Bankruptcy Code and the Post-Petition Liens and the Superpriority Claim (defined below) should be entitled to the full protection of section 364(e) of the Bankruptcy Code, including in the event that any of the Interim Orders or this Final Order, or any provision thereof or hereof, is vacated, reversed or modified, on appeal or otherwise.

Need for Adequate Protection

HH. Pursuant to the Bankruptcy Code and in light of the foregoing, the Debtors are required to provide adequate protection to the Trustee in respect of the use of the Pre-Petition Collateral (including Cash Collateral) and granting of the priming Post-Petition Liens. The Debtors wish to provide adequate protection of the security interests in and liens on the Pre-Petition Collateral pursuant to the terms set forth in this Final Order.

II. The applicable Debtors also wish to provide adequate protection to Lument of its lien on Washington Estates, also pursuant to the terms set forth in this Final Order.

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

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

NOW THEREFORE, THE COURT ORDERS AS FOLLOWS:

Motion Granted

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

Approval of DIP Facility and DIP Loan Documents

2. On a final basis as set forth in this Final Order, the terms of the DIP Facility, that certain Priming Superpriority Debtor-in-Possession Credit Agreement between the Debtors and the DIP Lender (the "DIP Credit Agreement") and all documents executed in connection therewith (collectively with the DIP Credit Agreement, the "DIP Loan Documents") are fair and reasonable, reflect the exercise of the Debtors' prudent business judgment consistent with their fiduciary duties, and constitute reasonably equivalent value and fair consideration.

3. The Debtors shall be liable for the repayment in full of the DIP Loans and all DIP Obligations.

4. The DIP Facility and DIP Loan Documents have been negotiated in good faith and at arm's length among the Debtors and the DIP Lender, and the DIP Loans shall be deemed to have been extended by the DIP Lender in good faith (as that term is used in section 364(e) of the Bankruptcy Code) and in express reliance upon, and with the full benefit of the protections afforded by, section 364(e) of the Bankruptcy Code, whether or not this Final Order or any provision hereof is vacated, reversed, or modified, on appeal or otherwise.

5. Absent the relief granted by this Final Order, the Debtors' estates, the Residents and creditors would suffer immediate and irreparable harm. Accordingly, the entry of this Final Order and related authorization of borrowings of the DIP Loans under the DIP Facility and DIP Loan Documents are in the best interests of the Debtors' estates, the Residents, and creditors.

6. The DIP Facility and DIP Loan Documents are hereby approved on a final basis, and the Debtors are hereby authorized to borrow the DIP Loans pursuant to the DIP Loan Documents, to be used in accordance with the budget attached as **Exhibit 1**, itemizing on a weekly basis all uses, and anticipated uses, revenues projected to be received and all expenditures proposed to be made during such period, which Budget may be amended at the request of the Debtors and with the written consent of the DIP Lender and the Trustee and incorporated herein by reference (as it may be amended, supplemented, replaced or otherwise modified from time to time solely with the consent of the DIP Lender and the Trustee, in their sole discretion, the "**Budget**") and this Final Order, the proceeds of which shall be used for such purposes as are expressly permitted under the DIP Loan Documents, this Final Order and the Budget.

7. In furtherance of the foregoing and without further approval of this Court, the Debtors are authorized to perform all acts, to make, execute, and deliver all instruments and documents (including, without limitation, the execution or recordation of security agreements,

mortgages, and financing statements), and to pay at the Maturity Date (defined below) of the DIP Facility all amounts due under the DIP Facility, including fees, in each case that may be reasonably required or necessary for the Debtors' performance of the DIP Loans, including, without limitation:

- (i) the execution, delivery, and performance of the DIP Loan Documents and any exhibits, schedules and other documents related thereto;
- (ii) the execution, delivery, and performance of one or more non-material amendments to the DIP Loan Documents, in each case in such form as the Debtors and the DIP Lender may agree (it being understood that no further approval of the Court shall be required for amendments to the DIP Loan Documents that do not shorten the maturity of the extensions of credit thereunder, increase the commitments, or increase the rate of interest payable thereunder);
- (iii) the non-refundable payment to the DIP Lender of the reasonable costs and expenses as may be due from time to time in connection with the DIP Loans in accordance with the terms of the DIP Loan Documents and the Budget; and
- (iv) the performance of all other acts required under the DIP Loan Documents in connection with the DIP Loans.

The DIP Loans

8. DIP Loans. Pursuant to sections 361 and 364 of the Bankruptcy Code and the terms and conditions hereof, until the occurrence of an Event of Default (as defined below), the Debtors are hereby authorized to borrow the DIP Loans pursuant to the terms, conditions and provisions of this Final Order and the DIP Credit Agreement in an aggregate amount up to \$[TBD] (inclusive of amounts approved under the Interim Orders) pursuant to the terms set forth herein and in the DIP Credit Agreement; provided, however, that the Debtors shall use the proceeds of the DIP Loans solely in compliance with the Budget and as expressly set forth herein.

DIP Credit Facility Terms

- (i) Interest shall accrue on the full amount committed under the DIP Facility from the date of entry of the First Interim Order (the "Interim Order Entry Date") through the Maturity Date at a simple rate per annum equal to 4.589%. Interest will be

calculated on a 30/360 basis. Accrued interest shall be due and payable on the Maturity Date.

- (ii) For each dollar advanced under the DIP Facility, one dollar of the pre-petition indebtedness on account of the Bond Claim shall be ‘rolled up’ and shall constitute, for all purposes, an obligation of the Debtors under the DIP Credit Agreement (“Roll-Up Obligations”). For the avoidance of doubt, and without limiting the generality of the foregoing, the Roll-Up Obligations shall be secured, equally and ratably, with all other DIP Obligations, by the Collateral, and shall be repaid, on the Maturity Date or otherwise, on a ratable basis with all other DIP Obligations; provided, however, that notwithstanding anything to the contrary herein, no Roll-Up Obligations shall encumber Washington Estates.
- (iii) The principal, interest and any other obligations owed with respect to the DIP Loans and the Roll-Up Obligations (together, the “DIP Obligations”) shall be due and payable upon the earliest of (i) December 31, 2024; (ii) the closing date of the sale of all or substantially all of the Debtors’ assets pursuant to an order entered by the Court (or, in the event of more than one sale, the closing date of the last of such sales); (iii) the acceleration of the DIP Loans and the termination of the DIP Facility by the DIP Lender following the occurrence or during the continuation of an Event of Default (defined below); and (iv) the confirmation of a Chapter 11 plan which becomes effective (the earliest such date, the “Maturity Date”).

10. Conditions to the DIP Loans. The continued funding of the DIP Loans is conditioned upon the entry of this Final Order and compliance with the terms herein and in the DIP Credit Agreement.

11. Disbursements of DIP Loans. The following conditions and processes shall govern the funding of the DIP Loans:

- (i) not less than four (4) business days prior to any borrowing date (each a “Borrowing Date”) and no more frequently than every two (2) weeks, the Debtors shall deliver to the DIP Lender a fully executed Borrowing Certificate (as defined below) by no later than 10:00 a.m. (New York City time) on such date. Such Borrowing Certificate, a form of which is attached as Exhibit B to the DIP Credit Agreement (each a “Borrowing Certificate”), shall specify the amount of the proposed DIP Loan and the Borrowing Date thereof, and shall certify that the amount of the proposed DIP Loan, after accounting for all other available funds held by the Debtors, is reasonably expected to be needed to pay amounts coming due in the fourteen (14) days immediately following such Borrowing Date, as set forth in the Budget. On the Borrowing Date specified in any Borrowing Certificate, the DIP Lender shall disburse such funds to the Operating Account (as defined in the DIP Credit Agreement) and shall use reasonable efforts to make the funds available to

the Debtors no later than 2:00 p.m. (New York City time) on the requested Borrowing Date;

- (ii) each request for a DIP Loan must exceed a minimum amount of \$100,000;
- (iii) such expenditures have not been subject to any prior requisition or payment or reimbursement from any other source;
- (iv) after making the DIP Loan requested, the aggregate outstanding principal amount of the DIP Loans will not exceed the lesser of the amount authorized under this Final Order or under the DIP Credit Agreement;
- (v) the representations and warranties of the Debtors contained in this Final Order and in the DIP Credit Agreement shall be true and correct in all material respects immediately prior to, and after giving effect to, the DIP Loan;
- (vi) the Debtors are in compliance in all material respects with each of the covenants contained in the Interim Order and the DIP Loan Documents; and
- (vii) no Event of Default exists under the terms of this Final Order or under the DIP Loan Documents.

12. Use of DIP Loan Proceeds. The DIP Loans shall be used solely as set forth in the Budget for: (a) the necessary operation and maintenance costs associated with the Facilities in the amounts and categories and time set forth in the Budget; and (b) other costs and expenses of administration of the Chapter 11 Cases in the amounts and categories and time set forth in the Budget. Notwithstanding the foregoing, from and after the entry of this Final Order, none of the proceeds of the DIP Loans shall be used for the operation and maintenance, or other costs and expenses (including allocable overhead expenses and professional fees of estate professionals), of the Wabash Properties.

13. Effectiveness of DIP Loans. From and after the entry of this Final Order, the terms and conditions of the Interim Orders, as confirmed or modified by this Final Order, shall constitute the valid and binding obligations of the Debtors, enforceable against the Debtors in accordance with the terms of the Interim Orders, as confirmed or modified by this Final Order, for all purposes during the Chapter 11 Cases, any subsequently converted cases of any of the Debtors under chapter

7 of the Bankruptcy Code or after the dismissal of the Chapter 11 Cases. No obligation, payment, transfer or grant of security under the Interim Orders or this Final Order shall be stayed, restrained, voidable, avoidable or recoverable under the Bankruptcy Code or under any applicable law (including without limitation, under sections 502(d), 548 or 549 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law), or subject to any defense, reduction, setoff, recoupment or counterclaim.

14. Payments to the DIP Lender and/or the Trustee. Any and all payments or proceeds remitted to the DIP Lender and/or the Trustee pursuant to the provisions of this Final Order or otherwise shall be received by the DIP Lender and/or the Trustee, free and clear of any claim, charge, assessment or other liability, including, without limitation, any such claim or charge arising out of or based on sections 506(c) and/or 552(b) of the Bankruptcy Code, whether directly or indirectly, all of which are hereby waived by the Debtors.

15. Alternative DIP Financing or Dismissal as to Wabash Properties. The Debtors hereby covenant and agree that, unless alternative debtor-in-possession financing is secured to fund the operation and maintenance, or other costs and expenses (including allocable overhead expenses and professional fees of estate professionals), of Wabash Estates and/or Wabash Apartments, the Debtors shall move this Court for dismissal of the voluntary bankruptcy cases associated with Wabash Estates and/or Wabash Apartments, as applicable, with such motion(s) to dismiss to be heard on or before October 1, 2024 (the “Wabash Dismissal”).

Security for the DIP Loan

16. Post-Petition Liens. Pursuant to the Interim Orders, as confirmed or modified by this Final Order, and pursuant to section 364(c)(2), (c)(3) and (d) of the Bankruptcy Code and as

security for the DIP Obligations and the obligations under the DIP Loan Documents, the DIP Lender was, and is hereby, granted valid, binding, enforceable and perfected first priority mortgages, pledges, liens and security interests (the “Post-Petition Liens”) in all currently owned or hereafter acquired property and assets of the Debtors of any kind or nature, whether real or personal, tangible or intangible, wherever located, now owned or hereafter acquired or arising and all proceeds, products, rents and profits thereof, including, without limitation, accounts, revenues, inventory, equipment, capital stock in subsidiaries, investment property, instruments, chattel paper, real estate, leasehold interests, contracts, general intangibles, patents, copyrights, trademarks, deposit accounts, intercompany claims, claims against affiliates, causes of action, tax refund claims, commercial tort claims, insurance proceeds and insurance premium refunds (all of the foregoing, the “Post-Petition Collateral”); provided, further, that the Post-Petition Lien on Washington Estates shall be in the amount of \$4,940,494 and shall not include any Roll-Up Obligations; provided, however, that the Post-Petition Collateral under this Final Order shall not include any and all cash or other property received by the Debtors in the form of resident funds, gifts, charitable donations, bequests or grants that are by their terms, restricted in the manner in which they may be utilized by the Debtors to the extent, and only to the extent, that such restrictions would prohibit the granting of any such gifts, donations, bequests or grants as collateral. Notwithstanding the foregoing, Post-Petition Collateral shall exclude: (i) resident deposits held in one or more segregated accounts in the aggregate amount of approximately \$10,000; (ii) the Smart-Fill Collateral (as defined below); (iii) actions for preferences, fraudulent conveyances or other avoidance power claims and any recoveries under sections 542, 544, 545, 547, 548 (exclusive of transferees under section 549), 550 and 553 of the Bankruptcy Code (collectively,

the “Avoidance Actions”) and the proceeds thereof; and (iv) upon and following the Wabash Dismissal, any assets associated with the applicable Wabash Properties.

17. The Post-Petition Liens are in addition to the superpriority administrative expense claim set forth in paragraph 18 hereof, and pursuant to sections 364(c) and 364(d), shall be valid, binding, continuing, enforceable, fully-perfected, senior and priming on all Post-Petition Collateral that (a) will be and remain senior to the Pre-Petition Liens, Replacement Liens and Supplemental Liens granted to the Trustee as adequate protection for its Pre-Petition Liens; and (b) will otherwise constitute a first priority lien on all other assets of the Debtors, subject only to the Carve-Out.

18. Superpriority Administrative Expense Claim. Pursuant to the Interim Orders, as confirmed or modified by this Final Order, the DIP Loans were, and are hereby, granted the status of a superpriority administrative expense claim (the “Superpriority Claim”) pursuant to section 364(c)(1) of the Bankruptcy Code, including, without limitation, having priority over all other unpaid administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 546, 726, 1113 or 1114 of the Bankruptcy Code (subject only to the Carve-Out), and shall at all times be senior to the rights of the Debtors, any successor trustee or any creditor in the Chapter 11 Cases or any subsequent proceedings under the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other nonconsensual lien, levy or attachment. The Superpriority Claim granted to the DIP Lender by this paragraph 18 shall be payable from and have recourse to all pre-and postpetition property of the Debtors and all proceeds thereof.

Debtors' Use of Cash Collateral

19. Pursuant to the Interim Orders, as confirmed or modified by this Final Order, the Debtors were, and are hereby, authorized to use cash collateral (as defined in section 363(a) of the Bankruptcy Code) constituting proceeds of accounts and revenues from operations of the Facilities and advances under the DIP Facility (collectively, the "Cash Collateral"), but not including any other funds received by the Debtors during these proceedings.

20. The Debtors' use of Cash Collateral shall be solely as set forth in the Budget and as otherwise provided in this Final Order for: (a) the necessary ordinary course operation and maintenance costs associated with the Facilities in the amounts and categories and time set forth in the Budget; and (b) other costs and expenses of administration of the Chapter 11 Cases in the amounts and categories and time set forth in the Budget. Except on the terms and conditions of this Final Order and the DIP Credit Agreement, the Debtors are prohibited from using Cash Collateral at any time or for any other purpose absent consent of the DIP Lender and the Trustee, or further order of the Bankruptcy Court.

Adequate Protection for the Pre-Petition Liens and Pre-Petition Collateral

21. Adequate Protection in favor of the Trustee. As provided in the Interim Orders and confirmed by this Final Order, as adequate protection of the Trustee's interests in the Pre-Petition Collateral, including Cash Collateral, pursuant to sections 361, 363 and 552(b) of the Bankruptcy Code, and the Trustee's consent to the priming of its liens and claims pursuant to the Post-Petition Liens and the Superpriority Claim provided to the DIP Lender, the Trustee was, and are hereby is, provided the following adequate protection:

- (i) Replacement Liens. As adequate protection solely for any diminution in the value of the Pre-Petition Collateral, including based upon the priming by the DIP Lender ("Diminution"), the Trustee shall continue to have a valid, binding, enforceable and perfected additional and replacement mortgages, pledges, liens and security interests in all Post-Petition Collateral and the proceeds, rents, products and profits

therefrom, whether acquired or arising before or after the Petition Date, to the same extent, priority and validity that existed as of the Petition Date (such liens, the “Replacement Liens”); provided, however, the Replacement Liens shall be subject to (x) the Post-Petition Liens, (y) the Carve-Out and (z) valid and perfected liens existing on or arising after the Petition Date which, solely by operation of law, have priority over such Replacement Liens, if any;

- (ii) Supplemental Liens. As additional adequate protection solely for any Diminution, the Trustee shall have a valid, perfected and enforceable continuing supplemental lien on, and security interest in, all of the assets of the Debtors of any kind or nature whatsoever within the meaning of section 541 of the Bankruptcy Code, whether acquired or arising before or after the Petition Date, and the proceeds, rents, products and profits therefrom, exclusive of any Avoidance Actions and any proceeds thereof (collectively, the “Supplemental Liens”); provided, however, the Supplemental Liens shall be subject to (w) the Post-Petition Liens, (x) the Replacement Liens, (y) the Carve-Out and (z) valid and perfected liens existing on or arising after the Petition Date which, solely by operation of law, have priority over such Supplemental Liens, if any;
- (iii) Pre-Petition Superpriority Claim. As additional adequate protection solely for any Diminution, the Trustee shall receive a superpriority expense claim allowed under section 507(b) of the Bankruptcy Code (the “Pre-Petition Superpriority Claim”) against all assets of the Debtors’ estates. The Pre-Petition Superpriority Claim shall have priority over any and all other unpaid administrative expenses now existing or hereafter arising, of any kind whatsoever, of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 546, 726, 1113 or 1114 of the Bankruptcy Code, and shall at all times be senior to the rights of the Debtors, any successor trustee or any creditor in the Chapter 11 Cases or any subsequent proceedings under the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other nonconsensual lien, levy or attachment; provided, however, the Pre-Petition Superpriority Claim shall be subject to the (x) the Post-Petition Liens, (y) the Superpriority Claim and (z) the Carve-Out;
- (iv) Adequate Protection Payments. The Debtors shall make, and were and are hereby authorized to make, adequate protection payments to the Trustee in the amount of \$150,000 per month (the “Trustee Adequate Protection Payments”), commencing on the Interim Order Entry Date and continuing through the Maturity Date, with such Trustee Adequate Protection Payments to be made by wire transfer to the Trustee on the first day of each month (other than the month in which the Interim Order was entered).
- (v) Financial Reports. The Debtors shall provide the Trustee with all reports, documents and other materials, including financial reports, as may be required in this Final Order and such other and further access to the Debtors’ books and

records, advisors and professionals as may be reasonably requested by the Trustee from time to time.

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

22. Adequate Protection in favor of Lument. As adequate protection of Lument's pre-petition interests in Washington Estates (the "Lument Collateral"), Lument is hereby provided, as adequate protection of such pre-petition interests: (i) solely to the extent of Diminution in the value of the Lument Collateral, a valid, binding, enforceable and perfected replacement lien on post-petition income related to Washington Estates, and (ii) payment by the Debtors, on a monthly basis, of the amounts necessary to maintain current obligations of Washington Estates for real estate tax escrows and insurance tax escrows, which payments shall be made by the Debtors in the ordinary course and manner.

23. Adequate Protection in Favor of Smart-Fill. As adequate protection of the pre-petition interests of Smart-Fill Management Group, Inc. ("Smart-Fill") in certain assets of Senior Care Pharmacy Services, LLC ("Senior Care," and such assets, the "Smart-Fill Collateral"), Smart-Fill is hereby provided, as adequate protection of such purported interests: solely to the extent of Diminution in the value of the Smart-Fill Collateral, a valid, binding, enforceable and perfected replacement lien on such inventory and accounts receivable of Senior Care, of and to the same nature, extent, validity and priority as Smart-Fill's liens on the Smart-Fill Collateral existed as of the Petition Date; provided that the Debtors and any party in interest shall reserve rights to object to the asserted nature, extent, validity and priority of such liens. So long as Smart-Fill is permitted to do so by applicable statutes, rules and regulations, Smart-Fill will continue to supply pharmaceuticals to Senior Care on a cash in advance basis, as it has done since July 26, 2024, until any of the following occurs: a) conversion of the case to chapter 7; b) dismissal of the Senior Care

case; c) default by Senior Care under this Order; or d) confirmation of a plan of reorganization or liquidation of substantially all of the assets of Debtors. The pricing for the pharmaceuticals sold by Smart-Fill will be consistent with the terms of the pre-petition agreement between Smart-Fill and Senior Care. Smart-Fill, the Debtors, the Trustee and the Committee reserve any and all of their other respective claims, rights, remedies and defenses regarding the Smart-Fill's pre-petition claims, including Smart-Fill's section 503(b)(9) claim, if any.

PROVISIONS COMMON TO THE DIP LOANS AND TRUSTEE AS HOLDER OF THE BOND CLAIM

Covenants

24. Covenants. The Debtors shall observe all covenants in this Final Order and the DIP Credit Agreement at all times prior to and after the Termination Date (as defined below). The Debtors agree as follows (and the Parties acknowledge that failure to comply with such covenants shall constitute an Event of Default (as defined below) under this Final Order):

- (i) The Debtors shall comply with the Budget (subject to the permitted variances provided in the next immediate sentence), and shall not make any payments, or incur any obligations or liabilities, that are not projected and provided for in the Budget. On the last business day of every other week, for any Measuring Period (as defined below), the Debtors (i) shall not permit expenditures for such Measuring Period to exceed (x) one hundred ten percent (110%) of the respective amounts, measured as to each line item in the Budget, or (y) one hundred five percent (105%) of the respective amounts, measured on an aggregate basis, as set forth in the Budget for such Measuring Period; provided that the Debtors shall not permit expenditures for estate professional fees to exceed one hundred percent (100%) of the amount allocated for such expenditures in the Budget for such Measuring Period (and provided further, for the avoidance of doubt, that the Budget shall provide for separate line items as between the Debtors' professional fees, on the one hand, and the Committee's professional fees, on the other hand, and the Debtors shall not permit expenditures for either line item to exceed 100% of the amount allocated therefor for the applicable Measuring Period); and (ii) shall not permit receipts for such Measuring Period to be less than ninety percent (90%) of the amounts, on an aggregate basis, set forth in the Budget for such Measuring Period. These variances (the "Variances") shall be measured on a rolling four week period (the "Measuring Period"); provided, for the avoidance of doubt, that Measuring Periods for the first three weeks shall include pre-petition periods in the calculations of Variances for such Measuring Periods. Subject to paragraph 7(ii) above, the Debtors may, at any

time, amend or reforecast the Budget, either for the period covered by the Budget or for any period thereafter, and shall provide the Committee with notice of any such proposed amendment or reforecast, and the DIP Lender and Trustee may approve or not approve such amendment in their sole and absolute discretion; provided that any amendment to the Budget, upon approval by the DIP Lender and Trustee, will be filed with the Court and shall be deemed effective if no objection is made to such amendment within three business days of such filing.

- (ii) The Debtors shall provide the following reports and information to the DIP Lender, the Trustee, the Committee and the United States Trustee:
- a. no later than 5:00 p.m. (prevailing Eastern time) on Friday of every week or if such Friday is not a business day, then the immediate succeeding business day, the “Weekly Budget Report” which means, a weekly report certified by an Authorized Officer for the Debtors, substantially in the same form as the Budget, indicating (i) a comparative reconciliation, on a line-by-line and aggregate basis, of actual cash receipts and disbursements against the cash receipts and disbursements forecasted in the Budget, and the dollar and percentage variance thereof, for (A) the weekly period ended on (and including) the immediately preceding Sunday, (B) a rolling four-week period, and (C) the cumulative period to date; and (ii) a written explanation of such variances;
 - b. at any time and from time to time that the Debtors receive any material written notice from any Governmental Body (as defined in the DIP Credit Agreement), the Debtors shall provide a copy of such notice within one (1) business day of receipt, and the Debtors shall provide copies of all material reports, certificates and notices that the Debtors may provide to any Governmental Body within one (1) business day of transmission;
 - c. a monthly reporting package, no later than twenty (20) days after the end of each calendar month, including cash flow, income statement, and balance sheet for such month, occupancy data as of the last day of such, accounts payable and receivable reports with aging information; and
 - d. as promptly as reasonably practicable from time to time, following a reasonable request therefor from the DIP Lender, the Trustee, or the Committee, such other information (including historical information) regarding the operations, business affairs and financial condition of the Debtors, the progress of the Chapter 11 Cases, and/or compliance with the terms of any DIP Loan Document.

Bankruptcy Milestones

25. The Debtors agree that failure to comply with the following milestone covenants (the “Bankruptcy Milestones”) shall constitute an Event of Default, unless any such conditions

have been waived or modified by the DIP Lender and/or the Trustee in their sole discretion:

- (i) On Tuesday of each week (or such other day as may be agreed upon by the Parties), the Debtors shall make available representatives reasonably acceptable to the DIP Lender and the Trustee for a telephone conference call with the DIP Lender, the Trustee, holders of the Bonds who have agreed that they are restricted from trading their respective Bonds based upon the receipt of material nonpublic information, and their respective agents, advisors and/or representatives to discuss the cash flows and operations of the Facilities, including the Debtors' compliance with the Budget, the status of the sale process with respect to the sale of substantially all of the Debtors' assets, and such other matters as are relevant or are reasonably requested by the DIP Lender and the Trustee; and
- (ii) Each milestone date set forth in that certain *Final Order Granting Motion for the Entry of: (A) An Order: (1) Approving Auction Sale Format and Bidding Procedures; (2) Approving Process for Discretionary Selection of Stalking Horse Bidder and Bid Protections; (3) Approving Notices to Be Provided to Interested Parties; (4) Scheduling a Court Hearing to Consider Approval of the Sale to the Highest and Best Bidder; and (5) Approving Procedures Related to the Assumption of Certain Executory Contracts and Unexpired Leases; and (B) an Order Authorizing the Sale of Property Free and Clear of All Claims, Liens and Encumbrances* [Dkt. No. 159] (the "Bid Procedures Order") shall constitute a Bankruptcy Milestone for purposes of this Final Order.

26. Each of the Bankruptcy Milestones may be extended or waived in writing by the DIP Lender and the Trustee, which writing may be an email. The Debtors shall promptly file with this Bankruptcy Court a notice of any such extension or waiver.

27. No Liens or Encumbrances. Prior to payment in full of the DIP Obligations, the Debtors shall not sell, pledge, hypothecate, or otherwise encumber any Pre-Petition Collateral or Post-Petition Collateral (any such sale, pledge, hypothecation, or other transfer shall be void ab initio other than the adequate protection granted to the Trustee pursuant to this Final Order). Further, there shall be no other claim or expense having priority or being *pari passu* to the priority granted to the DIP Lender and the Trustee in this Final Order while any portion of the DIP Obligations remain outstanding, except with respect to the Carve-Out.

28. No Modification. Nothing contained herein shall alter or modify, or be deemed to alter or modify, the Bond Documents (or any other agreement to which the Trustee is party).

29. No Waiver. No consent by the DIP Lender or the Trustee to any administrative claims, including fees and expenses of professionals, sought to be assessed against or attributed to the Trustee, as applicable, in the Pre-Petition Collateral, or the Post-Petition Collateral pursuant to the provisions of sections 506(c) and/or 552(b) of the Bankruptcy Code or otherwise by, through or on behalf of the Debtors, shall be implied from any action, inaction or acquiescence.

30. No Challenge. Notwithstanding anything else herein, subject to the proviso at the last sentence of this paragraph 30, no amounts under the Carve-Out, the proceeds of the DIP Loans and the proceeds of Pre-Petition Collateral (including Cash Collateral) and Post-Petition Collateral shall be used for the purpose of: (i) objecting to or contesting in any manner, or in raising any defenses to, the validity, extent, perfection, priority, or enforceability of: (a) the Bond Claim or the Pre-Petition Liens, (b) the DIP Loans or the Post-Petition Collateral with respect thereto, or (c) any other rights or interests of the DIP Lender or the Trustee; (ii) asserting any claims or causes of action, including, without limitation, any actions under chapter 5 of the Bankruptcy Code against the DIP Lender, the Trustee and/or the holders of the Bonds, or any of their respective advisors, agents or sub-agents or invoking the equitable doctrine of “marshalling” or any other similar doctrine with respect to any of the Pre-Petition Collateral, the Post-Petition Collateral or otherwise; (iii) preventing, hindering, or delaying the enforcement or realization by the DIP Lender or Trustee, as applicable, upon any of the Pre-Petition Collateral or Post-Petition Collateral; (iv) incurring indebtedness except as permitted by this Final Order; (v) funding acquisitions, capital expenditures, capital leases or other transactions not in the ordinary course of the Debtors’ business other than as set forth in the Budget; (vi) modifying any adequate protection granted to the DIP Lender and/or the Trustee; or (vii) commencing or prosecuting any motion, proceeding or cause of action against the DIP Lender, the Trustee and/or the holders of the Bonds, or their respective

agents, sub-agents, attorneys, advisors or representatives, including the commencement or prosecution of formal discovery proceedings in anticipation thereof, or challenging any lien thereof. Notwithstanding the foregoing, not more than \$25,000 of the Cash Collateral (the “Lien Investigation Cap”) may be made available to reimburse the Committee, upon appropriate application therefor, for the Committee’s fees and expenses in investigating the validity, priority, perfection, and enforceability of the Bond Claim and/or the Trustee’s liens in the Pre-Petition Collateral. For the avoidance of doubt, any fees incurred by the Committee which are subject to the Lien Investigation Cap shall be separate and apart from the line item for Committee fees in the Budget.

Events of Default

31. Each of the following shall be considered an Event of Default (“Event of Default”) under the DIP Facility and this Final Order:

- (i) the failure to make payments on the DIP Loans (including interest payments) or amounts due under the DIP Credit Agreement or the Interim Orders or this Final Order, as applicable, as and when due;
- (ii) the failure to make adequate protections payments to the Trustee as and when due in accordance with the Interim Orders or this Final Order, as applicable;
- (iii) the failure of the Debtors to pay all of their administrative expenses in full in accordance with and subject to the terms as provided for in the Budget within five (5) days of their due date (except for any amounts in bona fide dispute);
- (iv) this Final Order becomes stayed, reversed, vacated, amended or otherwise modified in any respect without the prior written consent of the DIP Lender and the Trustee;
- (v) failure to meet or comply with any of the Bankruptcy Milestones set forth in this Final Order;
- (vi) the selection by the Debtors of a stalking horse bidder or winning bidder not acceptable to the DIP Lender and the Trustee;
- (vii) the Bid Procedures Order becomes stayed, reversed, vacated, amended or otherwise modified in any respect without the prior written consent of the Trustee and the DIP Lender;

- (viii) the dismissal of the Chapter 11 Cases, conversion of the Chapter 11 Cases to chapter 7 cases, or suspension of the Chapter 11 Cases under section 305 of the Bankruptcy Code;
- (ix) the appointment of a chapter 11 trustee, receiver or manager or an examiner with enlarged powers (beyond those set forth in section 1104(c) and 1106(a)(3) and (4) of the Bankruptcy Code);
- (x) the filing by the Debtors of a chapter 11 plan not acceptable to the DIP Lender and the Trustee;
- (xi) the granting of relief from the automatic stay to permit foreclosure (or the granting of a deed in lieu of foreclosure or the like) with respect to a material asset of the Debtors, by any entity other than the DIP Lender or Trustee on any Post-Petition Collateral;
- (xii) any superpriority administrative expense claim or lien that is *pari passu* with or senior to the claims, charges or liens of the DIP Lender or the Trustee shall have arisen or be authorized or allowed;
- (xiii) the payment of or granting adequate protection with respect to prepetition indebtedness of the Debtors other than as set forth in the Budget or as provided for in this Final Order;
- (xiv) any of the DIP Loan Documents shall cease to be valid or effective or shall be contested by the Debtors;
- (xv) the failure by the Debtors to comply with any of the affirmative covenants set forth in, or the taking of any action in violation of the negative covenants set forth in, the DIP Loan Documents;
- (xvi) the failure by the Debtors to, in the absence of alternative debtor-in-possession, motion for and cause the dismissal of the bankruptcy cases associated with Wabash Estates and/or Wabash Apartments, as applicable, on or before October 1, 2024;
- (xvii) the cessation of Post-Petition Liens, Replacement Liens, Supplemental Liens, Superpriority Claims, or Pre-Petition Superpriority Claim granted pursuant to the Interim Orders and this Final Order to be valid, perfected and enforceable in all respects;
- (xviii) the payment of estate professional fees by the Debtors other than to the extent set forth in the Budget; or
- (xix) the occurrence of an Event of Default under the DIP Credit Agreement.

Termination and Maturity

32. Notwithstanding anything herein, the Debtors shall no longer, pursuant to the Interim Orders, this Final Order or otherwise, be authorized to borrow funds and/or use Cash Collateral for any purpose hereunder upon the earliest of (i) the occurrence of an Event of Default (that is not waived by the DIP Lender or the Trustee, as applicable) or (ii) the Maturity Date (such earlier date, the “Termination Date”); provided, however, that the DIP Lender and/or Trustee shall provide five (5) business days (the “Default Notice Period”) written notice via email to counsel to the Debtors, the United States Trustee and counsel to the Committee of any Event of Default (the “Default Notice”) and the Debtors may continue to use Cash Collateral pursuant to the Budget for five (5) business days after receipt of such Default Notice while the Debtors or the Committee seeks an expedited hearing to contest whether an Event of Default has occurred, and the DIP Lender and the Trustee consent to the holding of such an expedited hearing within five (5) business days of such a filing (collectively, the “Debtor Default Period Rights”).

33. Notwithstanding the occurrence of an Event of Default, the DIP Lender and/or Trustee may elect in writing not to terminate the Debtors’ authority to borrow funds and/or use cash collateral hereunder, as applicable, to waive defaults hereunder, to forbear from the exercise of rights and remedies hereunder and, subject to Bankruptcy Court approval and the approval of the DIP Lender, to modify the Maturity Date and any Event of Default. Any such continued extension of financial accommodations shall be without prejudice to the DIP Lender’s ability to terminate funding.

34. Notwithstanding the occurrence of an Event of Default or anything herein to the contrary, all of the rights, remedies, benefits and protections provided to the DIP Lender and the Trustee shall survive the Termination Date. Upon the Termination Date, the principal of and accrued interest and all other amounts owed to the DIP Lender under the DIP Obligations shall be

immediately due and payable.

Exercise of Rights

35. (i) Subject to the Debtor Default Period Rights, without further order from the Bankruptcy Court, the automatic stay provisions of section 362 of the Bankruptcy Code are vacated and modified to the extent necessary to permit, upon the occurrence of any Event of Default, (a) the DIP Lender to cease making any advances under the DIP Facility, including the DIP Loans, and (b) the DIP Lender, upon prior written notice to be filed with the Court, may exercise all of its rights and remedies under the DIP Credit Agreement or related documents.

(ii) The DIP Lender and Trustee shall be entitled to apply the payments or proceeds of the Post-Petition Collateral or the Pre-Petition Collateral as they deem appropriate, subject to the Carve-Out, and in no event shall the DIP Lender or the Trustee be subject to the equitable doctrine of “marshalling” or any other similar doctrine with respect to any of the Post-Petition Collateral or otherwise. In the event that it is determined by final order of the Court that the Trustee is not entitled under Bankruptcy Code section 506(b) to any postpetition adequate protection payment, interest, fees and expenses relating to the Bond Claim, then any payments or proceeds remitted to the Trustee shall reduce the Bond Claim held by the Trustee.

Release

36. Subject to paragraph 37 herein, as provided in the Interim Orders and confirmed by this Final Order, the Debtors released the DIP Lender and the Trustee, all holders of the Bonds, and their respective affiliates, agents, attorneys, officers, directors and employees of all claims and/or causes of action by, and liabilities owing to, the Debtors arising out of or based upon or related to, in whole or in part, the Bonds, the DIP Facility and any aspect of the prepetition relationship between the Trustee, the DIP Lender or the holders of the Bonds and the Debtors and any other acts or omissions by the Trustee or the DIP Lender in connection with either the Bond

Documents or its prepetition relationship with the Debtors. Further, pursuant to the Interim Orders and as reaffirmed hereby, but subject to paragraph 34 therein and paragraph 37 herein, the Debtors and their estates waived any and all right to object to or contest the amount of the Bond Claim or the Trustee's Pre-Petition Liens in the Pre-Petition Collateral and agreed that all such claims and security interests have been duly perfected and are in all respects valid and enforceable first priority security interests and liens, subject and subordinate only to (i) Post-Petition Liens to the extent set forth herein and (ii) the Carve-Out. For the avoidance of doubt, the waiver and stipulation set forth in this paragraph 36 shall not affect the Committee's rights under paragraph 37 herein.

37. Investigation Period. Any party in interest (including the Committee, but excluding the Debtors) as to claims against the Trustee, may file an adversary proceeding or contested matter (a "Challenge") (i) challenging the amount, validity, extent, enforceability, perfection or priority of the Bond Claim or the Pre-Petition Liens in respect thereof, or (ii) otherwise asserting any claims or causes of action against the Trustee or the holders of the Bonds on behalf of the Debtors' estates so long as any Challenge is made on or before the date that is sixty (60) days after the Interim Order Entry Date; provided that the Committee (but not any other party in interest), shall have until October 7, 2024 to file a Challenge (such period of time, as applicable, the "Investigation Period"). Any such Challenge brought after the conclusion of the Investigation Period shall be barred. If no Challenge is commenced by a party during the Investigation Period against the Trustee or the holders of the Bonds, then as to such party, (a) the Bond Claim shall constitute an allowed claim, not subject to subordination or recharacterization and otherwise unavoidable, for all purposes in the Chapter 11 Cases and any subsequent chapter 7 case or cases, (b) the Pre-Petition Liens on the Pre-Petition Collateral shall be deemed legal, valid, binding, perfected, not subject to defense, counterclaim, offset of any kind, subordination and otherwise unavoidable,

(c) the Trustee, the Bond Claim, and the Pre-Petition Liens of the Trustee on the Pre-Petition Collateral shall not be subject to any other or further claims, causes of action or challenges by any party in interest including, without limitation, any successor thereto; and (d) the Trustee, all holders of the Bonds, and their respective affiliates, agents, attorneys, officers, directors and employees, shall be deemed released of all claims and/or causes of action by the Debtors, the Committee, the Debtors' estates, all parties in interest, and any subsequently appointed trustee arising out of or based on any facts or circumstances occurring prior to the date hereof; provided further that if one or more claims are timely under this paragraph 37 and properly filed, then except for such claims, all other potential claims and causes of action were, and are hereby, deemed forever waived and barred. Notwithstanding the foregoing, no claims or cause of actions of any kind or nature may be asserted against the DIP Lender or the liens and claims granted to the DIP Lender under and/or related to the DIP Facility or the DIP Obligations. Nothing in this Final Order shall be deemed to confer standing on the Committee or any other non-Debtor party-in-interest to commence a Challenge, and the Committee or other non-Debtor party in interest shall be required to move for standing and satisfy the applicable standard for obtaining standing to pursue estate causes of action; provided that a standing motion may be filed simultaneously with a Challenge.

38. Funding Termination Following a Challenge. Upon and as of the date of any Challenge to the Pre-Petition Liens, the Pre-Petition Collateral or the claims of the Trustee by (i) the Debtors or any party affiliated with any of the Debtors or (ii) any other party that is (x) supported or not timely objected to by the Debtors or (y) upheld by the Court (such date, the "Challenge Termination Date"), the DIP Lender shall immediately have no further obligation to fund additional amounts under the DIP Facility and the consensual use of Cash Collateral shall terminate at the later of ten (10) days from the Challenge Termination Date or the date the Court

rules on any Expedited Cash Collateral Motion (defined below), with an outside date for termination of the use of Cash Collateral on the date that is fifteen (15) days from the Challenge Termination Date (unless extended by order of the Court). Prior to the Challenge Termination Date, the Committee may file a motion seeking nonconsensual use of Cash Collateral on shortened notice of three (3) days (the “Expedited Cash Collateral Motion”). A hearing on the Expedited Cash Collateral Motion will be set for the first available hearing date three (3) days or more from the date it is filed.

39. Section 364(e); Section 506(c); Section 552(b). The DIP Lender shall be entitled to all of the benefits of section 364(e) of the Bankruptcy Code for all DIP Loans. Except to the extent of the Carve-Out, no expenses of administration of the Chapter 11 Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the Post-Petition Collateral, the Pre-Petition Collateral or collateral subject to Replacement Liens and Supplemental Liens, pursuant to section 506(c) or 552(b) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the DIP Lender and the Trustee and no such consent shall be implied from any other action, inaction, or acquiescence by the DIP Lender and/or the Trustee.

Carve-Out

40. In partial consideration of the Debtors’ acknowledgement of the Bond Claim and the Debtors’ waiver of any claims under sections 506(c) and 552(b) of the Bankruptcy Code, the DIP Lender and Trustee consent to the payment of certain expenses and professional fees incurred during the pendency of these Chapter 11 Cases that shall be superior in all instances to the liens and claims of the DIP Lender and Trustee and all other parties (the “Carve Out”). For purposes hereof, the “Carve Out” means the sum of (i) an aggregate amount not to exceed the sum of: (a) the unpaid dollar amount of the fees and expenses of professionals retained by the Debtors or the

Committee to the extent (1) incurred or accrued prior to the Termination Date and remaining unpaid and (2) provided for under the Budget, plus (b) the dollar amount of the fees and expenses of the professionals retained by the Debtors or the Committee, if any, to the extent incurred or accrued after the Termination Date in an aggregate amount not to exceed \$150,000, in each of the foregoing (a) and (b) solely to the extent allowed by the Bankruptcy Court, plus (ii) the statutory fees of the United States Trustee pursuant to 28 U.S.C. § 1930 and the fees of the Clerk of this Court plus any interest at the statutory rate. Prior to the payment of such fees and expenses from the amount available under the Carve Out, such professionals shall first apply any retainers held by such professional to their allowed fees and expenses. Nothing herein shall constitute a waiver of any right of the DIP Lender or Trustee to object to fees and expenses of any professionals or to challenge any assertion that any amount of the fees and expenses remain unpaid (or the right to respond thereto). Except to the extent of and in consideration of the Carve Out, (y) no expenses of administration of the Chapter 11 Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the DIP Lender, the Trustee, the Pre-Petition Collateral, or the Post-Petition Collateral pursuant to section 506(c) of the Bankruptcy Code or a similar principal of law; and (z) the “equities of the case” exception under section 552(b) of the Bankruptcy Code is waived as to the DIP Lender, the Trustee, the Pre-Petition Collateral, and the Post-Petition Collateral. Any payment or reimbursement made in respect of any Carve-Out Expenses incurred on or after an Event of Default shall permanently reduce the Carve-Out on a dollar-for-dollar basis. Subject to the terms of this Final Order, prior to the Termination Date, the Debtors shall be

permitted to pay allowed professional fees and expenses as the same may be due and payable, subject to the Budget.

41. For the avoidance of doubt, no portion of the Carve-Out, any cash collateral or proceeds of the DIP Facility may be used for the payment of the fees and expenses of any person or firm incurred in connection with the challenging of any of the liens or claims of, or the initiation or prosecution of any claim or actions against, the DIP Lender, the Trustee and/or the holders of the Bonds, in any capacity.

Credit Bid

42. Pursuant to the First Interim Order, the Debtors admitted, stipulated, and agreed, and now reaffirm, that the DIP Lender and the Trustee have an absolute right to credit bid their respective obligations in connection with any sale or other disposition of their respective collateral under the Bankruptcy Code.

Miscellaneous

43. The Debtors shall execute and deliver to the DIP Lender and the Trustee, as applicable, any and all such agreements, financing statements, instruments and other documents as such parties may reasonably request to evidence, confirm, validate or perfect the liens granted pursuant hereto. The Debtors are authorized to do and perform all acts, to make, execute and deliver all instruments and documents, including the DIP Loan Documents; provided, however, that this Final Order shall be sufficient and conclusive evidence of the validity, perfection, and priority of the Post-Petition Liens, Replacement Liens and Supplemental Liens to the DIP Lender, the Trustee, Lument and Smart-Fill, as applicable, without the necessity of filing or recording any financing statement, mortgage, notice, or other instrument or document which may otherwise be required under the law or regulation of any jurisdiction or the taking of any other action to validate

or perfect the Post-Petition Liens, Replacement Liens and Supplemental Liens to the DIP Lender and the Trustee, as applicable, or to entitle those liens to the priorities granted herein.

44. Based on the findings herein set forth, and in accordance with section 364(e) of the Bankruptcy Code, in the event any or all of the provisions of this Final Order are hereafter modified, amended or vacated by a subsequent order of this or any other Court, no such modification, amendment or vacation shall affect the validity and enforceability of any lien or priority authorized or created by the Interim Orders or hereby. Notwithstanding any such modification, amendment or vacation, any claim granted to the DIP Lender and the Trustee hereunder arising prior to the effective date of such modification, amendment or vacation shall be governed in all respects by the original provisions of this Final Order and the DIP Lender and the Trustee shall be entitled to all of the rights, remedies, privileges and benefits, including the liens and priorities granted herein, with respect to any such claim.

45. Payments to the DIP Lender. The DIP Lender will be paid its reasonable and documented fees, costs and expenses contemplated under the DIP Credit Agreement, including, without limitation, legal and other professional fees and expenses (the “DIP Lender Fees”). In the absence of a Termination Event, within ten (10) business days of the DIP Lender charging the DIP Loans for payment of DIP Lender Fees, the DIP Lender will submit a written statement to counsel to the Debtors, the Trustee, the Committee and the United States Trustee itemizing the DIP Lender Fees in reasonably sufficient detail that the DIP Lender charged against the DIP Loans, and such parties shall have fourteen (14) days from the date of such statement to object to any amount in such statement. If the parties are unable to resolve an objection to a statement within a reasonable amount of time, any party subject to the dispute may seek resolution by motion from this Court. DIP Lender Fees shall be deemed allowed unless otherwise (i) agreed by the parties in writing or

(ii) ordered by the Court. The DIP Lender, the Trustee, and their respective professionals shall not be required to comply with the United States Trustee Fee Guidelines or any other fee application and approval process. Upon a Termination Event, all DIP Lender Fees will be due and payable immediately.

46. Deemed Request for Stay Relief. This Final Order shall be deemed to constitute a request by the Trustee for relief from the automatic stay with respect to the Pre-Petition Collateral and for adequate protection as of the Petition Date and shall suffice for all purposes of section 507(b) of the Bankruptcy Code.

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

48. To the extent obligations remain due and owing under the DIP Obligations , such obligations of the Debtors in respect of the DIP Obligations shall not be discharged by the entry of an order confirming a plan of reorganization or a plan of liquidation in the Chapter 11 Cases, but rather shall be required to be paid in full on the effective date of such plan.

49. No Third-Party Beneficiaries. The provisions of this Final Order shall be binding upon and inure to the benefit of the DIP Lender, the holders of the Bonds, the Trustee, the Debtors and their respective successors and assigns (including any trustee or other fiduciary hereafter appointed as a legal representative of the Debtors or with respect to the property of the estates of

the Debtors). No rights are created hereunder for the benefit of any third party, any creditor, or any direct, indirect or incidental beneficiary.

50. Modification of Stay. The automatic stay imposed by virtue of section 362 of the Bankruptcy Code was, and is hereby, vacated and modified insofar as necessary to permit (a) the Debtors to grant the Post-Petition Liens, the Replacement Liens and the Supplemental Liens to the DIP Lender and the Trustee, as applicable, (b) the Trustee to accept and receive disbursements and/or payments and to apply moneys pursuant to the Bond Documents, (c) the Parties to take any action specifically authorized or contemplated by this Final Order and implement the DIP Facility, including the DIP Lender's ability to exercise all of its rights and remedies under the DIP Credit Agreement or related documents as provided herein, and (d) all acts, actions, and transfers contemplated herein, including without limitation, transfers or application of cash collateral and other funds to the DIP Lender as provided herein.

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

52. Any notice required hereunder shall be served on:

(a) *counsel to the Debtors:*

Dentons US LLP
Attn: Robert E. Richards, Esq.
233 South Wacker Drive, Suite 5900
Chicago, IL 60606
robert.richards@dentons.com

(b) *counsel to the Trustee:*

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

Attn: Daniel S. Bleck, Esq.

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Aaron M. Williams, Esq.

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AWilliams@mintz.com

(c) *the Office of the United States Trustee for Region 13*

Office of The United States Trustee

Attn: Joseph Richard Schlotzhauer

111 South 10th Street, Suite 6.353

St. Louis, MO 63102

joseph.schlotzhauer@usdoj.gov

(d) *counsel to the Committee:*

Cullen and Dykman LLP

Attn: Michael Traison, Esq.

Michelle McMahon, Esq.

One Battery Park Place, 34th Floor

New York, NY 10004

mtraison@cullenllp.com

mmcmahon@cullenllp.com

53. To the extent there exists any conflict between the Motion, any other motion, pleading, document, agreement or term sheet, any DIP Loan Document, the Interim Orders and the terms of this Final Order, this Final Order shall govern and control.

Order Prepared By:

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Co-Counsel to the Debtors and Debtors-in-Possession

Exhibit 1

Budget

EXHIBIT B

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:)
) Chapter 11
MIDWEST CHRISTIAN VILLAGES,)
INC., *et al.*,¹) Case No. 24-42473-659
) (Joint Administration Requested)
Debtors.)
) Related Docket ~~No~~Nos. 11, 60 & 160

**INTERIM~~FINAL~~ ORDER (1) AUTHORIZING DEBTORS IN POSSESSION
TO OBTAIN POST-PETITION FINANCING; (2) AUTHORIZING DEBTORS IN
POSSESSION TO USE CASH COLLATERAL; (3) PROVIDING ADEQUATE
PROTECTION; AND (4) GRANTING LIENS, SECURITY INTERESTS
AND SUPERPRIORITY CLAIMS; ~~AND (5) SCHEDULING A FINAL HEARING~~**

This ~~Interim~~Final Order (1) Authorizing Debtors in Possession to Obtain Post-Petition Financing; (2) Authorizing Debtors in Possession to Use Cash Collateral; (3) Providing Adequate Protection; and (4) Granting Liens, Security Interests and Superpriority Claims; ~~and (5) Scheduling a Final Hearing~~ (this “~~Interim~~Final Order”) is entered by this Court after adequate notice of and ~~a hearing~~hearings held July 17, 2024, August 14, 2024 and September 11, 2024 upon the Debtors’ *Motion for Interim Order and Final Order (1) Authorizing Debtors in Possession to Obtain Post-Petition Financing; (2) Authorizing Debtors in Possession to Use Cash Collateral; (3) Providing Adequate Protection; (4) Granting Liens, Security Interests and*

¹ The address of the Debtors is 2 Cityplace Dr, Suite 200, Saint Louis, MO 63141-7390. The last four digits of the Debtors’ federal tax identification numbers are: (i) Midwest Christian Villages, Inc. [5009], (ii) Hickory Point Christian Village, Inc. [7659], (iii) Lewis Memorial Christian Village [3104], (iv) Senior Care Pharmacy Services, LLC [1176], (v) New Horizons PACE MO, LLC [4745], (vi) Risen Son Christian Village [9738], (vii) Spring River Christian Village, Inc. [1462], (viii) Christian Homes, Inc. [1562], (ix) Crown Point Christian Village, Inc. [4614], (x) Hoosier Christian Village, Inc. [3749], (xi) Johnson Christian Village Care Center, LLC [8262], (xii) River Birch Christian Village, LLC [7232], (xiii) Washington Village Estates, LLC [9088], (xiv) Christian Horizons Living LLC [4871], (xv) Wabash Christian Therapy and Medical Clinic, LLC [2894], (xvi) Wabash Christian Village Apartments, LLC [8352], (xvii) Safe Haven Hospice, LLC [6886], (xviii) Heartland Christian Village, LLC [0196], ~~and~~ (xxiii) Shawnee Christian Nursing Center, LLC [0068] and (xxiv) Safe Haven Hospice LLC [6886].

Superpriority Claims and (5) Scheduling a Final Hearing (the “Motion”),² and upon the terms agreed to by and among the above-captioned debtors and debtors-in-possession (the “Debtors”), UMB Bank, N.A., as successor bond trustee (in such capacity, the “Bond Trustee”) under the Bond Indentures (as defined below), UMB Bank, N.A., as successor master trustee (the “Master Trustee”) and together with the Bond Trustee, the “Trustee”) under the Master Indenture (as defined below), and UMB Bank, N.A., in its capacity as Trustee, as lender (the “DIP Lender”) with respect to the DIP Credit Agreement (as defined below). Upon the terms of the Motion, the stipulations, acknowledgements and agreements of the Debtors, the DIP Lender, and the Trustee (collectively, the “Parties”), the Declarations of Kathleen (Kate) Bertram and Shawn O’Conner submitted in support of the Motion, the statements of the Parties and their counsel at the ~~hearing~~hearings on the Motion, and the record of the proceedings, the Court makes the following findings of fact and rulings of law:

FINDINGS OF FACT

The Debtors’ Chapter 11 Cases; Procedural Background; Jurisdiction and Notice

A. On July 16, 2024 (the “Petition Date”), the Debtors each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) and thereby commenced their cases thereunder (the “Chapter 11 Cases”). Since the Petition Date, the Debtors have been operating their businesses and managing their property as debtors and debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. ~~As~~

B. The Court held a hearing to consider granting the relief requested in the Motion on an interim basis on July 17, 2024. Following such hearing, the Court entered its *Interim Order*

² All defined terms used but not defined herein shall have the meanings ascribed to them in the Motion, the Bond Documents, or the DIP Credit Agreement, as applicable.

(1) Authorizing Debtors in Possession to Obtain Post-Petition Financing; (2) Authorizing Debtors in Possession to Use Cash Collateral; (3) Providing Adequate Protection; (4) Granting Liens, Security Interests and Superpriority Claims; and (5) Scheduling a Final Hearing on July 19, 2024 [Docket No. 60] (the “First Interim Order”).

C. ~~of the date hereof, no committee of~~ On August 8, 2024, the Office of the United States Trustee (the “United States Trustee”) appointed an official committee on unsecured creditors ~~(a “Committee”) has been appointed~~ in the Chapter 11 Cases (the “Committee”). No request has been made for the appointment of a trustee or examiner in the Chapter 11 Cases.

D. On August 14, 2024, the Court held a hearing to consider extending the relief requested in the Motion and granted on an interim basis in the First Interim Order on a further interim basis. Following such hearing, the Court entered its *Second Interim Order (1) Authorizing Debtors in Possession to Obtain Post-Petition Financing; (2) Authorizing Debtors in Possession to Use Cash Collateral; (3) Providing Adequate Protection; (4) Granting Liens, Security Interests and Superpriority Claims; and (5) Scheduling a Final Hearing on August 16, 2024 [Docket No. 160] (the “Second Interim Order,” and together with the First Interim Order, the “Interim Orders”).*

E. ~~B.~~ The Court has jurisdiction over the Chapter 11 Cases and the Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue of the Chapter 11 Cases and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

F. ~~C.~~ The Debtors have properly served notice of the Motion and the ~~hearing~~hearings thereon pursuant to sections 102, 105, 361, 362, 363 and 364 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6003 and 6004, and Local Bankruptcy Rules 2002-1, 9013-1 and 9013-2, which notice was sent to, among others (i) the Office of the United States Trustee; (ii) the Trustee; (iii) the Debtors’ other prepetition secured lenders; (iv) the DIP Lender; (v) the Internal Revenue

Service; (vi) the parties included on the Debtors' consolidated list of their 30 largest unsecured creditors; (vii) the United States Attorney for the Eastern District of Missouri; (viii) the Committee; (ix) the state attorneys general in each state where the Debtors conduct their business; and (~~ix~~) all parties entitled to notice pursuant to Bankruptcy Rule 2002 (the "Notice Parties"). Such notice is sufficient under the Bankruptcy Code and the applicable Bankruptcy Rules and Local Rules with respect to the relief requested, and no further notice of the relief sought in the Motion is necessary.

The Debtors and the Facilities

G. ~~D.~~ The Debtors own and operate senior living facilities and related businesses in Illinois, Indiana, Iowa and Missouri (collectively, the "Facilities").

H. ~~E.~~ The Debtors offer residential units for their residents (each a "Resident") in independent living, assisted living, memory care, or skilled nursing units and provide those Residents with necessary healthcare services, multiple entertainment outlets and other social benefits. As of the Petition Date, the Debtors provide accommodations for more than 1,000 Residents. The Debtors employ approximately 960 employees and also have individuals from staffing agencies to run their operations.

The Secured Bond Obligations

I. ~~F.~~ Pursuant to the First Interim Order, the Debtors ~~admit, stipulate, and agree~~ admitted, stipulated, and agreed, and now reaffirm, that each of the following Debtors is a member of the Obligated Group (defined below): Christian Homes, Inc. ("Christian Homes"); Crown Point Christian Village, Inc. (f/k/a Chicagoland Christian Village, Inc.); Hickory Point Christian Village, Inc. (f/k/a Fair Havens Christian Homes, Inc.); Hoosier Christian Village, Inc.; Lewis Memorial Christian Village; Midwest Senior Ministries, Inc.; New Horizons PACE MO,

LLC; Risen Son Christian Village; Senior Care Pharmacy Services, LLC; and Spring River Christian Village, Inc. (each, an “Obligated Group Member,” and collectively referred to herein as the “Obligated Group Members” or the “Obligated Group”).

J. ~~G. The~~Pursuant to the First Interim Order, the Debtors ~~admit, stipulate, and agree~~admitted, stipulated, and agreed, and now reaffirm, that the Obligated Group Members are obligated to the Trustee for the benefit of the beneficial holders of the following series of bonds: (i) Illinois Finance Authority Revenue Refunding Bonds, Series 2016 (Christian Homes, Inc. Obligated Group) (the “Series 2016 Bonds”); (ii) Health and Educational Facilities Authority of the State of Missouri Senior Living Facilities Revenue Bonds (Christian Horizons Obligated Group), Series 2018 (the “Series 2018 Bonds”); (iii) Illinois Finance Authority Revenue Bonds, Series 2021A (Christian Horizons Obligated Group) (the “Series 2021A Bonds”); and (iv) Illinois Finance Authority Taxable Revenue Bonds, Series 2021B (Christian Horizons Obligated Group) (the “Series 2021B Bonds,” and collectively with the Series 2016 Bonds, the Series 2018 Bonds and the Series 2021A Bonds, the “Bonds”).

K. ~~H. The~~Pursuant to the First Interim Order, the Debtors ~~admit, stipulate, and agree~~admitted, stipulated, and agreed, and now reaffirm, that (i) the Series 2016 Bonds were issued pursuant to that certain Bond Trust Indenture dated as of March 1, 2016 (the “2016 Bond Indenture”) between the Illinois Finance Authority (the “Illinois Issuer”) and Wells Fargo Bank, National Association (“Wells Fargo”), as original bond trustee thereunder; (ii) the Series 2018 Bonds were issued pursuant to that certain Bond Trust Indenture dated as of December 1, 2018 (the “2018 Bond Indenture”) between the Health and Educational Facilities Authority of the State of Missouri (the “Missouri Issuer”) and Wells Fargo, as original bond trustee thereunder; and (iii) the Series 2021A Bonds and the Series 2021B Bonds were issued pursuant to two separate Bond

Trust Indentures, each dated as of September 1, 2021 (together, the “2021 Bond Indenture”), each between the Illinois Issuer and Wells Fargo, as original bond trustee thereunder. The 2016 Bond Indenture, the 2018 Bond Indenture and the 2021 Bond Indentures are referred to collectively herein as the “Bond Indentures.”

L. ~~I. The~~Pursuant to the First Interim Order, the Debtors ~~admit, stipulate, and agree~~admitted, stipulated, and agreed, and now reaffirm, that: (i) the proceeds of the Series 2016 Bonds were loaned to Obligated Group Members pursuant to that certain Loan Agreement dated as of March 1, 2016 (the “2016 Loan Agreement”) between the Illinois Issuer and Christian Homes; (ii) the proceeds of the Series 2018 Bonds were loaned to Obligated Group Members pursuant to that certain Loan Agreement dated as of December 1, 2018 (the “2018 Loan Agreement”) between the Missouri Issuer and Christian Homes; and (iii) the proceeds of the Series 2021A Bonds and the Series 2021B Bonds were loaned to Obligated Group Members pursuant to two separate Loan Agreements, each dated as of September 1, 2021 (together, the “2021 Loan Agreements”), each between the Illinois Issuer and Christian Homes. The 2016 Loan Agreement, the 2018 Loan Agreement and the 2021 Loan Agreements are referred to collectively herein as the “Loan Agreements.” ~~The~~Pursuant to the First Interim Order, the Debtors further ~~admit, stipulate and agree~~admitted, stipulated, and agreed, and now reaffirm, that the Illinois Issuer and the Missouri Issuer, as applicable, assigned their respective rights under the Loan Agreements to the Bond Trustee in accordance with the Bond Indentures.

M. ~~J. The~~Pursuant to the First Interim Order, the Debtors ~~admit, stipulate, and agree~~admitted, stipulated, and agreed, and now reaffirm, that the Obligated Group Members used the proceeds of the Bonds primarily to finance or refinance the acquisition, construction, equipping

or improving, as applicable, of various communities owned and operated by Obligated Group Members.

N. ~~K. The~~ Pursuant to the First Interim Order, the Debtors ~~admit, stipulate, and agree~~ admitted, stipulated, and agreed, and now reaffirm, that the Obligated Group Members' payment obligations with respect to the Bonds are evidenced and secured by, *inter alia*, certain Direct Note Obligations (the "Master Obligations") issued under and pursuant to that certain Master Trust Indenture dated as of June 1, 2007 (as amended or supplemented from time to time, the "Master Indenture") among the Obligated Group Members and Wells Fargo, as original master trustee thereunder.

The Bond Claim

O. ~~L. The~~ Pursuant to the First Interim Order, the Debtors ~~admit, stipulate, and agree~~ admitted, stipulated, and agreed, and now reaffirm, that as of July 15, 2024, the amounts due and owing by the Obligated Group Members with respect to the Bonds and the obligations under the Bond Documents (as defined below) are as follows (collectively, the "Bond Claim"):

- (i) Unpaid principal on the Bonds in the aggregate amount of \$75,570,000, consisting of \$27,795,000 in principal amount of Series 2016 Bonds, \$27,685,000 in principal amount of Series 2018 Bonds, \$12,860,000 in principal amount of Series 2021A Bonds, and \$7,230,000 in principal amount of Series 2021B Bonds;
- (ii) Accrued but unpaid interest on the Bonds in the aggregate amount, as of July 15, 2024, of \$585,979.16, consisting of \$230,375.00 in accrued interest on the Series 2016 Bonds, \$230,708.33 in accrued interest on the Series 2018 Bonds, \$85,733.33 in accrued interest on the Series 2021A Bonds, and \$39,162.50 in accrued interest on the Series 2021B Bonds; and
- (iii) unliquidated, accrued and unpaid fees and expenses of the Trustee and its professionals incurred through the Petition Date. Such amounts, when liquidated, shall be added to the aggregate amount of the Bond Claim.

Security for the Bond Obligations

P. ~~M. The~~ Pursuant to the First Interim Order, the Debtors ~~admit, stipulate, and agree~~ admitted, stipulated, and agreed, and now reaffirm, that, as security for their obligations with respect to the Bonds and the other obligations owing under the Bond Documents (as defined below): (i) the Obligated Group Members entered into the Master Indenture, wherein the Obligated Group Members granted a first priority security interest in, among other assets, the Gross Revenues of the Obligated Group (as defined in the Master Indenture, and including, without limitation, “all receipts, revenues, rentals, income, insurance proceeds (including, without limitation, all Medicaid, Medicare and other third-party payments”), condemnation awards and other moneys received by or on behalf of any Obligated Group Member, including (without limitation) revenues derived from (a) the ownership, operation or leasing of any portion of the Facilities (including, without limitation, fees payable by or on behalf of residents of the Facilities) and all rights to receive the same ... whether in the form of accounts, general intangibles or other rights ... and (b) gifts, grants, bequests, donations and contributions ... that are legally available to meet any of the obligations of the Obligated Group Member[s]”); and (ii) each of the Obligated Group Members owning an interest in real property entered into a mortgage and security agreement (or deed of trust and security agreement, as applicable), each in favor of the Master Trustee (collectively, the “Mortgages”). Each of the Mortgages grants a first priority mortgage lien (or deed of trust lien) on the real estate described therein and all buildings, structures, improvements and appurtenances standing or thereafter placed upon such real estate, and grants a first priority security interest in all machinery, equipment, inventory, furniture, spare parts, general intangibles, intellectual property rights and other personal property on or related to such real estate, and in all judgments, awards of damages, settlements and other compensation resulting from condemnation proceeds or the taking

of the subject real estate (all of the foregoing, collectively, the “Mortgaged Property”). The Mortgaged Property includes all of the facilities in which the principal operations of Obligated Group Members are located and substantially all assets of each of the Obligated Group Members.

Q. ~~N.~~—The Master Indenture, the Bond Indentures, the Loan Agreements, the Mortgages and the various other agreements, documents and instruments evidencing the obligations of the Obligated Group Members with respect to the Bonds or the Master Obligations, or providing security for such obligations, are referred to collectively herein as the “Bond Documents.”

R. ~~O. Subject to the rights and claims set forth in~~Pursuant to the First Interim Order,
but subject to paragraph 34 ~~herein~~therein, the Debtors ~~admit, stipulate, and agree~~admitted,
stipulated, and agreed, and now reaffirm, subject to paragraph 37 herein, that, pursuant to the Bond Documents, the Trustee holds a valid and enforceable first priority lien and security interest in substantially all of the Obligated Group Members’ real and personal property (other than Permitted Encumbrances, as defined in the Master Indenture), including all of the Obligated Group Members’ rights, titles, ~~interest,~~interests and estates in the following assets, as security for the Bonds and the Master Obligations: (i) all Gross Revenues of the Obligated Group Members; (ii) the Mortgaged Property; and (iii) all funds held in the various accounts established under the Master Indenture and the Bond Indentures (all such collateral, the “Pre-Petition Bond Collateral”; and the liens on such Pre-Petition Bond Collateral, the “Pre-Petition Liens”).

S. ~~P. Subject to the rights and claims set forth in~~Pursuant to the First Interim Order,
but subject to paragraph 34 ~~herein~~therein, the Debtors ~~admit, acknowledge and agree~~admitted,
stipulated, and agreed, and now reaffirm, subject to paragraph 37 herein, that the Bond Claim (i) constitutes legal, valid, binding, enforceable, and non-avoidable obligations of the Obligated

Group Members; (ii) is not subject to setoff, defense, claim, counterclaim, or subordination of any kind; and (iii) is secured by first-priority Pre-Petition Liens in the Pre-Petition Bond Collateral.

HUD-Financed Lument-Financed Properties

T. ~~Q.~~ The Debtors own and operate ~~two Facilities~~ Wabash Estates in Carmi, Illinois (“Wabash Estates”) and Washington Village Estates in Washington, Illinois (“Washington Estates,” and together, ~~the “HUD-Financed~~ with Wabash Estates, the “Lument-Financed Properties”)~~—~~. The Lument-Financed Properties are each subject to mortgages securing loans made by ~~or through~~ Lument Real Estate Capital, LLC f/k/a Lancaster Pollard Mortgage Company (“Lument”) and indorsed for insurance by the United States Department of Housing and Urban Development (~~“HUD,” and such loans, “HUD Loans”~~).

U. ~~R.~~ As of the Petition Date, the ~~HUD-Financed~~ Lument-Financed Properties were not subject to mortgages in favor of the Trustee.

IDHA-Financed Property

V. ~~S.~~ The Debtors also own and operate Wabash Christian Village Apartments (“Wabash Apartments,” and together with Wabash Estates, the “Wabash Properties”), which facility is located on property adjacent to Wabash Estates and financed by a loan from the Illinois Housing Development Authority (“IHDA,” and such loan, the “IHDA Loan”). The property is encumbered by a mortgage in favor of IHDA securing the IHDA loan ~~Loan~~.

W. ~~T.~~ As of the Petition Date, the IHDA-Financed Property was not subject to a mortgage in favor of the Trustee.

The Debtors’ Need for Use of Cash Collateral

X. ~~U.~~ The Debtors have requested the use of the Cash Collateral of the Trustee and the cash collateral, if any, of ~~HUD~~ Lument and IHDA (as to the applicable facilities encumbered by

their mortgages) in connection with the Chapter 11 Cases. The Trustee only consents to the use of its Cash Collateral upon the express terms of this ~~Interim~~Final Order.

Y. ~~V.~~ Without the use of cash collateral, the Debtors' continued operation as a going concern would be disrupted, and the Debtors and their Residents, estates and creditors would be immediately and irreparably harmed. The Debtors would not have the funds necessary to maintain the Facilities, pay employee compensation, payroll taxes, overhead and other expenses. The Debtors require use of cash collateral as provided herein.

The Debtors' Need for Debtor-in-Possession Financing

Z. ~~W.~~ A critical need exists for the Debtors to obtain funds to cover the operational, capital and administrative needs of the Facilities, solely to the extent set forth under the Budget and under the DIP Facility (as each is defined below). The Debtors are unable to obtain postpetition financing on an unsecured basis under sections 364(c)(1) or 503(b)(1) of the Bankruptcy Code. Further, the Debtors assert that they are also unable to obtain secured credit from sources other than the DIP Lender that would be allowable under sections 364(c)(2), 364(c)(3) and 364(d)(1) of the Bankruptcy Code for the purposes set forth in this ~~Interim~~Final Order. Further, the Trustee would not consent to any priming liens and would have argued that the Debtors could not have provided adequate protection for any such proposed financing.

AA. ~~X.~~ In addition to the use of the Trustee's Cash Collateral, the DIP Lender has agreed to provide the requested ~~Initial~~ DIP Loans (as defined below) under the DIP Facility and use of Cash Collateral in accordance with the terms contained in this ~~Interim~~Final Order, in the amounts, categories and times set forth in the Budget (as defined below), which shall be used for the necessary operational costs associated with the Facilities and other costs and expenses of administration of the Chapter 11 Cases.

BB. ~~Y.~~ Without the ~~Initial~~ DIP Loans, the Debtors will be unable to pay necessary payroll, costs, and operating expenses and obtain goods and services in a manner that will avoid irreparable harm to the Debtors' estates and to the Residents. At this time, the Debtors' ability to finance the ongoing operation and availability of sufficient liquidity through the incurrence of new indebtedness for borrowed money and other financial accommodations as provided herein are vital to the preservation and maintenance of the going concern of the Debtors' estates and to otherwise provide the necessary services to the Residents.

CC. ~~Z.~~ The Debtors have requested that the DIP Lender ~~provide the Initial~~ advance funds (each advance, a "DIP Loans Loan") up to an aggregate amount of \$3,000,000 [TBD], inclusive of amounts approved under the Interim Orders (collectively, the "DIP Facility"), which funds shall be used by the Debtors solely to the extent provided in the Budget attached as **Exhibit 1**. ~~At the expiration of the Interim Order, the DIP Lender, subject to entry of the Final Order in a form acceptable to the DIP Lender, shall continue to advance funds through additional DIP loans (together with the Initial DIP Loans, the "DIP Loans"), up to an aggregate amount to be determined in connection with the finalization of an extended Budget (collectively, the "DIP Facility"); (which Budget, for the avoidance of doubt, replaces and supersedes the budgets previously attached to the Interim Orders).~~

DD. ~~AA.~~ The DIP Lender has provided, and is willing to continue to provide, the ~~Initial~~ DIP Loans, subject to the terms and conditions set forth in the Interim Orders and herein, including the provisions of this ~~Interim~~ Final Order providing that the Post-Petition Liens (as defined below) and the various claims, superpriority claims and other protections granted pursuant to this ~~Interim~~ Final Order will not be affected by any subsequent reversal or modification of this ~~Interim~~ Final Order or any other order, as provided in section 364(e) of the Bankruptcy Code.

EE. ~~BB.~~ The DIP Lender's lending of the ~~Initial~~ DIP Loans is conditioned upon the grant of a lien that: (i) will prime and remain senior to the Trustee's Pre-Petition Liens; and (ii) will otherwise constitute a first priority lien in all Post-Petition Collateral (as defined below), subject only to the Carve-Out (as defined below).

FF. ~~CC. The~~ Pursuant to the First Interim Order, the Debtors ~~admit, stipulate, and agree~~ admitted, stipulated, and agreed, and now reaffirm, that the terms of the ~~Initial~~ DIP Loans have been negotiated in good faith and at arm's length among the Debtors and the DIP Lender; that the terms of the ~~Initial~~ DIP Loans are at least as favorable to the Debtors as those available from alternative sources, under all of the circumstances; that given the current market conditions and under the particular circumstances of the Chapter 11 Cases, no other sources of funding are available on better overall terms; and that given the exigencies of the case, the Debtors believe the ~~Initial~~ DIP Loans are the best and only option.

GG. ~~DD.~~ The Debtors and the DIP Lender have represented to the Bankruptcy Court that they have negotiated at arm's length and have acted in good faith in the negotiation and preparation of the DIP Credit Agreement and this ~~Interim~~ Final Order, have been represented by counsel, and intend to be and are bound by their respective terms. ~~The~~ Pursuant to the First Interim Order, the Debtors ~~admit, stipulate, and agree~~ admitted, stipulated, and agreed, and now reaffirm, that the terms and conditions of ~~this~~ the Interim Orders and this Final Order, the DIP Documents and the ~~Initial~~ DIP Loans are fair and commercially reasonable under the circumstances, reflect the Debtors' exercise of their prudent business judgment consistent with their fiduciary duties, are supported by reasonably equivalent value and fair consideration, and are enforceable in accordance with applicable law. As such, the funds advanced should be deemed to have been extended by the DIP Lender in "good faith" as that term is used in section 364(e) of the Bankruptcy Code and

based upon the express reliance of the protections offered by section 364(e) of the Bankruptcy Code and the Post-Petition Liens and the Superpriority Claim (defined below) should be entitled to the full protection of section 364(e) of the Bankruptcy Code, including in the event that ~~this~~any ~~of the~~ Interim Orders or this Final Order, or any provision thereof or hereof, is vacated, reversed or modified, on appeal or otherwise.

Need for Adequate Protection

HH. ~~EE.~~ Pursuant to the Bankruptcy Code and in light of the foregoing, the Debtors are required to provide adequate protection to the Trustee in respect of the use of the Pre-Petition Collateral (including Cash Collateral) and granting of the priming Post-Petition Liens. The Debtors wish to provide adequate protection of the security interests in and liens on the Pre-Petition Collateral pursuant to the terms set forth in this ~~Interim~~Final Order.

II. ~~FF.~~ The applicable Debtors also wish to provide adequate protection to ~~HUD~~Lument of its lien on ~~the HUD-Financed Properties~~Washington Estates, also pursuant to the terms set forth in this ~~Interim~~Final Order.

~~GG. The applicable Debtor also wishes to provide adequate protection to IHDA of its lien on the IHDA-Financed Properties, also pursuant to the terms set forth in this Interim Order.~~

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

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

NOW THEREFORE, THE COURT ORDERS AS FOLLOWS:

Motion Granted

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

Approval of DIP Facility and DIP Loan Documents

2. On ~~an interim~~a final basis as set forth in this ~~Interim~~Final Order, the terms of the DIP Facility, that certain Priming Superpriority Debtor-in-Possession Credit Agreement between the Debtors and the DIP Lender (the "DIP Credit Agreement") and all documents executed in connection therewith (collectively with the DIP Credit Agreement, the "DIP Loan Documents") are fair and reasonable, reflect the exercise of the Debtors' prudent business judgment consistent with their fiduciary duties, and constitute reasonably equivalent value and fair consideration.

3. The Debtors shall be liable for the repayment in full of the ~~Initial~~ DIP Loans, ~~upon entry of this Interim Order,~~ and all DIP Obligations, ~~upon the entry of the Final Order.~~

4. The DIP Facility and DIP Loan Documents have been negotiated in good faith and at arm's length among the Debtors and the DIP Lender, and the ~~Initial~~ DIP Loans shall be deemed to have been extended by the DIP Lender in good faith (as that term is used in section 364(e) of the Bankruptcy Code) and in express reliance upon, and with the full benefit of the protections afforded by, section 364(e) of the Bankruptcy Code, whether or not this ~~Interim~~Final Order or any provision hereof is vacated, reversed, or modified, on appeal or otherwise.

5. Absent the relief granted by this ~~Interim~~Final Order, the Debtors' estates, the Residents and creditors would suffer immediate and irreparable harm. Accordingly, the entry of this ~~Interim~~Final Order and related authorization of borrowings of the ~~Initial~~-DIP Loans under the DIP Facility and DIP Loan Documents are in the best interests of the Debtors' estates, the Residents, and creditors.

6. The DIP Facility and DIP Loan Documents are hereby approved on ~~an interim~~a final basis, and the Debtors are hereby authorized to borrow the ~~Initial~~-DIP Loans pursuant to the DIP Loan Documents, to be used in accordance with the budget attached as **Exhibit 1**, itemizing on a weekly basis all uses, and anticipated uses, revenues projected to be received and all expenditures proposed to be made during such period, which Budget may be amended at the request of the Debtors and with the written consent of the DIP Lender and the Trustee and incorporated herein by reference (as it may be amended, supplemented, replaced or otherwise modified from time to time solely with the consent of the DIP Lender and the Trustee, in their sole discretion, the "Budget") and this ~~Interim~~Final Order, the proceeds of which shall be used for such purposes as are expressly permitted under the DIP Loan Documents, this ~~Interim~~Final Order and the Budget.

7. In furtherance of the foregoing and without further approval of this Court, the Debtors are authorized to perform all acts, to make, execute, and deliver all instruments and documents (including, without limitation, the execution or recordation of security agreements, mortgages, and financing statements), and to pay at the Maturity Date (defined below) of the DIP Facility all amounts due under the DIP Facility, including fees, in each case that may be reasonably required or necessary for the Debtors' performance of the ~~Initial~~-DIP Loans, including, without limitation:

- (i) the execution, delivery, and performance of the DIP Loan Documents and any exhibits, schedules and other documents related thereto;
- (ii) the execution, delivery, and performance of one or more non-material amendments to the DIP Loan Documents, in each case in such form as the Debtors and the DIP Lender may agree (it being understood that no further approval of the Court, ~~other than with respect to the Final Order,~~ shall be required for amendments to the DIP Loan Documents that do not shorten the maturity of the extensions of credit thereunder, increase the commitments, or increase the rate of interest payable thereunder);
- (iii) the non-refundable payment to the DIP Lender of the reasonable costs and expenses as may be due from time to time in connection with the ~~Initial~~-DIP Loans in accordance with the terms of the DIP Loan Documents and the Budget; and
- (iv) the performance of all other acts required under the DIP Loan Documents in connection with the ~~Initial~~-DIP Loans.

The ~~Initial~~-DIP Loans

8. ~~Initial~~-DIP Loans. Pursuant to sections 361 and 364 of the Bankruptcy Code and the terms and conditions hereof, until the occurrence of an Event of Default (as defined below), the Debtors are hereby authorized to borrow the ~~Initial~~-DIP Loans pursuant to the terms, conditions and provisions of this ~~Interim~~Final Order and the DIP Credit Agreement in an aggregate amount up to \$~~3,000,000~~[TBD] (inclusive of amounts approved under the Interim Orders) pursuant to the terms set forth herein (~~and in the “~~Initial~~-DIP ~~Loans~~”~~)Credit Agreement; provided, however, that the Debtors shall use the proceeds of the ~~Initial~~-DIP Loans solely in compliance with the Budget and as expressly set forth herein.

9. DIP Credit Facility Terms

- (i) Interest shall accrue on the full amount committed under the DIP Facility from the date of entry of ~~this~~the First Interim Order (the “Interim Order Entry Date”) through the Maturity Date at a simple rate per annum equal to 4.589%. Interest will be calculated on a 30/360 basis. Accrued interest shall be due and payable on the Maturity Date.
- (ii) For each dollar advanced under the DIP Facility, one dollar of the pre-petition indebtedness on account of the Bond Claim shall be ‘rolled up’ and shall constitute, for all purposes, an obligation of the Debtors under the DIP Credit Agreement

(“Roll-Up Obligations”). For the avoidance of doubt, and without limiting the generality of the foregoing, the Roll-Up Obligations shall be secured, equally and ratably, with all other DIP Obligations, by the Collateral, and shall be repaid, on the Maturity Date or otherwise, on a ratable basis with all other DIP Obligations; provided, however, that notwithstanding anything to the contrary herein, no Roll-Up Obligations shall encumber Washington Estates.

- (iii) The principal, interest and any other obligations owed with respect to the ~~Initial~~ DIP Loans and the Roll-Up Obligations (together, the “DIP Obligations”) shall be due and payable upon the earliest of (i) December 31, 2024; (ii) the closing date of the sale of all or substantially all of the Debtors’ assets pursuant to an order entered by the Court (or, in the event of more than one sale, the closing date of the last of such sales); (iii) the acceleration of the DIP Loans and the termination of the DIP Facility by the DIP Lender following the occurrence or during the continuation of an Event of Default (defined below); and (iv) the confirmation of a Chapter 11 plan which becomes effective (the earliest such date, the “Maturity Date”).

10. Conditions to the ~~Initial~~ DIP Loans. The continued funding of the ~~Initial~~ DIP Loans is conditioned ~~on the satisfaction of the conditions precedent set forth in Article III of~~ upon the entry of this Final Order and compliance with the terms herein and in the DIP Credit Agreement.

11. Disbursements of ~~Initial~~ DIP Loans. The following conditions and processes shall govern the funding of the ~~Initial~~ DIP Loans:

- (i) not less than four (4) business days prior to any borrowing date (each a “Borrowing Date”) and no more frequently than every two (2) weeks, the Debtors shall deliver to the DIP Lender a fully executed Borrowing Certificate (as defined below) by no later than 10:00 a.m. (New York City time) on such date. Such Borrowing Certificate, a form of which is attached as Exhibit B to the DIP Credit Agreement (each a “Borrowing Certificate”), shall specify the amount of the proposed DIP Loan and the Borrowing Date thereof, and shall certify that the amount of the proposed DIP Loan, after accounting for all other available funds held by the Debtors, is reasonably expected to be needed to pay amounts coming due in the fourteen (14) days immediately following such Borrowing Date, as set forth in the Budget. On the Borrowing Date specified in any Borrowing Certificate, the DIP Lender shall disburse such funds to the Operating Account (as defined in the DIP Credit Agreement) and shall use reasonable efforts to make the funds available to the Debtors no later than 2:00 p.m. (New York City time) on the requested Borrowing Date;
- (ii) each request for ~~an Initial~~ a DIP Loan must exceed a minimum amount of \$100,000;
- (iii) such expenditures have not been subject to any prior requisition or payment or reimbursement from any other source;

- (iv) after making the DIP Loan requested, the aggregate outstanding principal amount of the ~~Initial~~-DIP Loans will not exceed the lesser of the amount authorized under this ~~Interim~~Final Order ~~and/or under~~ the DIP Credit Agreement;
- (v) the representations and warranties of the Debtors contained in ~~the Interim~~this Final Order and in the DIP Credit Agreement shall be true and correct in all material respects immediately prior to, and after giving effect to, the ~~Initial~~-DIP Loan;
- (vi) the Debtors are in compliance in all material respects with each of the covenants contained in the Interim Order and the DIP Loan Documents; and
- (vii) no Event of Default exists under the terms of this ~~Interim~~Final Order or under the DIP Loan Documents.

12. Use of ~~Initial~~-DIP Loan Proceeds. The ~~Initial~~-DIP Loans shall be used solely as set forth in the Budget for: (a) the necessary operation and maintenance costs associated with the Facilities in the amounts and categories and time set forth in the Budget; and (b) other costs and expenses of administration of the Chapter 11 Cases in the amounts and categories and time set forth in the Budget. Notwithstanding the foregoing, from and after the entry of this Final Order, none of the proceeds of the DIP Loans shall be used for the operation and maintenance, or other costs and expenses (including allocable overhead expenses and professional fees of estate professionals), of the Wabash Properties.

13. Effectiveness of ~~Initial~~-DIP Loans. From and after the ~~Interim~~entry of this Final Order ~~Entry Date~~, the terms and conditions ~~hereof~~of the Interim Orders, as confirmed or modified by this Final Order, shall constitute ~~at~~the valid and binding ~~obligation~~obligations of the Debtors, enforceable against the Debtors in accordance with the terms of ~~this~~the Interim Orders, as confirmed or modified by this Final Order, for all purposes during the Chapter 11 Cases, any subsequently converted cases of any of the Debtors under chapter 7 of the Bankruptcy Code or after the dismissal of the Chapter 11 Cases. No obligation, payment, transfer or grant of security under ~~this~~the Interim Orders or this Final Order shall be stayed, restrained, voidable, avoidable or recoverable under the Bankruptcy Code or under any applicable law (including without limitation,

under sections 502(d), 548 or 549 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law), or subject to any defense, reduction, setoff, recoupment or counterclaim.

14. Payments to the DIP Lender and/or the Trustee. Any and all payments or proceeds remitted to the DIP Lender and/or the Trustee pursuant to the provisions of this ~~Interim~~Final Order or otherwise shall be received by the DIP Lender and/or the Trustee, free and clear of any claim, charge, assessment or other liability, including, without limitation, ~~upon entry of the Final Order,~~ any such claim or charge arising out of or based on sections 506(c) and/or 552(b) of the Bankruptcy Code, whether directly or indirectly, all of which are hereby waived by the Debtors.

15. Alternative DIP Financing or Dismissal as to Wabash Properties. The Debtors hereby covenant and agree that, unless alternative debtor-in-possession financing is secured to fund the operation and maintenance, or other costs and expenses (including allocable overhead expenses and professional fees of estate professionals), of Wabash Estates and/or Wabash Apartments, the Debtors shall move this Court for dismissal of the voluntary bankruptcy cases associated with Wabash Estates and/or Wabash Apartments, as applicable, with such motion(s) to dismiss to be heard on or before October 1, 2024 (the "Wabash Dismissal").

Security for the DIP Loan

16. ~~15.~~ Post-Petition Liens. Pursuant to the Interim Orders, as confirmed or modified by this Final Order, and pursuant to section 364(c)(2), (c)(3) and (d) of the Bankruptcy Code and as security for the DIP Obligations and the obligations under the DIP Loan Documents, the DIP Lender was, and is hereby, granted valid, binding, enforceable and perfected first priority mortgages, pledges, liens and security interests (the "Post-Petition Liens") in all currently owned or hereafter acquired property and assets of the Debtors of any kind or nature, whether real or

personal, tangible or intangible, wherever located, now owned or hereafter acquired or arising and all proceeds, products, rents and profits thereof, including, without limitation, accounts, revenues, inventory, equipment, capital stock in subsidiaries, investment property, instruments, chattel paper, real estate, leasehold interests, contracts, general intangibles, patents, copyrights, trademarks, deposit accounts, intercompany claims, claims against affiliates, causes of action, tax refund claims, commercial tort claims, insurance proceeds and insurance premium refunds (all of the foregoing, the “Post-Petition Collateral”); provided, further, that the Post-Petition Lien on Washington Estates shall be in the amount of \$4,940,494 and shall not include any Roll-Up Obligations; provided, however, that the Post-Petition Collateral under this ~~Interim~~Final Order shall not include any and all cash or other property received by the Debtors in the form of resident funds, gifts, charitable donations, bequests or grants that are by their terms, restricted in the manner in which they may be utilized by the Debtors to the extent, and only to the extent, that such restrictions would prohibit the granting of any such gifts, donations, bequests or grants as collateral. ~~In connection with this Interim Order~~Notwithstanding the foregoing, Post-Petition Collateral shall exclude: (i) resident deposits held in one or more segregated accounts in the aggregate amount of approximately \$10,000; (ii) the ~~HUD-Financed Properties, (iii) the IHDA-Financed Property and (iv)~~Smart-Fill Collateral (as defined below); (iii) actions for preferences, fraudulent conveyances or other avoidance power claims and any recoveries under sections 542, 544, 545, 547, 548 (exclusive of transferees under section 549), 550 and 553 ~~and~~of the Bankruptcy Code (collectively, the “Avoidance Actions”) and the proceeds thereof; ~~provided that the DIP Credit Agreement contemplates that the Post-Petition Collateral includes the HUD-Financed Properties, the IHDA-Financed Property, Avoidance Actions and proceeds thereof upon entry of the Final Order; and, provided further that the DIP Lender reserves the right to request that the~~

~~Post-Petition Collateral include the HUD-Financed Properties, the IHDA-Financed Property and Avoidance Actions and proceeds thereof in any Final Order on the Motion and (iv) upon and following the Wabash Dismissal, any assets associated with the applicable Wabash Properties.~~

17. ~~16.~~ The Post-Petition Liens are in addition to the superpriority administrative expense claim set forth in ~~Paragraph 17~~paragraph 18 hereof, and pursuant to sections 364(c) and 364(d), shall be valid, binding, continuing, enforceable, fully-perfected, senior and priming on all Post-Petition Collateral that (a) will be and remain senior to the Pre-Petition Liens, Replacement Liens and Supplemental Liens granted to the Trustee as adequate protection for its Pre-Petition Liens; and (b) will otherwise constitute a first priority lien on all other assets of the Debtors, subject only to the Carve-Out.

18. ~~17.~~ Superpriority Administrative Expense Claim. ~~The Initial~~Pursuant to the Interim Orders, as confirmed or modified by this Final Order, the DIP Loans ~~shall have~~were, and are hereby, granted the status of a superpriority administrative expense claim (the “Superpriority Claim”) pursuant to section 364(c)(1) of the Bankruptcy Code, including, without limitation, having priority over all other unpaid administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 546, 726, 1113 or 1114 of the Bankruptcy Code (subject only to the Carve-Out), and shall at all times be senior to the rights of the Debtors, any successor trustee or any creditor in the Chapter 11 Cases or any subsequent proceedings under the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other nonconsensual lien, levy or attachment. The Superpriority Claim granted to the DIP Lender by this ~~Paragraph 17~~paragraph 18 shall be payable from and have recourse to all pre-and postpetition property of the Debtors and all proceeds thereof.

Debtors' Use of Cash Collateral

19. ~~18. The~~ Pursuant to the Interim Orders, as confirmed or modified by this Final Order, the Debtors ~~were, and~~ are hereby authorized to use cash collateral (as defined in section 363(a) of the Bankruptcy Code) constituting proceeds of accounts and revenues from operations of the Facilities and advances under the DIP Facility (collectively, the "Cash Collateral"), but not including any other funds received by the Debtors during these proceedings.

20. ~~19.~~ The Debtors' use of Cash Collateral shall be solely as set forth in the Budget and as otherwise provided in this ~~Interim~~ Final Order for: (a) the necessary ordinary course operation and maintenance costs associated with the Facilities in the amounts and categories and time set forth in the Budget; and (b) other costs and expenses of administration of the Chapter 11 Cases in the amounts and categories and time set forth in the Budget. Except on the terms and conditions of this ~~Interim~~ Final Order and the DIP Credit Agreement, the Debtors are prohibited from using Cash Collateral at any time or for any other purpose absent consent of the DIP Lender and the Trustee, or further order of the Bankruptcy Court.

Adequate Protection for the Pre-Petition Liens and Pre-Petition Collateral

21. ~~20. As~~ Adequate Protection in favor of the Trustee. As provided in the Interim Orders and confirmed by this Final Order, as adequate protection of the Trustee's interests in the Pre-Petition Collateral, including Cash Collateral, pursuant to sections 361, 363 and 552(b) of the Bankruptcy Code, and the Trustee's consent to the priming of its liens and claims pursuant to the Post-Petition Liens and the Superpriority Claim provided to the DIP Lender, the Trustee ~~was,~~ and ~~HUD and IHDA~~ are hereby is, provided the following adequate protection:

- (i) Replacement Liens. As adequate protection solely for any diminution in the value of the Pre-Petition Collateral, including based upon the priming by the DIP Lender ("Diminution"), ~~(i)~~ the Trustee shall continue to have a valid, binding, enforceable and perfected additional and replacement mortgages, pledges, liens and security interests in all Post-Petition Collateral and the proceeds, rents, products and profits

~~therefrom (ii) HUD shall continue to have a valid, binding, enforceable and perfected lien on post-petition income related to the HUD-Financed Properties, and (iii) IHDA shall continue to have a valid, binding, enforceable and perfected lien on post-petition income related to the IHDA-Financed Property, in each case~~therefrom, whether acquired or arising before or after the Petition Date, to the same extent, priority and validity that existed as of the Petition Date (such liens, the “Replacement Liens”); provided, however, the Replacement Liens shall be subject to (x) the Post-Petition Liens, (y) the Carve-Out and (z) valid and perfected liens existing on or arising after the Petition Date which, solely by operation of law, have priority over such Replacement Liens, if any;

- (ii) Supplemental Liens. As additional adequate protection solely for any Diminution, the Trustee shall have a valid, perfected and enforceable continuing supplemental lien on, and security interest in, all of the assets of the Debtors of any kind or nature whatsoever within the meaning of section 541 of the Bankruptcy Code, whether acquired or arising before or after the Petition Date, and the proceeds, rents, products and profits therefrom, exclusive of any Avoidance Actions and any proceeds ~~therefrom (provided that the Trustee reserves the right to request that the Supplemental Liens include Avoidance Actions and proceeds thereof in any Final Order on the Motion)~~thereof (collectively, the “Supplemental Liens”); provided, however, the Supplemental Liens shall be subject to (w) the Post-Petition Liens, (x) the Replacement Liens, (y) the Carve-Out and (z) valid and perfected liens existing on or arising after the Petition Date which, solely by operation of law, have priority over such Supplemental Liens, if any;
- (iii) Pre-Petition Superpriority Claim. As additional adequate protection solely for any Diminution, the Trustee shall receive a superpriority expense claim allowed under section 507(b) of the Bankruptcy Code (the “Pre-Petition Superpriority Claim”) against all assets of the Debtors’ estates. The Pre-Petition Superpriority Claim shall have priority over any and all other unpaid administrative expenses now existing or hereafter arising, of any kind whatsoever, of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 546, 726, 1113 or 1114 of the Bankruptcy Code, and shall at all times be senior to the rights of the Debtors, any successor trustee or any creditor in the Chapter 11 Cases or any subsequent proceedings under the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other nonconsensual lien, levy or attachment; provided, however, the Pre-Petition Superpriority Claim shall be subject to the (x) the Post-Petition Liens, (y) the Superpriority Claim and (z) the Carve-Out;
- (iv) Adequate Protection Payments. The Debtors shall make, and were and are hereby authorized to make, adequate protection ~~payment~~payments to the Trustee in the amount of \$150,000 per month (the “Trustee Adequate Protection Payments”), commencing on the Interim Order Entry Date and continuing through the Maturity Date. ~~The, with such Trustee~~ Adequate Protection Payments ~~will~~to be made by

wire transfer to the Trustee on the first day of each month (other than the month in which the Interim Order ~~is~~was entered).

- (v) Financial Reports. The Debtors shall provide the Trustee ~~and HUD and IHDA~~ with all reports, documents and other materials, including financial reports, as may be required in this ~~Interim~~Final Order and such other and further access to the Debtors' books and records, advisors and professionals as may be reasonably requested by the Trustee ~~or HUD and IHDA~~ from time to time.
- (vi) Right to Seek Additional Adequate Protection. This ~~Interim~~Final Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the rights of the Trustee ~~or HUD or IHDA~~ to request further or alternative forms of adequate protection at any time or the rights of the Debtors or any other party to contest such request.

22. Adequate Protection in favor of Lument. As adequate protection of Lument's pre-petition interests in Washington Estates (the "Lument Collateral"), Lument is hereby provided, as adequate protection of such pre-petition interests: (i) solely to the extent of Diminution in the value of the Lument Collateral, a valid, binding, enforceable and perfected replacement lien on post-petition income related to Washington Estates, and (ii) payment by the Debtors, on a monthly basis, of the amounts necessary to maintain current obligations of Washington Estates for real estate tax escrows and insurance tax escrows, which payments shall be made by the Debtors in the ordinary course and manner.

23. Adequate Protection in Favor of Smart-Fill. As adequate protection of the pre-petition interests of Smart-Fill Management Group, Inc. ("Smart-Fill") in certain assets of Senior Care Pharmacy Services, LLC ("Senior Care," and such assets, the "Smart-Fill Collateral"), Smart-Fill is hereby provided, as adequate protection of such purported interests: solely to the extent of Diminution in the value of the Smart-Fill Collateral, a valid, binding, enforceable and perfected replacement lien on such inventory and accounts receivable of Senior Care, of and to the same nature, extent, validity and priority as Smart-Fill's liens on the Smart-Fill Collateral existed as of the Petition Date; provided that the Debtors and any party in interest shall reserve rights to

object to the asserted nature, extent, validity and priority of such liens. So long as Smart-Fill is permitted to do so by applicable statutes, rules and regulations, Smart-Fill will continue to supply pharmaceuticals to Senior Care on a cash in advance basis, as it has done since July 26, 2024, until any of the following occurs: a) conversion of the case to chapter 7; b) dismissal of the Senior Care case; c) default by Senior Care under this Order; or d) confirmation of a plan of reorganization or liquidation of substantially all of the assets of Debtors. The pricing for the pharmaceuticals sold by Smart-Fill will be consistent with the terms of the pre-petition agreement between Smart-Fill and Senior Care. Smart-Fill, the Debtors, the Trustee and the Committee reserve any and all of their other respective claims, rights, remedies and defenses regarding the Smart-Fill's pre-petition claims, including Smart-Fill's section 503(b)(9) claim, if any.

PROVISIONS COMMON TO THE ~~INITIAL~~ DIP LOANS AND TRUSTEE AS HOLDER OF THE BOND CLAIM

Covenants

24. ~~21. Covenants.~~ The Debtors shall observe all covenants in this ~~Interim~~Final Order and the DIP Credit Agreement at all times prior to and after the Termination Date (as defined below). The Debtors agree as follows (and the Parties acknowledge that failure to comply with such covenants shall constitute an Event of Default (as defined below) under this ~~Interim~~Final Order):

- (i) The Debtors shall comply with the Budget (subject to the permitted variances provided in the next immediate sentence), and shall not make any payments, or incur any obligations or liabilities, that are not projected and provided for in the Budget. On the last business day of every other week, for any Measuring Period (as defined below), the Debtors (i) shall not permit expenditures for such Measuring Period to exceed (x) one hundred ten percent (110%) of the respective amounts, measured as to each line item in the Budget, or (y) one hundred five percent (105%) of the respective amounts, measured on an aggregate basis, as set forth in the Budget for such Measuring Period; provided that the Debtors shall not permit expenditures for estate professional fees to exceed one hundred percent (100%) of the amount allocated for such expenditures in the Budget for such Measuring Period; (and provided further, for the avoidance of doubt, that the Budget shall

provide for separate line items as between the Debtors' professional fees, on the one hand, and the Committee's professional fees, on the other hand, and the Debtors shall not permit expenditures for either line item to exceed 100% of the amount allocated therefor for the applicable Measuring Period); and (ii) shall not permit receipts for such Measuring Period to be less than ninety percent (90%) of the amounts, on an aggregate basis, set forth in the Budget for such Measuring Period. These variances (the "Variances") shall be measured on a rolling four week period (the "Measuring Period"); provided, for the avoidance of doubt, that Measuring Periods for the first three weeks shall include pre-petition periods in the calculations of Variances for such Measuring Periods. Subject to paragraph 7(ii) above, the Debtors may, at any time, amend or reforecast the Budget, either for the period covered by the Budget or for any period thereafter, and shall provide the Committee with notice of any such proposed amendment or reforecast, and the DIP Lender and Trustee may approve or not approve such amendment in their sole and absolute discretion; provided that any amendment to the Budget, upon approval by the DIP Lender and Trustee, will be filed with the Court and shall be deemed effective if no objection is made to such amendment within three business days of such filing.

- (ii) The Debtors shall provide the following reports and information to the DIP Lender, the Trustee, ~~HUD, IHDA,~~ the Committee ~~(if any is appointed)~~ and the United States Trustee:
- a. no later than 5:00 p.m. (prevailing Eastern time) on Friday of every week or if such Friday is not a business day, then the immediate succeeding business day, the "Weekly Budget Report" which means, a weekly report certified by an Authorized Officer for the Debtors, substantially in the same form as the Budget, indicating (i) a comparative reconciliation, on a line-by-line and aggregate basis, of actual cash receipts and disbursements against the cash receipts and disbursements forecasted in the Budget, and the dollar and percentage variance thereof, for (A) the weekly period ended on (and including) the immediately preceding Sunday, (B) a rolling four-week period, and (C) the cumulative period to date; and (ii) a written explanation of such variances;
 - b. at any time and from time to time that the Debtors receive any material written notice from any Governmental Body (as defined in the DIP Credit Agreement), the Debtors shall provide a copy of such notice within one (1) business day of receipt, and the Debtors shall provide copies of all material reports, certificates and notices that the Debtors may provide to any Governmental Body within one (1) business day of transmission;
 - c. a monthly reporting package, no later than twenty (20) days after the end of each calendar month, including cash flow, income statement, and balance sheet for such month, occupancy data as of the last day of such, accounts payable and receivable reports with aging information; and

- d. as promptly as reasonably practicable from time to time, following a reasonable request therefor from the DIP Lender, the Trustee, ~~HUD~~ or ~~IHDA~~ the Committee, such other information (including historical information) regarding the operations, business affairs and financial condition of the Debtors, the progress of the Chapter 11 Cases, and/or compliance with the terms of any DIP Loan Document.

Bankruptcy Milestones

25. ~~22.~~ The Debtors agree that failure to comply with the following milestone covenants (the “Bankruptcy Milestones”) shall constitute an Event of Default, unless any such conditions have been waived or modified by the DIP Lender and/or the Trustee in their sole discretion:

- (i) On Tuesday of each week (or such other day as may be agreed upon by the Parties), the Debtors shall make available representatives reasonably acceptable to the DIP Lender and the Trustee for a telephone conference call with the DIP Lender, the Trustee, holders of the Bonds who have agreed that they are restricted from trading their respective Bonds based upon the receipt of material nonpublic information, and their respective agents, advisors and/or representatives to discuss the cash flows and operations of the Facilities, including the Debtors’ compliance with the Budget, the status of the sale process with respect to the sale of substantially all of the Debtors’ assets, and such other matters as are relevant or are reasonably requested by the DIP Lender and the Trustee; and
- (ii) Each milestone date set forth in that certain *Final Order Granting Motion for the Entry of: (A) An Order: (1) Approving Auction Sale Format and Bidding Procedures; (2) Approving Process for Discretionary Selection of Stalking Horse Bidder and Bid Protections; (3) Approving Notices to Be Provided to Interested Parties; (4) Scheduling a Court Hearing to Consider Approval of the Sale to the Highest and Best Bidder; and (5) Approving Procedures Related to the Assumption of Certain Executory Contracts and Unexpired Leases; and (B) an Order Authorizing the Sale of Property Free and Clear of All Claims, Liens and Encumbrances* [Dkt. No. 159] (the “Bid Procedures Order”) shall constitute a Bankruptcy Milestone for purposes of this Final Order.
- ~~(ii) On the Petition Date, the Debtors shall file a bid procedures and sale motion, in form and substance acceptable to the Trustee, with respect to a sale of substantially all of the Debtors’ assets;~~
- ~~(iii) On or before July 31, 2024, one or more orders (x) approving the bid procedures (the “Bid Procedures Order”) and (y) granting the related relief requested in the sale motion, each in form and substance reasonably acceptable to the Trustee, shall be entered;~~

~~(iv) Each milestone date set forth in any Bid Procedures Order shall constitute a Bankruptcy Milestone for purposes of this Interim Order; and~~

~~(v) On or before August [•], 2024, the Final Order on the Motion shall be entered.~~

26. ~~23.~~ Each of the Bankruptcy Milestones may be extended or waived in writing by the DIP Lender and the Trustee, which writing may be an email. The Debtors shall promptly file with this Bankruptcy Court a notice of any such extension or waiver.

27. ~~24.~~ No Liens or Encumbrances. Prior to payment in full of the DIP Obligations, the Debtors shall not sell, pledge, hypothecate, or otherwise encumber any Pre-Petition Collateral or Post-Petition Collateral (any such sale, pledge, hypothecation, or other transfer shall be void ab initio other than the adequate protection granted to the Trustee pursuant to this ~~Interim~~Final Order). Further, there shall be no other claim or expense having priority or being *pari passu* to the priority granted to the DIP Lender and the Trustee in this ~~Interim~~Final Order while any portion of the DIP Obligations remain outstanding, except with respect to ~~(i) the Carve-Out, (ii) the HUD Loans and (iii) the IHDA Loan; provided that the DIP Lender has reserved the right request that the Post-Petition Collateral include the HUD Financed Properties and the IHDA Financed Property and proceeds thereof in any Final Order on the Motion.~~

28. ~~25.~~ No Modification. Nothing contained herein shall alter or modify, or be deemed to alter or modify, the Bond Documents (or any other agreement to which the Trustee is party).

29. ~~26.~~ No Waiver. No consent by the DIP Lender or the Trustee to any administrative claims, including fees and expenses of professionals, sought to be assessed against or attributed to the Trustee, as applicable, in the Pre-Petition Collateral, or the Post-Petition Collateral pursuant to the provisions of sections 506(c) and/or 552(b) of the Bankruptcy Code or otherwise by, through or on behalf of the Debtors, shall be implied from any action, inaction or acquiescence.

30. ~~27.~~No Challenge. Notwithstanding anything else herein, subject to the proviso at the last sentence of this paragraph ~~27~~30, no amounts under the Carve-Out, the proceeds of the DIP Loans and the proceeds of Pre-Petition Collateral (including Cash Collateral) and Post-Petition Collateral shall be used for the purpose of: (i) objecting to or contesting in any manner, or in raising any defenses to, the validity, extent, perfection, priority, or enforceability of: (a) the Bond Claim or the Pre-Petition Liens, (b) the DIP Loans or the Post-Petition Collateral with respect thereto, or (c) any other rights or interests of the DIP Lender or the Trustee; (ii) asserting any claims or causes of action, including, without limitation, any actions under chapter 5 of the Bankruptcy Code against the DIP Lender, the Trustee and/or the holders of the Bonds, or any of their respective advisors, agents or sub-agents or invoking the equitable doctrine of “marshalling” or any other similar doctrine with respect to any of the Pre-Petition Collateral, the Post-Petition Collateral or otherwise; (iii) preventing, hindering, or delaying the enforcement or realization by the DIP Lender or Trustee, as applicable, upon any of the Pre-Petition Collateral or Post-Petition Collateral; (iv) incurring indebtedness except as permitted by this ~~Interim~~Final Order; (v) funding acquisitions, capital expenditures, capital leases or other transactions not in the ordinary course of the Debtors’ business other than as set forth in the Budget; (vi) modifying any adequate protection granted to the DIP Lender and/or the Trustee; or (vii) commencing or prosecuting any motion, proceeding or cause of action against the DIP Lender, the Trustee and/or the holders of the Bonds, or their respective agents, sub-agents, attorneys, advisors or representatives, including the commencement or prosecution of formal discovery proceedings in anticipation thereof, or challenging any lien thereof. Notwithstanding the foregoing, not more than \$25,000 of the Cash Collateral (the “Lien Investigation Cap”) may be made available to reimburse the Committee, ~~if appointed~~, upon appropriate application therefor, for the Committee’s fees and expenses in investigating the

validity, priority, perfection, and enforceability of the Bond Claim and/or the Trustee's liens in the Pre-Petition Collateral. For the avoidance of doubt, any fees incurred by the Committee which are subject to the Lien Investigation Cap shall be separate and apart from the line item for Committee fees in the Budget.

Events of Default

31. ~~28.~~ Each of the following shall be considered an Event of Default ("Event of Default") under the DIP Facility and this ~~Interim~~Final Order:

- (i) the failure to make payments on the DIP Loans (including interest payments) or amounts due under the DIP Credit Agreement or ~~this~~the Interim Orders or this Final Order, as applicable, as and when due;
- (ii) the failure to make adequate protections payments to the Trustee as and when due in accordance with ~~this~~the Interim Orders or this Final Order, as applicable;
- (iii) the failure of the Debtors to pay all of their administrative expenses in full in accordance with and subject to the terms as provided for in the Budget within five (5) days of their due date (except for any amounts in bona fide dispute);
- ~~(iv) the Final Order, in form and substance satisfactory to the DIP Lender and the Trustee, has not been entered on or before August 15, 2024;~~
- (iv) ~~(v)~~ this ~~Interim~~Final Order becomes stayed, reversed, vacated, amended or otherwise modified in any respect without the prior written consent of the DIP Lender and the Trustee, ~~except by the Final Order;~~
- (v) ~~(vi)~~ failure to meet or comply with any of the Bankruptcy Milestones set forth in this ~~Interim~~Final Order;
- (vi) ~~(vii)~~ the selection by the Debtors of a stalking horse bidder or winning bidder not acceptable to the DIP Lender and the ~~Trustee~~Trustee;
- (vii) ~~(viii)~~ the Bid Procedures Order becomes stayed, reversed, vacated, amended or otherwise modified in any respect without the prior written consent of the Trustee and the DIP Lender;
- (viii) ~~(ix)~~ the dismissal of the Chapter 11 Cases, conversion of the Chapter 11 Cases to chapter 7 cases, or suspension of the Chapter 11 Cases under section 305 of the Bankruptcy Code;
- (ix) ~~(x)~~ the appointment of a chapter 11 trustee, receiver or manager or an examiner with enlarged powers (beyond those set forth in section 1104(c) and 1106(a)(3) and

(4) of the Bankruptcy Code);

- (x) ~~(xi)~~ the filing by the Debtors of a chapter 11 plan not acceptable to the DIP Lender and the Trustee;
- (xi) ~~(xii)~~ the granting of relief from the automatic stay to permit foreclosure (or the granting of a deed in lieu of foreclosure or the like) with respect to a material asset of the Debtors, by any entity other than the DIP Lender or Trustee on any Post-Petition Collateral;
- (xii) ~~(xiii)~~ any superpriority administrative expense claim or lien that is *pari passu* with or senior to the claims, charges or liens of the DIP Lender or the Trustee shall have arisen or be authorized or allowed;
- (xiii) ~~(xiv)~~ the payment of or granting adequate protection with respect to prepetition indebtedness of the Debtors other than as set forth in the Budget or as provided for in this ~~Interim~~Final Order;
- (xiv) ~~(xv)~~ any of the DIP Loan Documents shall cease to be valid or effective or shall be contested by the Debtors;
- (xv) ~~(xvi)~~ the failure by the Debtors to comply with any of the affirmative covenants set forth in, or the taking of any action in violation of the negative covenants set forth in, the DIP Loan Documents;
- (xvi) the failure by the Debtors to, in the absence of alternative debtor-in-possession, motion for and cause the dismissal of the bankruptcy cases associated with Wabash Estates and/or Wabash Apartments, as applicable, on or before October 1, 2024;
- (xvii) the cessation of Post-Petition Liens, Replacement Liens, Supplemental Liens, Superpriority Claims, or Pre-Petition Superpriority Claim granted pursuant to ~~this~~the Interim Orders and this Final Order to be valid, perfected and enforceable in all respects;
- ~~(xviii) the filing of any Challenge (as defined below) to the Pre-Petition Liens, the Pre-Petition Collateral or the claims of the Trustee by (i) the Debtors or any party affiliated with any of the Debtors or (ii) any other party, and such party's Challenge is (x) supported or not timely objected to by the Debtors or (y) upheld by the Court;~~
- (xviii) ~~(xix)~~ the payment of estate professional fees by the Debtors other than to the extent set forth in the Budget; or
- (xix) ~~(xx)~~ the occurrence of an Event of Default under the DIP Credit Agreement.

Termination and Maturity

32. ~~29.~~ Notwithstanding anything herein, the Debtors shall no longer, pursuant to ~~this~~the Interim Orders, this Final Order or otherwise, be authorized to borrow funds and/or use Cash Collateral for any purpose hereunder upon the earliest of (i) the occurrence of an Event of Default (that is not waived by the DIP Lender or the Trustee, as applicable) or (ii) the Maturity Date (such earlier date, the “Termination Date”); provided, however, that the DIP Lender and/or Trustee shall provide five (5) business days (the “Default Notice Period”) written notice via email to counsel to the Debtors, ~~HUD,~~ the United States Trustee and counsel to ~~any~~the Committee of any Event of Default (the “Default Notice”) and the Debtors may continue to use Cash Collateral pursuant to the Budget for five (5) business days after receipt of such Default Notice while the Debtors or ~~any~~the Committee seeks an expedited hearing to contest whether an Event of Default has occurred, and the DIP Lender and the Trustee consent to the holding of such an expedited hearing within five (5) business days of such a filing (collectively, the “Debtor Default Period Rights”).

33. ~~30.~~ Notwithstanding the occurrence of an Event of Default, the DIP Lender and/or Trustee may elect in writing not to terminate the Debtors’ authority to borrow funds and/or use cash collateral hereunder, as applicable, to waive defaults hereunder, to forbear from the exercise of rights and remedies hereunder and, subject to Bankruptcy Court approval and the approval of the DIP Lender, to modify the Maturity Date and any Event of Default. Any such continued extension of financial accommodations shall be without prejudice to the DIP Lender’s ability to terminate funding.

34. ~~31.~~ Notwithstanding the occurrence of an Event of Default or anything herein to the contrary, all of the rights, remedies, benefits and protections provided to the DIP Lender and the Trustee shall survive the Termination Date. Upon the Termination Date, the principal of and

accrued interest and all other amounts owed to the DIP Lender under the DIP Obligations shall be immediately due and payable.

Exercise of Rights

35. ~~32.~~ (i) Subject to the Debtor Default Period Rights, without further order from the Bankruptcy Court, the automatic stay provisions of section 362 of the Bankruptcy Code are vacated and modified to the extent necessary to permit, upon the occurrence of any Event of Default, (a) the DIP Lender to cease making any advances under the DIP Facility, including the ~~Initial~~ DIP Loans, and (b) ~~upon entry of the Final Order,~~ the DIP Lender, upon prior written notice to be filed with the Court, may exercise all of its rights and remedies under the DIP Credit Agreement or related documents.

(ii) The DIP Lender and Trustee shall be entitled to apply the payments or proceeds of the Post-Petition Collateral or the Pre-Petition Collateral as they deem appropriate, subject to the Carve-Out, and in no event shall the DIP Lender or the Trustee be subject to the equitable doctrine of “marshalling” or any other similar doctrine with respect to any of the Post-Petition Collateral or otherwise. In the event that it is determined by final order of the Court that the Trustee is not entitled under Bankruptcy Code section 506(b) to any postpetition adequate protection payment, interest, fees and expenses relating to the Bond Claim, then any payments or proceeds remitted to the Trustee shall reduce the Bond Claim held by the Trustee.

Release

36. ~~33.~~ Subject to paragraph ~~34~~37 herein, as provided in the Interim Orders and confirmed by this Final Order, the Debtors ~~hereby release~~released the DIP Lender and the Trustee, all holders of the Bonds, and their respective affiliates, agents, attorneys, officers, directors and employees of all claims and/or causes of action by, and liabilities owing to, the Debtors arising out of or based upon or related to, in whole or in part, the Bonds, the DIP Facility and any aspect of

the prepetition relationship between the Trustee, the DIP Lender or the holders of the Bonds and the Debtors and any other acts or omissions by the Trustee or the DIP Lender in connection with either the Bond Documents or its prepetition relationship with the Debtors. Further, pursuant to the Interim Orders and as reaffirmed hereby, but subject to paragraph 34 therein and paragraph 37 herein, the Debtors and their estates ~~waive~~waived any and all right to object to or contest the amount of the Bond Claim or the Trustee's Pre-Petition Liens in the Pre-Petition Collateral and ~~agree~~agreed that all such claims and security interests have been duly perfected and are in all respects valid and enforceable first priority security interests and liens, subject and subordinate only to (i) Post-Petition Liens to the extent set forth herein and (ii) the Carve-Out. For the avoidance of doubt, the waiver and stipulation set forth in this ~~Paragraph 33~~paragraph 36 shall not affect ~~any~~the Committee's rights under ~~Paragraph 34~~paragraph 37 herein.

37. ~~34.~~ Investigation Period. Any party in interest (including ~~any~~the Committee, but excluding the Debtors) as to claims against the Trustee, ~~HUD or IHDA~~ may file an adversary proceeding or contested matter (a "Challenge") (i) challenging the amount, validity, extent, enforceability, perfection or priority of the Bond Claim or the Pre-Petition Liens in respect thereof ~~or of the HUD Loans or the IHDA Loan, as applicable~~, or (ii) otherwise asserting any claims or causes of action against the Trustee, or the holders of the Bonds, ~~HUD and/or IHDA~~ on behalf of the Debtors' estates so long as any Challenge is made on or before the date that is sixty (60) days after the Interim Order Entry Date ~~or, if later,;~~ provided that the Committee, ~~if any~~ (but not any other party in interest), shall have until ~~forty five (45) days from the date of its formation~~ October 7, 2024 to file a Challenge; ~~provided, however, that in no event shall any Challenge be filed by any party in interest (including any Committee) on a date that is seventy five (75) days after the Interim Order Entry Date~~ (such period of time, as applicable, the "Investigation Period"). Any

such Challenge brought after the conclusion of the Investigation Period shall be barred. If no Challenge is commenced by a party during the Investigation Period against the Trustee, or the holders of the Bonds ~~and/or HUD~~, then as to such party, (a) the Bond Claim, ~~the HUD Claim and the IHDA Claim, as applicable,~~ shall constitute an allowed claim, not subject to subordination or recharacterization and otherwise unavoidable, for all purposes in the Chapter 11 Cases and any subsequent chapter 7 case or cases, (b) the ~~Pre-Petition~~Pre-Petition Liens on the Pre-Petition Collateral shall be deemed legal, valid, binding, perfected, not subject to defense, counterclaim, offset of any kind, subordination and otherwise unavoidable, (c) the Trustee, the Bond Claim, ~~the HUD Claim, the IHDA Claim~~ and the Pre-Petition Liens of the Trustee, ~~HUD or IHDA on the Pre-Petition~~ on the Pre-Petition Collateral shall not be subject to any other or further claims, causes of action or challenges by any party in interest including, without limitation, any successor thereto; and (d) the Trustee, all holders of the Bonds, ~~HUD, IHDA~~ and their respective affiliates, agents, attorneys, officers, directors and employees, shall be deemed released of all claims and/or causes of action by the Debtors, ~~any~~the Committee, the Debtors' estates, all parties in interest, and any subsequently appointed trustee arising out of or based on any facts or circumstances occurring prior to the date hereof; provided further that if one or more claims are timely under this ~~Paragraph 34~~paragraph 37 and properly filed, then except for such claims, all other potential claims and causes of action were, and are hereby deemed forever waived and barred. Notwithstanding the foregoing, no claims or cause of actions of any kind or nature may be asserted against the DIP Lender or the liens and claims granted to the DIP Lender under and/or related to the DIP Facility or the DIP Obligations. Nothing in this ~~Interim~~Final Order shall be deemed to confer standing on ~~any~~the Committee or any other non-Debtor party-in-interest to commence a Challenge, and ~~such~~the Committee or other non-Debtor party in interest shall be required to move for standing

and satisfy the applicable standard for obtaining standing to pursue estate causes of action; provided that a standing motion may be filed simultaneously with a Challenge.

38. Funding Termination Following a Challenge. Upon and as of the date of any Challenge to the Pre-Petition Liens, the Pre-Petition Collateral or the claims of the Trustee by (i) the Debtors or any party affiliated with any of the Debtors or (ii) any other party that is (x) supported or not timely objected to by the Debtors or (y) upheld by the Court (such date, the “Challenge Termination Date”), the DIP Lender shall immediately have no further obligation to fund additional amounts under the DIP Facility and the consensual use of Cash Collateral shall terminate at the later of ten (10) days from the Challenge Termination Date or the date the Court rules on any Expedited Cash Collateral Motion (defined below), with an outside date for termination of the use of Cash Collateral on the date that is fifteen (15) days from the Challenge Termination Date (unless extended by order of the Court). Prior to the Challenge Termination Date, the Committee may file a motion seeking nonconsensual use of Cash Collateral on shortened notice of three (3) days (the “Expedited Cash Collateral Motion”). A hearing on the Expedited Cash Collateral Motion will be set for the first available hearing date three (3) days or more from the date it is filed.

39. ~~35.~~ Section 364(e); Section 506(c); Section 552(b). The DIP Lender shall be entitled to all of the benefits of section 364(e) of the Bankruptcy Code for all ~~Initial~~ DIP Loans. Except to the extent of the Carve-Out ~~and, upon entry of the Final Order~~, no expenses of administration of the Chapter 11 Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the Post-Petition Collateral, the Pre-Petition Collateral or collateral subject to Replacement Liens and Supplemental Liens, pursuant to section 506(c) or

552(b) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the DIP Lender and the Trustee and no such consent shall be implied from any other action, inaction, or acquiescence by the DIP Lender and/or the Trustee. ~~For the avoidance of doubt, and notwithstanding anything else in this Interim Order, nothing in this Interim Order shall be construed as a waiver of sections 506(c) or 552(b) of the Bankruptcy Code, with such waiver to be addressed at the time of the Final Hearing on the Motion.~~

Carve-Out

40. ~~36.~~ In partial consideration of the Debtors' acknowledgement of the Bond Claim and the Debtors' waiver of any claims under sections 506(c) and 552(b) of the Bankruptcy Code ~~(upon entry of the Final Order)~~, the DIP Lender and Trustee, ~~subject to the entry of the Final Order,~~ consent to the payment of certain expenses and professional fees incurred during the pendency of these Chapter 11 Cases that shall be superior in all instances to the liens and claims of the DIP Lender and Trustee and all other parties (the "Carve Out"). For purposes hereof, the "Carve Out" means the sum of (i) an aggregate amount not to exceed the sum of: (a) the unpaid dollar amount of the fees and expenses of professionals retained by the Debtors or athe Committee, ~~if any,~~ to the extent (1) incurred or accrued prior to the Termination Date and remaining unpaid and (2) provided for under the Budget, plus (b) the dollar amount of the fees and expenses of the professionals retained by the Debtors or athe Committee, if any, to the extent incurred or accrued after the Termination Date in an aggregate amount not to exceed \$150,000, in each of the foregoing (a) and (b) solely to the extent allowed by the Bankruptcy Court, plus (ii) the statutory fees of the United States Trustee pursuant to 28 U.S.C. § 1930 and the fees of the Clerk of this Court plus any interest at the statutory rate; ~~provided, however, that the Carve Out shall be subject to entry of the Final Order.~~ Prior to the payment of such fees and expenses from the amount available under the Carve Out, such professionals shall first apply any retainers held by such professional to their allowed

fees and expenses. Nothing herein shall constitute a waiver of any right of the DIP Lender or Trustee to object to fees and expenses of any professionals or to challenge any assertion that any amount of the fees and expenses remain unpaid (or the ~~Debtors'~~ right to respond thereto). Except to the extent of and in consideration of the Carve Out, ~~subject to entry of the Final Order~~, (y) no expenses of administration of the Chapter 11 Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the DIP Lender, the Trustee, the Pre-Petition Collateral, or the Post-Petition Collateral pursuant to section 506(c) of the Bankruptcy Code or a similar principal of law; and (z) the "equities of the case" exception under section 552(b) of the Bankruptcy Code is waived as to the DIP Lender, the Trustee, the Pre-Petition Collateral, and the Post-Petition Collateral. Any payment or reimbursement made in respect of any Carve-Out Expenses incurred on or after an Event of Default shall permanently reduce the Carve-Out on a dollar-for-dollar basis. Subject to the terms of this ~~Interim~~Final Order, prior to the Termination Date, the Debtors shall be permitted to pay allowed professional fees and expenses as the same may be due and payable, subject to the Budget.

41. ~~37.~~ For the avoidance of doubt, no portion of the Carve-Out, any cash collateral or proceeds of the DIP Facility may be used for the payment of the fees and expenses of any person or firm incurred in connection with the challenging of any of the liens or claims of, or the initiation or prosecution of any claim or actions against, the DIP Lender, the Trustee and/or the holders of the Bonds, in any capacity.

Credit Bid

42. ~~38. The~~Pursuant to the First Interim Order, the Debtors ~~admit, acknowledge, and agree~~admitted, stipulated, and agreed, and now reaffirm, that the DIP Lender and the Trustee have

an absolute right to credit bid their respective obligations in connection with any sale or other disposition of their respective collateral under the Bankruptcy Code.

Miscellaneous

43. ~~39.~~ The Debtors shall execute and deliver to the DIP Lender; and the Trustee ~~and HUD~~, as applicable, any and all such agreements, financing statements, instruments and other documents as such parties may reasonably request to evidence, confirm, validate or perfect the liens granted pursuant hereto. The Debtors are authorized to do and perform all acts, to make, execute and deliver all instruments and documents, including the DIP Loan Documents; provided, however, that this ~~Interim~~Final Order shall be sufficient and conclusive evidence of the validity, perfection, and priority of the Post-Petition Liens, Replacement Liens and Supplemental Liens to the DIP Lender, the Trustee, Lument and ~~HUD~~Smart-Fill, as applicable, without the necessity of filing or recording any financing statement, mortgage, notice, or other instrument or document which may otherwise be required under the law or regulation of any jurisdiction or the taking of any other action to validate or perfect the Post-Petition Liens, Replacement Liens and Supplemental Liens to the DIP Lender; and the Trustee ~~and HUD~~, as applicable, or to entitle those liens to the priorities granted herein.

44. ~~40.~~ Based on the findings herein set forth, and in accordance with section 364(e) of the Bankruptcy Code, in the event any or all of the provisions of this ~~Interim~~Final Order are hereafter modified, amended or vacated by a subsequent order of this or any other Court, no such modification, amendment or vacation shall affect the validity and enforceability of any lien or priority authorized or created by the Interim Orders or hereby. Notwithstanding any such modification, amendment or vacation, any claim granted to the DIP Lender; and the Trustee ~~and HUD~~ hereunder arising prior to the effective date of such modification, amendment or vacation shall be governed in all respects by the original provisions of this ~~Interim~~Final Order and the DIP

Lender; and the Trustee, ~~HUD and IHDA~~ shall be entitled to all of the rights, remedies, privileges and benefits, including the liens and priorities granted herein, with respect to any such claim.

45. ~~41.~~ Payments to the DIP Lender. The DIP Lender will be paid its reasonable and documented fees, costs and expenses contemplated under the DIP Credit Agreement, including, without limitation, legal and other professional fees and expenses (the “DIP Lender Fees”). In the absence of a Termination Event, within ten (10) business days of the DIP Lender charging the DIP Loans for payment of DIP Lender Fees, the DIP Lender will submit a written statement to counsel to the Debtors, the Trustee, ~~any~~the Committee and the United States Trustee itemizing the DIP Lender Fees in reasonably sufficient detail that the DIP Lender charged against the DIP Loans, and such parties shall have fourteen (14) days from the date of such statement to object to any amount in such statement. If the parties are unable to resolve an objection to a statement within a reasonable amount of time, any party subject to the dispute may seek resolution by motion from this Court. DIP Lender Fees shall be deemed allowed unless otherwise (i) agreed by the parties in writing or (ii) ordered by the Court. The DIP Lender, the Trustee, and their respective professionals shall not be required to comply with the United States Trustee Fee Guidelines or any other fee application and approval process. Upon a Termination Event, all DIP Lender Fees will be due and payable immediately.

46. ~~42.~~ Deemed Request for Stay Relief. This ~~Interim~~Final Order shall be deemed to constitute a request by the Trustee ~~or HUD~~ for relief from the automatic stay with respect to the Pre-Petition Collateral and for adequate protection as of the Petition Date and shall suffice for all purposes of section 507(b) of the Bankruptcy Code.

47. ~~43.~~ No Control. None of the DIP Lender, the Trustee, or the holders of the Bonds, ~~HUD or IHDA~~ shall be deemed to be in control of the operations of the Debtors or to be acting as

a “responsible person,” “managing agent” or “owner or operator” (as such terms or any similar terms are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, as amended, or any similar Federal or state statute) with respect to the operation or management of the Debtors, notwithstanding any consent to this ~~Interim~~Final Order and extending financial accommodations of any type, kind or nature under this ~~Interim~~Final Order.

48. ~~44.~~ To the extent obligations remain due and owing under the DIP Obligations , such obligations of the Debtors in respect of the DIP Obligations shall not be discharged by the entry of an order confirming a plan of reorganization or a plan of liquidation in the Chapter 11 Cases, but rather shall be required to be paid in full on the effective date of such plan.

49. ~~45.~~ No Third-Party Beneficiaries. The provisions of this ~~Interim~~Final Order shall be binding upon and inure to the benefit of the DIP Lender, the holders of the Bonds, the Trustee, the Debtors and their respective successors and assigns (including any trustee or other fiduciary hereafter appointed as a legal representative of the Debtors or with respect to the property of the estates of the Debtors). No rights are created hereunder for the benefit of any third party, any creditor, or any direct, indirect or incidental beneficiary.

50. ~~46.~~ Modification of Stay. The automatic stay imposed by virtue of section 362 of the Bankruptcy Code was, and is hereby, vacated and modified insofar as necessary to permit (a) the Debtors to grant the Post-Petition Liens, the Replacement Liens and the Supplemental Liens to the DIP Lender; and the Trustee ~~and HUD~~, as applicable, (b) the Trustee to accept and receive disbursements and/or payments and to apply moneys pursuant to the Bond Documents, (c) the Parties to take any action specifically authorized or contemplated by this ~~Interim~~Final Order and implement the DIP Facility, including the DIP Lender’s ability to exercise all of its rights and remedies under the DIP Credit Agreement or related documents as provided herein, and (d) all

acts, actions, and transfers contemplated herein, including without limitation, transfers or application of cash collateral and other funds to the DIP Lender as provided herein.

51. ~~47.~~ Effectiveness. The findings of fact and conclusions of law contained in this ~~Interim~~Final Order shall take effect immediately upon the ~~Interim~~entry of this Final Order ~~Entry~~
~~Date~~. The liens and claims granted to the DIP Lender, and the Trustee ~~and HUD~~ under ~~this~~the
Interim Orders and this Final Order, and the priority thereof, and any payments made pursuant to
~~this~~the Interim Orders and this Final Order, shall be binding (subject to the terms of this
~~Interim~~Final Order) on the Debtors, any successor trustee or examiner, and all creditors of the
Debtors, as provided in section 364(e) of the Bankruptcy Code.

52. ~~48.~~ Any notice required hereunder shall be served on:

(a) *counsel to the Debtors:*

Dentons US LLP
Attn: Robert E. Richards, Esq.
233 South Wacker Drive, Suite 5900
Chicago, IL 60606
robert.richards@dentons.com

(b) *counsel to the Trustee:*

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
Attn: Daniel S. Bleck, Esq.
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One Financial Center
Boston, MA 02111
DSBleck@mintz.com
ERBlythe@mintz.com
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(c) *the Office of the United States Trustee for Region 13*

Office of The United States Trustee
Attn: Joseph Richard Schlotzhauer
111 South 10th Street, Suite 6.353
St. Louis, MO 63102

joseph.schlotzhauer@usdoj.gov

(d) counsel to the Committee:

Cullen and Dykman LLP
Attn: Michael Traison, Esq.
Michelle McMahon, Esq.
One Battery Park Place, 34th Floor
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mmcmahon@cullenllp.com

~~49. Final Hearing. A final hearing with respect to this Interim Order is hereby scheduled for August 14, 2024 at 10:00 AM (CT), at which time any party in interest may present any timely filed objections to the entry of a final order (the "Final Order"). Not later than two (2) business days after the date of this Order, the Debtors shall serve a copy of the Order and shall file a certificate of service no later than twenty-four (24) hours after service. Such notice shall state that objections to the entry of a Final Order shall be in writing and shall be filed with the United States Bankruptcy Clerk for the Eastern District of Missouri no later than August 7, 2024. Any objections by creditors or other parties in interest to any of the provisions of a Final Order incorporating the terms of this Interim Order, or including any other or different provisions, may be deemed waived unless filed and served in accordance with this paragraph.~~

53. ~~50.~~ To the extent there exists any conflict between the Motion, any other motion, pleading, document, agreement or term sheet, any DIP Loan Document, the Interim Orders and the terms of this ~~Interim~~Final Order, this ~~Interim~~Final Order shall govern and control.

Order Prepared By:

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– and –

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~~Proposed~~ Co-Counsel to the Debtors and Debtors-in-Possession

Exhibit 1

Budget

Summary report: Litera Compare for Word 11.8.0.56 Document comparison done on 9/4/2024 12:25:33 PM	
Style name: strikethrough	
Intelligent Table Comparison: Active	
Original DMS: iw://mintzdocuments-mobility.imanage.work/ACTIVE/520530470/1	
Modified DMS: iw://mintzdocuments-mobility.imanage.work/ACTIVE/520530470/6	
Changes:	
<u>Add</u>	369
Delete	373
Move From	9
<u>Move To</u>	9
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	760