

Document Page 1 of 3
UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
Eastern Division

In Re:)	BK No.: 17-12470
FRIENDSHIP VILLAGE OF)	
MILL CREEK, NFP, d/b/a)	Chapter: 11
GREENFIELDS OF GENEVA,)	Honorable LaShonda A. Hunt
)	
FEIN: 20-3300991,)	
Debtor(s))	

Interim Order Granting Debtor's Motion for Entry of Interim and Final Orders (A) Prohibiting Utilities from Altering, Refusing, or Discontinuing Services on Account of Prepetition Invoices; (B) Establishing Procedures for Determining Requests for Additional Adequate Assurance; and (C) Granting Related Relief

This matter was heard on the motion (the "Motion") filed by Friendship Village of Mill Creek, NFP, d/b/a GreenFields of Geneva (the "Debtor"), debtor and debtor-in-possession in the above-captioned chapter 11 case (the "Bankruptcy Case"), requesting an order from this Court (the "Bankruptcy Court"): (A) prohibiting utilities from altering, refusing, or discontinuing services on account of prepetition invoices, (B) establishing procedures for determining requests for additional adequate assurance, and (C) granting related relief; due notice of the Motion having been served on parties in interest entitled thereto, and the Court, after considering the record in this case, the pleadings on file and the statements of counsel in support of their respective positions, and having afforded the parties an opportunity for hearing as was appropriate under the circumstances, and being advised in the premises:

THE COURT FINDS:

A. A. Utility Providers (as such term is used in section 366 of the Bankruptcy Code), including those identified on Exhibit 1 to this Interim Order the "Utility Service List") provide utility service to GreenFields of Geneva, a continuing care retirement community located in Geneva, Illinois (the "Campus"). Approximately 270 senior citizens reside at the Campus.

B. The Utility Providers provide services to the Campus. The Debtor represents in the Motion that it spends approximately \$11,000.00 each month on utility costs. The Debtor's summary of average monthly utility payments made by the Debtor to the Utility Companies is listed on Exhibit 1 to this Interim Order. The Debtor estimates that its postpetition use of the Utility Companies' services will remain approximately at the same levels, although seasonal effects and variations in the prices of such services may result in variations in the Debtor's average monthly utility expenses.

C. Uninterrupted Utility Services are critical to the Debtor's ability to sustain its operations during the pendency of this chapter 11 case. Any interruption in the Utility Services, however slight, would jeopardize the Debtor's ability to operate its business and the safety and comfort of the Debtor's residents, as well as the Debtor's efforts in this case to either sell or transfer the Campus or reorganize its obligations.

D. As of the Petition Date, the Debtor represents in the Motion that it is current in its payments to all Utility Companies currently providing Utility Services to the Debtor. Currently, there are no deposits being held by the Utility Companies. The Debtor estimates that it has accrued but not paid utility obligations for parts of the month of March and April 2017 approximately equal to the Debtor's

monthly average. These payments will come due within the first 21 days after the Petition Date, and the Debtor intends to make such payments in the ordinary course of business.

E. The Debtor proposes to provide a deposit equal to two weeks of Utility Service to any Utility Company requesting such a deposit in writing (a "Request"), provided that such requesting Utility Company (each a "Requesting Utility" and collectively, the "Requesting Utilities") is not the beneficiary of an escrow or other security arrangement, or that such Utility Company is not currently paid in advance for its services. Within 10 business days of receiving a Request for assurance of payment from a Requesting Utility, the Debtor shall provide each such Requesting Utility with a deposit (the "Adequate Assurance Deposit") in an amount calculated as the average seasonal cost to the Debtor of two weeks of Utility Service from such Requesting Utility. The right to a return of any Adequate Assurance Deposit shall be subject to the liens held by UMB Bank, National Association, as successor indenture trustee and master trustee (the "Bond Trustee").

THE COURT DECREES AND FURTHER FINDS:

1. The Motion is GRANTED.

2. If a Utility Company requires an Adequate Assurance Deposit, it must serve the Request on: the Debtor, Friendship Village of Mill Creek, NFP, 350 West Schaumburg Road, Schaumburg, IL 60194, notice@myfso.org; and counsel to the Debtor, Stahl Cowen Crowley Addis LLC, Attention: Bruce Dopke, Esq., 55 West Monroe Street, Suite 1200, Chicago, IL 60603, email: bdopke@stahlcowen.com.

3. As a condition of accepting an Adequate Assurance Deposit, the Requesting Utility shall be deemed to have stipulated that the Adequate Assurance Deposit constitutes adequate assurance of future payment to such Utility Company within the meaning of section 366 of the Bankruptcy Code, and shall further be deemed to have waived any right to seek additional adequate assurance during the course of the Debtor's chapter 11 case. To the extent not necessary to pay for Utility Services due to a failure to pay, the Adequate Assurance Deposits shall be subject to further order of the Bankruptcy Court.

4. The Adequate Assurance Deposits which the Debtor proposes to make to the Utility Providers, in conjunction with the Debtor's ability to pay for future utility services in the ordinary course of business (collectively the "Proposed Adequate Assurance"), constitutes sufficient adequate assurance to the Utility Companies. If any Utility Company believes that the Proposed Adequate Assurance is insufficient, it may request additional assurance pursuant to the procedures set forth more fully below.

5. If a Utility Company is not satisfied with the Proposed Adequate Assurance, it may use the following procedures for seeking additional adequate assurance (the "Additional Adequate Assurance Procedures"):

a. If a Utility Company does not believe that the Proposed Adequate Assurance is sufficient (the "Objecting Utility"), it shall contact the Debtor to attempt to resolve its request but shall have 14 days from entry of the Interim Order to file a notice with the Court requesting a hearing on additional adequate assurance.

b. If the Debtor and the Objecting Utility do not come to an agreement on Additional

c. In the event that no Objecting Utility files a notice seeking additional adequate assurance within 14 days from entry of the Interim Order, then the Interim Order shall become the Final Order without the need for a further hearing.

6. To the extent that the Debtor identifies additional Utility Companies each an "Additional Utility Company," and collectively, the "Additional Utility Companies"), the Debtor is granted leave to file amendments to the Utility Service List and shall serve copies of the Interim and/or Final Order (if and when entered) on such Additional Utility Company.

7. This Interim Order shall be binding on all Utility Companies, regardless of when such Utility Company is designated as an Additional Utility Company.

8. All Utility Providers, including subsequently added Utility Providers, are barred and prohibited from refusing, discontinuing, or otherwise altering utility services to the Debtor absent further order of the Court.

9. Notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and the Debtor has established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

10. The Notice of the initial hearing on the Motion was sufficient under the circumstances, and no other or further notice need be given.

11. The right to a return of any Adequate Assurance Deposit shall be subject to the liens held by UMB Bank, National Association, as successor indenture trustee and master trustee (the "Bond Trustee").

12. A final hearing on the Motion will be held on May 11, 2017 at 2:00 p.m. before the Honorable LaShonda A. Hunt, Courtroom 719 in Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, Illinois. Any party desiring to object to the relief sought in the Motion on a final basis shall file a written objection with the Court on or before May 9, 2017 at 4:30 p.m.

Enter:



Honorable LaShonda A. Hunt

United States Bankruptcy Judge

26 APR 2017

Dated:

Prepared by:

Bruce Dopke (ARDC: 3127052)

Kevin Hunt (ARDC:6283126)

Stahl Cowen Crowley Addis LLC

55 W. Monroe Street, Suite 1200, Chicago, IL 60603

Tel: 312-641-0060 / 847-524-4811

Fax: 312-423-8189

email: bdopke@stahlcowen.com

email: khunt@stahlcowen.com

v3