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Proposed Counsel for Debtors and
Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION**

In re:

BEVERLY COMMUNITY HOSPITAL
ASSOCIATION, dba BEVERLY HOSPITAL
(A NONPROFIT PUBLIC BENEFIT
CORPORATION), *et al*,¹

Debtors,

Lead Case No.: 2:23-bk-12359-SK

Jointly administered with:

Case No: 2:23-bk-12360-SK

Case No: 2:23-bk-12361-SK

Chapter 11 Case

**INTERIM ORDER: (I) AUTHORIZING
THE DEBTORS TO OBTAIN POST-
PETITION FINANCING, (II) GRANTING
ADEQUATE PROTECTION TO
PREPETITION SECURED CREDITORS,
(III) SCHEDULING A FINAL HEARING,
AND (IV) GRANTING RELATED RELIEF**

Date: April 26, 2023

Time: 3:00 p.m.

Judge: Sandra R. Klein

Place: Zoom.Gov – or - Courtroom 1575
255 E. Temple St.
Los Angeles, CA 90012

☒ Affects all Debtors

☐ Affects Beverly Community
Hospital Association

☐ Montebello Community Health
Services, Inc.

☐ Beverly Hospital Foundation

¹ The Debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number, are: Beverly Community Hospital Association d/b/a Beverly Hospital (6005), Montebello Community Health Services, Inc. (3550), and Beverly Hospital Foundation (9685). The mailing address for the Debtors is 309 W. Beverly Blvd., Montebello, California 90640.



1 The Court having read and considered the concurrently filed *Stipulation Re Interim Order*:
2 *(I) Authorizing the Debtors to Obtain Post-Petition Financing, (II) Granting Adequate Protection*
3 *to Prepetition Secured Creditors, (III) Scheduling a Final Hearing and (IV) Granting Related Relief*
4 *(the “Stipulation”), incorporated by reference herein, to approve the Interim Order Granting the*
5 *Debtors’ Emergency Motion for Interim and Final Orders (I) Authorizing the Debtors to Obtain*
6 *Post-Petition Financing, (II) Granting Adequate Protection to Prepetition Secured Creditors, and*
7 *(III) Granting Related Relief; Memorandum of Points and Authorities in Support Thereof* (the “DIP
8 Motion”),² dated April 20, 2023, filed by Beverly Community Hospital Association, Montebello
9 Community Health Services, Inc., and Beverly Hospital Foundation (collectively, the “Debtors”),
10 as debtors and debtors in possession in the above captioned chapter 11 cases (collectively, the
11 “Chapter 11 Cases”), pursuant to sections 105, 361, 362, 363, 364(c)(1), 364(c)(2), 364(c)(3),
12 364(d)(1), 364(e) and 507 of title 11 of the United States Code (the “Bankruptcy Code”), Rules
13 2002, 4001, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”)
14 and Rule 4001-2 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the
15 Central District of California (the “Local Rules” or “LBR”), for entry of an interim order (this
16 “Interim Order”) authorizing the Debtors to, among other things: *inter alia*:

17 (1) to (A) obtain postpetition secured debtor in possession financing in an
18 aggregate principal amount of up to \$13,250,000 (the “DIP Facility”), pursuant to the terms and
19 conditions set forth in the Senior Secured Superpriority Debtor-in-Possession Credit Agreement
20 (substantially in the form attached as Exhibit 2 to the Stipulation incorporated by reference herein,
21 and as hereafter amended, restated, supplemented, waived, or otherwise modified from time to time,
22 all in accordance with, and subject to, the terms of this Interim Order, the “DIP Credit Agreement”),
23 by and among the Debtors, as borrowers (collectively, the “DIP Borrowers”), and HRE Montebello,
24 LLC, as lender (together with its successor or assigns, the “DIP Lender”), and (B) incur the
25 “Obligations” under the DIP Credit Agreement (such Obligations, as defined in the DIP Credit
26

27 ² Capitalized terms used herein and not otherwise defined shall have the meaning ascribed in the
28 DIP Motion.

1 Agreement, shall be referred to herein as the “DIP Obligations”) (the DIP Credit Agreement and the
2 other “Loan Documents” (as defined in the DIP Credit Agreement), together with any related
3 agreements, documents, guarantees, certificates, instruments, exhibits and schedules, each as
4 amended, restated, supplemented, waived, or otherwise modified from time to time, the “DIP
5 Documents”);

6 (2) to execute and deliver the DIP Documents and to perform all of their
7 respective obligations thereunder and such other and further acts as may be necessary or desirable
8 in connection with the DIP Documents;

9 (3) the grant of valid, enforceable, non-avoidable, automatically and properly
10 perfected security interests, liens and superpriority claims, including allowed superpriority
11 administrative expense claims pursuant to Section 364(c)(1) of the Bankruptcy Code and liens
12 pursuant to Sections 364(c)(2) and 364(c)(3) of the Bankruptcy Code to the DIP Lender in the DIP
13 Collateral (as defined herein) (and all proceeds thereof), to secure all DIP Obligations, as more fully
14 set forth in this Interim Order;

15 (4) modification of the automatic stay imposed under Section 362 of the
16 Bankruptcy Code, to the extent necessary, to implement and effectuate the terms and provisions of
17 the DIP Documents and this Interim Order;

18 (5) the scheduling of an emergency interim hearing (the “Interim Hearing”) on
19 the DIP Motion for this Court to consider entry of this Interim Order; and

20 (6) the scheduling of a final hearing (the “Final Hearing”) on the DIP Motion for
21 a date that is on or before the 30th day after the Petition Date (as defined herein) for this Court to
22 consider entry of the Final Order, *inter alia*, authorizing the borrowings under the DIP Facility on a
23 final basis.

24 This Court having found that notice of the interim relief sought in the DIP Motion and the
25 Interim Hearing was provided by the Debtors in accordance with Bankruptcy Rules 2002, 4001 and
26 9014 and all applicable Local Rules, and having held the Interim Hearing on April 21, 2023; and
27 after considering the DIP Motion, the First Day Declaration, the DIP Documents, and the evidence
28 submitted and the arguments made on the record at the Interim Hearing; and there being no

1 unresolved objections to the interim relief requested in the DIP Motion; and it appearing to this
2 Court that granting the interim relief requested in the DIP Motion is necessary to avoid immediate
3 and irreparable harm to the Debtors and their estates pending the Final Hearing, and is otherwise
4 fair and reasonable and in the best interests of the Debtors, their creditors, and their estates,
5 represents a sound exercise of the Debtors' business judgment, and is necessary for the continued
6 operation of the Debtors' businesses; and upon the record of the Chapter 11 Cases and after due
7 deliberation and consideration and for good and sufficient cause appearing therefor:

8 **THIS COURT HEREBY FINDS AND CONCLUDES AS FOLLOWS:**

9 A. Petition Date. On April 19, 2023 (the "Petition Date"), each Debtor filed a voluntary
10 petition with this Court commencing a case under chapter 11 of the Bankruptcy Code. The Debtors
11 are continuing to operate their respective businesses and manage their respective properties as
12 debtors in possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code. As of the date
13 hereof, no trustee or examiner has been appointed in any of the Chapter 11 Cases.

14 B. Jurisdiction and Venue. This Court has jurisdiction over these proceedings pursuant
15 to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is
16 proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

17 C. Committee Formation. As of the date hereof, no official committee of unsecured
18 creditors or any other statutory committee (collectively, the "Committee") has been appointed in
19 any of the Chapter 11 Cases.

20 D. Permitted Prior Liens. As used herein, the term "Permitted Prior Liens" shall mean
21 only the "Permitted Liens" (as defined in the DIP Credit Agreement) that constitute valid,
22 enforceable, prior, perfected, and non-avoidable Liens as of the Petition Date. Nothing contained
23 herein shall constitute a finding or ruling by this Court that any alleged Permitted Prior Lien is
24 valid, senior, enforceable, prior, perfected, or non-avoidable. Moreover, nothing shall prejudice
25 the rights of any party-in-interest, including, but not limited to, the Debtors, the DIP Lender, or the
26 Committee (if appointed) to challenge the validity, priority, enforceability, seniority, avoidability,
27 perfection, or extent of any alleged Prior Permitted Lien. The right of a seller of goods to reclaim
28

1 or seek a return of such goods (whether under Section 546(c) of the Bankruptcy Code or otherwise)
2 shall not be a Permitted Prior Lien and shall be expressly subject to the DIP Liens.

3 E. Need for Postpetition Financing. Based upon the pleadings and proceedings of
4 record in the Chapter 11 Cases, the Debtors do not have sufficient available sources of working
5 capital and financing to carry on the operation of their businesses without the DIP Facility. The
6 Debtors' ability to maintain business relationships with their vendors and suppliers, to make payroll,
7 to make capital expenditures, to make adequate protection payments, and to satisfy other working
8 capital and operational needs and otherwise finance their operations and conduct their business
9 affairs is essential to the Debtors' continued viability. In addition, based on the record presented at
10 the Interim Hearing: (i) the Debtors' critical need for financing is immediate and the entry of this
11 Interim Order is necessary to avoid immediate and irreparable harm to the Debtors' estates and the
12 value of their assets; (ii) in the absence of the DIP Facility, the continued operation of the Debtors'
13 businesses would not be possible and serious and irreparable harm to the Debtors and their estates
14 would occur; and (iii) the preservation, maintenance and enhancement of the going concern value
15 of the Debtors are of the utmost significance and importance.

16 F. No Credit Available on More Favorable Terms. Given their current financial
17 condition, financing arrangements and capital structure, the Debtors are unable to obtain sufficient
18 committed financing from sources other than the DIP Lender on terms more favorable than under
19 the DIP Facility and the DIP Documents. The Debtors are not able to obtain unsecured committed
20 financing allowable as an administrative expense under Section 503(b)(1) of the Bankruptcy Code.
21 The Debtors also have been unable to obtain sufficient committed financing (a) having priority over
22 administrative expenses of the kind specified in Sections 503(b), 507(a), and 507(b) of the
23 Bankruptcy Code, (b) secured by a lien on property of the Debtors and their estates that is not
24 otherwise subject to a lien, or (c) secured solely by a junior lien on property of the Debtors and their
25 estates that is subject to a lien. Financing on a postpetition basis is unavailable to the Debtors
26 without providing the DIP Lender: (i) the DIP Liens on the DIP Collateral (each as defined herein),
27 as provided herein and in the DIP Documents with the priorities set forth herein; (ii) the DIP
28 Superpriority Claims (as defined herein); and (iii) the other rights, protections and benefits set forth

1 in this Interim Order. After considering all alternatives, the Debtors have concluded, in the exercise
2 of their sound business judgment, that the DIP Facility represents the best financing available to
3 them at this time and is in the best interests of their estates and creditors.

4 G. Sections 506(c). As a material inducement to the DIP Lender to
5 agree to provide the DIP Facility, the DIP Lender shall receive a waiver of the provisions of Section
6 506(c) of the Bankruptcy Code.

7 H. Use of Proceeds of the DIP Facility. As a condition to entry into the DIP Documents
8 and the extension of credit under the DIP Facility as provided in this Interim Order, the DIP Lender
9 requires, and the Debtors have agreed, that proceeds of the DIP Facility shall be used only in a
10 manner consistent with the terms and conditions of the DIP Documents and this Interim Order and
11 in accordance with the Budget Requirements, solely for the following: (a) funding of working
12 capital, capital expenditures, and other general corporate needs in the ordinary course in compliance
13 with the Budget Requirements (as defined below) and the DIP Documents, (b) the payment of costs
14 of administration of the Chapter 11 Cases in compliance with the Budget Requirements and the DIP
15 Documents, (c) payment of interest, fees, costs and expenses related to the DIP Facility as provided
16 for in this Interim Order and the DIP Documents (including the reasonable and documented fees
17 and expenses of the DIP Lender's professionals and advisors), (d) payment of such prepetition
18 obligations as permitted under the DIP Documents, consented to by the DIP Lender, and approved
19 by this Court, and (e) payment of such other amounts in compliance with the Budget Requirements
20 and the DIP Documents.

21 I. Good Faith of the DIP Lender. The DIP Lender has indicated a willingness to
22 provide financing to the Debtors subject to: (i) entry of this Interim Order and the Final Order; (ii)
23 approval of the terms and conditions of the DIP Facility and the DIP Documents; (iii) satisfaction
24 of the closing conditions set forth in the DIP Documents; and (iv) findings by this Court that the
25 DIP Facility is essential to the Debtors' estates, that the DIP Lender is extending credit to the Debtors
26 pursuant to the DIP Documents in good faith, and that the DIP Lender's claims, superpriority claims,
27 security interests and liens and other protections granted pursuant to this Interim Order and the DIP
28 Documents will have the protections provided by Section 364(e) of the Bankruptcy Code. Based

1 upon the pleadings and proceedings of record in the Chapter 11 Cases, (x) the terms and conditions
2 of the DIP Facility and the DIP Documents, and the fees paid and to be paid thereunder, are fair,
3 reasonable, and the best available to the Debtors under the circumstances, are ordinary and
4 appropriate for secured financing to debtors-in-possession, reflect the Debtors' exercise of prudent
5 business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent
6 value and consideration, (y) the terms and conditions of the DIP Facility were negotiated in good
7 faith and at arms' length among the Debtors and the DIP Lender, with the assistance and counsel of
8 their respective advisors, and (z) any credit extended, loans made, and other financial
9 accommodations extended to the Debtors by the DIP Lender, including, without limitation, pursuant
10 to this Interim Order, have been extended, issued or made, as the case may be, in "good faith" within
11 the meaning of Section 364(e) of the Bankruptcy Code and in express reliance upon the protections
12 offered by Section 364(e) of the Bankruptcy Code, and the DIP Facility, the DIP Liens, and the DIP
13 Superpriority Claims shall be entitled to the full protection of Section 364(e) of the Bankruptcy
14 Code in the event that this Interim Order or any provision hereof is vacated, reversed or modified,
15 on appeal or otherwise.

16 J. Notice. Notice of the Interim Hearing and the proposed entry of this Interim Order
17 has been provided by the Debtors, whether by facsimile, email, overnight courier, or hand delivery,
18 to: (i) the thirty (30) largest unsecured creditors of the Debtors on a consolidated basis; (ii) the Office
19 of the United States Trustee for the Central District of California (the "U.S. Trustee"); (iii) Bryan
20 Cave Leighton Paisner LLP ("BCLP"), as counsel to the DIP Lender; (iv) the Office of the Attorney
21 General of California; (v) the Prepetition Secured Creditors and their counsel, including without
22 limitation, U.S. Bank Trust Company, National Association, as Master Trustee (the "Indenture
23 Trustee") under that Master Trust Indenture, dated as of December 1, 2015, among Beverly
24 Community Hospital Association, Beverly Hospital Foundation, Montebello Community Health
25 Services, Inc., and U.S. Bank National Association as Master Trustee (the "Master Indenture"); (vi)
26 all other parties with liens of record on assets of the Debtors (as disclosed in lien searches completed
27 by the Debtors prior to the Petition Date); and (vii) any other party that has filed a request for notice
28 pursuant to Bankruptcy Rule 2002 or is required to receive notice under Bankruptcy Rules 2002,

1 4001, or 9014 and any applicable Local Rules. Requisite notice of the DIP Motion and the relief
2 requested thereby has been provided and no other notice need be provided for entry of this Interim
3 Order.

4 K. Immediate Entry. The Debtors have requested immediate entry of this Interim Order
5 pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2). Absent entry of this Interim Order, the
6 Debtors' businesses, properties and estates will be immediately and irreparably harmed. This Court
7 concludes that entry of this Interim Order is in the best interests of the Debtors' respective estates
8 and creditors as its implementation will, among other things, enhance the Debtors' prospects for
9 their successful reorganization.

10 Based on the foregoing finding and conclusions, the DIP Motion, the First Day Declaration,
11 and the record made before this Court at the Interim Hearing, and good and sufficient cause
12 appearing therefore,

13 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

14 1. Approval of Interim Order. The DIP Motion is approved, on an interim basis, on the
15 terms and conditions set forth in this Interim Order. Any objections to the interim relief requested
16 in the DIP Motion that have not previously been withdrawn, waived, settled, or resolved, and all
17 reservations of rights included therein, are hereby denied with prejudice and overruled on the merits.
18 This Interim Order shall become effective immediately upon its entry.

19 2. Approval of DIP Documents; Authority Thereunder. The DIP Facility is hereby
20 approved. The Debtors are hereby authorized to (a) execute and deliver the DIP Documents
21 (including the DIP Credit Agreement) and such additional documents, instruments, certificates, and
22 agreements as may be required or reasonably requested by the DIP Lender to implement the terms
23 or effectuate the purposes of this Interim Order and the DIP Documents, (b) incur and perform the
24 DIP Obligations in accordance with, and subject to, the terms of this Interim Order and the DIP
25 Documents, and (c) following entry of the Interim Order and the occurrence of the Closing Date,
26 request Advances up to the Interim Availability Amount.

27 3. Validity of DIP Documents and DIP Obligations. Upon execution and delivery, each
28 of the DIP Documents shall constitute and evidence (and shall deemed to be) the legal, valid, and

1 binding obligation of the Debtors, enforceable against the Debtors, their estates and any successors
2 thereto, including any trustee appointed in the Chapter 11 Cases or in any case under Chapter 7 of
3 the Bankruptcy Code upon the conversion of any of the Chapter 11 Cases (collectively,
4 the “Successor Cases”). Loans and advances made under the DIP Facility (the “DIP Loans”) will
5 fund the Debtors’ working capital and general corporate needs in the ordinary course of business
6 and to pay such other amounts as are required or permitted to be paid pursuant to the DIP Credit
7 Agreement, this Interim Order and any other orders of this Court, in each case to the extent permitted
8 under the DIP Credit Agreement and in compliance with the Budget Requirements. No DIP
9 Obligations or any other obligation, payment, transfer, or grant of security under the DIP Documents
10 or this Interim Order shall be stayed, restrained, voided, voidable, or recoverable under the
11 Bankruptcy Code or under any applicable non-bankruptcy law, or subject to any avoidance, defense,
12 reduction, setoff, recoupment, counterclaim, recharacterization, subordination, cross-claim, or any
13 other challenge under the Bankruptcy Code or any applicable law or regulation by any person or
14 entity.

15 4. Authorization to Borrow. Subject to the terms and conditions of this Interim Order
16 and the DIP Documents and in compliance with the Budget Requirements, upon entry of this Interim
17 Order and through the earliest to occur of (a) the entry of the Final Order, and (b) the Termination
18 Date (as defined herein), the DIP Borrowers are authorized to request Advances up to an aggregate
19 outstanding principal amount of \$6,000,000 (which includes payment of the Loan Fee to DIP
20 Lender, as defined in the DIP Credit Agreement) (the “Interim Availability Amount”). The DIP
21 Lender shall have no obligation to make a DIP Loan unless all of the conditions precedent to the
22 making of such DIP Loan under the DIP Documents and this Interim Order have been (x) satisfied
23 in full or (y) waived by the DIP Lender in its sole and absolute discretion.

24 5. Authorization to Use Cash Collateral. Subject to the terms and conditions of this
25 Interim Order and the DIP Documents and in compliance with the Budget Requirements, the
26 Debtors are authorized to use all DIP Collateral constituting “cash collateral,” as defined in Section
27 363(a) of the Bankruptcy Code (the “DIP Cash Collateral”) in compliance with the DIP Documents
28 and this Interim Order until the Termination Date (as defined below), and all authority to use DIP

1 Cash Collateral shall terminate automatically upon the Termination Date. For purposes of clarity,
2 the DIP Cash Collateral shall include all rent, lease payments, fees, and all other cash generated
3 from the leasing and operations of the DIP Collateral. The Debtors are permitted to continue to use
4 DIP Cash Collateral during the pendency of any Remedies Notice Period (as defined below) in
5 accordance with the Budget Requirements.

6 6. Use of Proceeds and Cash Collateral; Segregation; No Re-Borrowing.

7 (a) The Debtors shall segregate and deposit into the Clearing Account (as defined
8 in the DIP Loan Agreement) all DIP Cash Collateral, and shall segregate and deposit into the
9 Security Deposit Account (as defined in the DIP Loan Agreement) all tenant security deposits. The
10 DIP Lender shall have a continuing, valid, binding, enforceable, non-avoidable, and automatically
11 and properly perfected first-priority security interest in the Clearing Account and Security Deposit
12 Account and all amounts on deposit in the Clearing Account and Security Deposit Account.

13 (b) Notwithstanding anything to the contrary in any of the first-day orders, and
14 after the entry of this Interim Order, the Debtors shall use proceeds of the DIP Facility and DIP Cash
15 Collateral only for the purposes permitted by this Interim Order and the DIP Documents and in
16 compliance with the Budget Requirements. The DIP Liens shall continue to attach to the DIP Cash
17 Collateral irrespective of the commingling of DIP Cash Collateral with other cash of the Debtors.
18 Any failure by the Debtors on or after the Petition Date to comply with the segregation requirements
19 of Section 363(c)(4) of the Bankruptcy Code in respect of any DIP Cash Collateral shall not be used
20 as a basis to challenge the extent, validity, enforceability or perfected status of the DIP Liens on any
21 DIP Cash Collateral.

22 7. (c) The DIP Loan is a term loan (not a revolving loan), and once Advances have
23 been made to Debtors, Loan Availability under the DIP Loan shall be permanently reduced by the
24 amounts of such Advances. The Debtors may not re-borrow any amounts Advanced under the DIP
25 Facility after such amounts have been repaid to Lender.

26 8. Approved Budget.

27 (a) General. Except as otherwise provided herein or approved by the DIP Lender,
28 proceeds of the DIP Facility shall be used only in compliance with the Budget Requirements.

1 (b) Initial Budget. Attached as Exhibit 3 to the Stipulation and incorporated by
2 reference herein is a cash flow forecast covering the 5-week period commencing with the week in
3 which the Petition Date occurred, depicting, on a weekly and line item basis, (i) projected cash
4 receipts, (ii) projected disbursements (including ordinary course operating expenses, bankruptcy-
5 related expenses (including professional fees of the Debtors' professionals and advisors), and any
6 other fees and expenses relating to the DIP Documents), (iii) net cash flow, and (iv) the other items
7 set forth therein and other information reasonably requested by the DIP Lender for such 5-week
8 period, in form and substance satisfactory to the DIP Lender in its sole discretion (the "Initial
9 Budget"). Upon entry of this Interim Order, the Initial Budget shall be deemed the "Approved
10 Budget."

11 (c) Updated Budget. No later than 5:00 p.m. prevailing Eastern Time on the first
12 Wednesday of each month after the Petition Date, the Debtors shall deliver by email (or other
13 electronic means) to the DIP Lender and Indenture Trustee an update of the latest Approved Budget
14 covering the 9-week period commencing with the week in which the Debtors deliver such update,
15 which update shall be consistent with the form and level of detail set forth in the latest Approved
16 Budget, provide a reconciliation for the results of the prior month period compared to the prior
17 Approved Budget and is satisfactory in form and substance to the DIP Lender and Indenture Trustee
18 in their sole discretion (each such update, an "Updated Budget"); provided that the Debtors shall
19 comply with the requirements set forth in the DIP Credit Agreement and any final or interim cash
20 collateral order entered by the Bankruptcy Court, with respect to the timing and content of each
21 Updated Budget. The Updated Budget shall become the Approved Budget (and replace any prior
22 Approved Budgets) only under the circumstances described in the DIP Credit Agreement and any
23 final or interim cash collateral order entered by this Court.

24 (d) Variance Reporting. The Debtors shall deliver to the DIP Lender Variance
25 Reports and Compliance Certificates (as defined in the DIP Credit Agreement) in accordance with
26 the terms and on the dates set forth in the DIP Credit Agreement. From time to time upon reasonable
27 request of the DIP Lender, the Debtors and their advisors shall participate in status calls with the
28 DIP Lender and its professionals and advisors (but in no event less than on a bi-weekly basis), to

1 discuss the financial operations and performance of the Debtors' business and such other matters
2 relating to the Debtors as the DIP Lender (or its agents or advisors) shall reasonably request.

3 (e) Permitted Variances. (i) Actual Cash Receipts during any Applicable
4 Measurement Period (as defined in the DIP Credit Agreement) shall not be less than 85% of the
5 Budgeted Cash Receipts (as defined in the DIP Credit Agreement) for such Applicable Measurement
6 Period, and (ii) the Actual Disbursement Amount (as defined in the DIP Credit Agreement) on a
7 total-disbursements basis shall not exceed 115% of the Budgeted Disbursement Amount (as defined
8 in the DIP Credit Agreement) for such Applicable Measurement Period (on a total-disbursements
9 basis). No professional fees disbursed to Professional Persons (each as defined below) under the
10 Approved Budget shall exceed the line-item budgeted amounts for such Professional Persons for
11 any applicable calendar week when budgeted in the Approved Budget. All estimated fees, costs and
12 expenses payable for DIP Fees and Lender Expenses budgeted under the Approved Budget shall be
13 timely disbursed weekly when budgeted in the Approved Budget, and such payments shall in no
14 way modify, limit, or cap the DIP Lender's right to timely receive DIP Fees and Lender Expenses
15 under Paragraph 10 of this Interim Order.

16 9. Budget Compliance. The Debtors shall at all times comply with the Approved
17 Budget (subject to the Permitted Variances) and all other budget conditions, requirements, and
18 limitations set forth in this Interim Order and in the DIP Documents (collectively, the "Budget
19 Requirements"). The Debtors shall provide all reports and other documents and information
20 required in the DIP Documents or reasonably requested by the DIP Lender, and the Debtors' failure
21 to comply with the Budget Requirements or to provide the reports and other documents and
22 information required in the DIP Documents or reasonably requested by the DIP Lender shall
23 constitute an Event of Default under the DIP Credit Agreement.

24 10. Payment of DIP Fees and Expenses. The Debtors are hereby authorized and directed
25 to pay weekly when budgeted in the Approved Budget and any other times upon demand all Lender
26 Expenses (as defined in the DIP Credit Agreement) and all other fees, costs, expenses, premiums
27 and other amounts payable under the terms of the DIP Documents, including, without limitation,
28 the reasonable and documented prepetition and postpetition fees and out-of-pocket costs and

1 expenses of BCLP and any other counsel, appraisers, title companies, surveyors, environmental,
2 zoning and/or property condition consultants, advisors, professionals and/or consultants retained in
3 connection with advising the DIP Lender or as otherwise required by the DIP Documents and the
4 Debtors are hereby authorized to pay such costs directly to such third parties. Payment of such
5 amounts shall not be subject to Court approval or U.S. Trustee fee guidelines or subject to the
6 provisions of Sections 327, 328, 329, 330 or 331 of the Bankruptcy Code, and no recipient of any
7 such payment shall be required to file with respect thereto any interim or final fee application with
8 this Court. Any professional of the DIP Lender that is seeking payment of fees and expenses from
9 the Debtors shall provide summary copies of its invoices (which shall not be required to contain
10 time entries and which may be redacted or modified to the extent necessary to delete any information
11 subject to attorney-client privilege, any information constituting attorney work product, or any other
12 confidential information) via email (or other electronic means) to the Debtors, the U.S. Trustee, and
13 the Committee (if appointed). The Debtors shall pay the full amount invoiced within ten (10)
14 calendar days (the “Review Period”), any amounts not already paid under the Approved Budget
15 after receipt of the applicable invoice, regardless of whether such amounts are in excess of the
16 amounts set forth in the Approved Budget. In the event that the U.S. Trustee or counsel to the
17 Committee (if any) raises an objection with respect to any invoice during the applicable Review
18 Period (which objection must be in a writing delivered by email (or other electronic means) to the
19 relevant professional that states with particularity the fees and/or expenses being objected to and the
20 grounds therefor) and the parties are unable to fully resolve such objection, this Court shall hear and
21 determine such dispute, provided that neither the raising of an objection to an invoice nor the
22 inability of the parties to fully resolve such objection shall delay payment of such invoice, and the
23 relevant professional shall only be required to disgorge amounts objected to upon being so ordered,
24 pursuant to a final order of this Court. All unpaid Lender Expenses and other unpaid fees, costs,
25 expenses and other amounts owed or payable to the DIP Lender shall be secured by the DIP
26 Collateral and afforded all of the priorities and protections afforded to the DIP Obligations under
27 this Interim Order and the DIP Documents. Any and all fees, costs, and expenses paid prior to the
28 Petition Date by any of the Debtors to the DIP Lender in connection with or with respect to the DIP

1 Facility are hereby approved in full and shall not be subject to avoidance, disgorgement, or any
2 similar form of recovery by the Debtors or any other person.

3 11. Indemnification. The Debtors shall indemnify and hold harmless the DIP Lender in
4 accordance with the terms and conditions contained in the DIP Credit Agreement.

5 12. DIP Superpriority Claims. *Pari passu* with any Permitted Superpriority Claim (as
6 defined below), immediately upon and effective as of entry of this Interim Order, pursuant to Section
7 364(c)(1) of the Bankruptcy Code, the DIP Obligations shall constitute allowed superpriority
8 administrative expense claims against each Debtor, on a joint and several basis (the “DIP
9 Superpriority Claims”), senior to and with priority in payment over any and all administrative
10 expenses and any other claims against the Debtors or their estates in the Chapter 11 Cases or any
11 Successor Cases, at any time existing or arising, of any kind or nature whatsoever, including, without
12 limitation, the kinds specified in or ordered pursuant to any provision of the Bankruptcy Code,
13 including, but not limited to, Sections 105, 326, 328, 330, 331, 361, 364, 365, 503(b), 506(c) (subject
14 to and upon entry of the Final Order), 507(a), 507(b), 546(c), 726, 1113 and 1114 of the Bankruptcy
15 Code or otherwise, including those resulting from the conversion of any of the Chapter 11 Cases
16 pursuant to Section 1112 of the Bankruptcy Code, whether or not such expenses or claims may
17 become secured by a judgment lien or other non-consensual lien, levy or attachment. The DIP
18 Superpriority Claims shall, for purposes of Section 1129(a)(9)(A) of the Bankruptcy Code, be
19 considered an administrative expense allowed under Section 503(b) of the Bankruptcy Code, shall
20 be against each Debtor on a joint and several basis, and shall be payable from and have recourse to
21 all DIP Collateral. Other than with respect to any Permitted Superpriority Claim, the DIP
22 Superpriority Claims shall not be or be made junior to or *pari passu* with any claim heretofore or
23 hereinafter granted or created in any of the Chapter 11 Cases or any Successor Cases and shall be
24 valid and enforceable against the Debtors, their estates and any successors thereto, including,
25 without limitation, any trustee appointed in any of the Chapter 11 Cases or any Successor Cases
26 until such time as the DIP Obligations are paid in full. As used herein, the term “Permitted
27 Superpriority Claim” means any superpriority administrative expense claim provided to any
28 Prepetition Secured Creditors or to any lender that makes loans to any Debtor pursuant to Section

1 364 either on an unsecured basis or secured by collateral that is not subject to the DIP Liens (defined
2 below). For avoidance of doubt, any Permitted Superpriority Claim shall not attach to or otherwise
3 encumber the DIP Liens (defined below) or the DIP Collateral (defined below).

4 13. DIP Liens.

5 (a) Effective as of entry of this Interim Order, the DIP Lender is granted
6 continuing, valid, binding, enforceable, non-avoidable, and automatically and properly perfected
7 first priority security interests in and liens on (collectively, the “DIP Liens”) the property identified
8 as “Collateral” in the DIP Loan Agreement (the “DIP Collateral”), including, without limitation, the
9 “BCHA Clearing Account,” the “MCHS Clearing Account,” and the “Security Deposit Account”
10 (as such terms are defined in the DIP Loan Agreement), as collateral security for the prompt and
11 complete performance and payment when due (whether at the stated maturity, by acceleration, or
12 otherwise) of the DIP Obligations.

13 (b) Notwithstanding anything to the contrary in this Interim Order or the DIP
14 Loan Agreement and related documents, but except as expressly provided for in paragraph 13(c)
15 hereof, the DIP Collateral shall exclude: (i) all of Debtors’ right, title and interest in and to the
16 accounts, chattel paper, instruments and general intangibles (each as defined in Division 9 of the
17 California Commercial Code) and the proceeds, and (ii) solely as related to Debtor, Beverly
18 Community Hospital Association, all of Debtors’ right, title and interest in and to: (a) the real
19 property located in the County of Los Angeles, State of California, as described in Exhibit A to the
20 Deed of Trust (defined below) (the “Land”); (b) all buildings, structures, improvements, fixtures
21 and appurtenances now or hereafter placed on the Land, and all apparatus and equipment now or
22 hereafter attached in any manner to the Land or any building on the Land, including all pumping
23 plants, engines, pipes, ditches and flumes, and also all gas, electric, cooking, heating, cooling, air
24 conditioning, lighting, refrigeration and plumbing fixtures and equipment (collectively,
25 the “Improvements”); (c) all easements and rights of way appurtenant to the Land; all crops growing
26 or to be grown on the Land (including all such crops following severance from the Land); all
27 standing timber upon the Land (including all such timber following severance from the Land); all
28 development rights or credits and air rights; all water and water rights (whether riparian,

1 appropriative, or otherwise, and whether or not appurtenant to the Land) and shares of stock
2 pertaining to such water or water rights, ownership of which affect the Land; all minerals, oil, gas
3 and other hydrocarbon substances and rights thereinto, on, under, or upon the Land; (d) all existing
4 and future leases, subleases, subtenancies, licenses, occupancy agreements and concessions relating
5 to the use and enjoyment of all or any part of the Land or the improvements, and any and all
6 guaranties and other agreements relating to or made in connection with any of the foregoing; (e) all
7 proceeds, including all claims to and demands for them, of the voluntary or involuntary, conversion
8 of any of the Land, Improvements, or the other property described above into cash or liquidated
9 claims, including proceeds of all present and future fire, hazard or casualty insurance policies, and
10 all condemnation awards or payments now or later to be made by any public body or decree by any
11 court of competent jurisdiction for any taking or in connection with any condemnation or eminent
12 domain proceeding, and all causes of action and their proceeds for any breach of warranty,
13 misrepresentation, damage or injury to, or defect in, the Land, Improvements, or the other property
14 described above or in any part of them; and (f) all proceeds of, additions and accretions to,
15 substitutions and replacements for, and changes in any of the property described in the preceding
16 subparagraphs (a)-(e) (the assets described in subparagraphs (a) through (f), collectively,
17 the “Property”); (g) all tangible personal property of every kind or description, whether stored on
18 the Land or elsewhere, including without limitation, all goods, materials, supplies, tools, books,
19 records, chattels, furniture, fixtures, equipment, and machinery, and which in all cases is (1) used or
20 useful or acquired in connection with any construction undertaken on the Land or the maintenance
21 of the Land and the Improvements, or (2) affixed or installed, or to be affixed or installed, in any
22 manner on the Land or the Improvements; (h) all architectural and engineering plans, specifications
23 and drawings, and as-built drawings which arise from or relate to the Land or the Improvements;
24 (i) all general intangibles and rights relating to the Property, including, without limitation, all
25 permits, licenses and claims to or demands for the voluntary or involuntary conversion of any of the
26 Land, Improvements, or other Property into cash or liquidated claims, proceeds of all present and
27 future fire, hazard or casualty insurance policies to the extent exclusively relating to the Property,
28 and all condemnation awards or payments now or later to be made by any public body or decree by

1 any court of competent jurisdiction for any taking of the Property or in connection with any
2 condemnation or eminent domain proceeding with respect to the Property, and all causes of action
3 and their proceeds for any breach of warranty, misrepresentation, damage or injury to, or defect in,
4 the Land, Improvements, or other Property or an part of them; (j) all deposit accounts (other than
5 the BCHA Deposit Account, the MCHS Clearing Account, and the Security Deposit Account) from
6 which Beverly Community Hospital Association may from time to time authorize the Indenture
7 Trustee to debit payments due on the Secured Obligations (as defined in that certain Deed of Trust,
8 Assignment of Rents, Security Agreement and Fixture Filing, dated as of December 1, 2015, by
9 Beverly Community Hospital Association, as trustor, to Chicago Title Company, as trustee for the
10 benefit of U.S. Bank National Association as master trustee under the Master Indenture, as
11 beneficiary (the “Deed of Trust”); and (k) all substitutions, replacements, additions, accessions and
12 proceeds for or to any of the foregoing, and all books, records and files relating to any of the
13 foregoing, including, without limitation, computer readable memory and data and any computer
14 software or hardware reasonably necessary to access and process such memory and data (the assets
15 described in subparagraphs (i) and (ii), collectively, the “Indenture Trustee Collateral”).

16 (c) The Indenture Trustee Collateral shall exclude any of Debtors’ right, title and
17 interest in and to the accounts, chattel paper, instruments and general intangibles (each as defined
18 in Division 9 of the California Commercial Code) and the proceeds thereof arising out of the “Real
19 Property,” the “Improvements,” the “Leases” and/or the proceeds thereof, including all “Rents” (as
20 such terms are defined in (a) that certain Deed of Trust, Assignment of Leases and Rents, Security
21 Agreement (including Fixture Filing) granted by the BCHA, and (b) that certain Fee and Leasehold
22 Deed of Trust, Assignment of Leases and Rents, Security Agreement (including Fixture Filing)
23 granted by MCHS (together, the “DIP Deeds of Trust”). For avoidance of doubt, and except as
24 expressly provided for in this paragraph, the DIP Liens shall not attach to or otherwise encumber
25 the Indenture Trustee Collateral and the Indenture Trustee’s liens and security interests shall not
26 attach to or otherwise encumber the DIP Collateral (including without limitation, the BCHA
27 Clearing Account, the MCHS Clearing Account, and Security Deposit Account), or the DIP Cash
28 Collateral, such that the DIP Liens shall be the sole and exclusive liens and security interests (except

1 for Permitted Prior Liens) on all “Real Property,” the “Improvements,” the “Leases,” and/or the
2 proceeds thereof, including all “Rents” (as such capitalized terms are defined in the DIP Deeds of
3 Trust), including, without limitation, any insurance claims or proceeds, condemnation awards,
4 proceeds, profits, and other general intangibles that are related to or arising out of the “Real
5 Property,” the “Improvements,” and/or the “Leases” (as such capitalized terms are defined in the
6 DIP Deeds of Trust); provided, however, that as consideration for, and expressly as a condition of,
7 the Indenture Trustee’s consent to exclude the foregoing collateral from the Indenture Trustee
8 Collateral as set forth herein, and as additional adequate protection, immediately upon the
9 indefeasible payment in full in cash of all the DIP Obligations and/or other satisfaction in full (either
10 in cash, by DIP Lender credit bid, or by written consent of DIP Lender) of all the DIP
11 obligations either (i) under Section 363(k) of the Bankruptcy Code or (ii) upon fully executed
12 deed(s) in lieu and/or the completion of one or more foreclosures or other remedies under applicable
13 California law, the Indenture Trustee shall be granted a first priority lien, securing the obligations
14 due under the Master Indenture, on the proceeds of the DIP Collateral and any remaining DIP
15 Collateral that is not sold, liquidated or used to satisfy the DIP Obligations, which liens and security
16 interests shall be valid, perfected, binding, enforceable, non-avoidable and effective liens by
17 operation of law as of the date of the indefensible payment in full of the DIP Obligations and without
18 any further action by the Indenture Trustee and without the necessity of executing, filing or
19 recording any financing statements, security agreements, mortgages, deeds of trust, filings with a
20 governmental unit, or other documents, agreements, or instruments or the taking of any other actions
21 (including, for the avoidance of doubt, taking possession of any collateral) to validate or perfect (in
22 accordance with applicable law) the Indenture Trustee’s liens. To the extent required by the
23 Indenture Trustee, and upon its reasonable request, the Debtors shall execute a deed of trust in a
24 form satisfactory to the Indenture Trustee to be recorded in the land records evidencing the foregoing
25 liens granted to the Indenture Trustee’s in the DIP Collateral, and the proceeds thereof, immediately
26 following the indefeasible payment in full in cash of all the DIP Obligations. Nothing in this
27 Paragraph 13(c) shall be construed to preclude or estop any official committee appointed under
28

1 section 1102 of the Bankruptcy Code from investigating and/or challenging the extent, validity, and
2 priority of the Indenture Trustee's prepetition liens.

3 (d) To the fullest extent permitted by the Bankruptcy Code or applicable law, any
4 provision of any law, rule, regulation, lease, loan document, easement, use agreement, license,
5 contract, organizational document, or other instrument or agreement that restricts the ability of any
6 of the Debtors to pledge, grant, mortgage, sell, assign, or otherwise transfer any fee or leasehold
7 interest in (or the proceeds thereof) the DIP Collateral (or requires the consent of or the payment of
8 any fees or obligations to any entity in order for any of the Debtors to take such actions) shall have
9 no force or effect with respect to the DIP Liens on such fee or leasehold interests or other DIP
10 Collateral (or the proceeds of any assignment and/or sale thereof).

11 (e) The DIP Collateral does not include any real property and other assets that
12 are used by the hospital in its operations as a health facility (as such term is defined under Cal.
13 Health & Safety Code § 1250) or other facilities that provide similar health care (as defined under
14 Cal. Code Regs. Tit.11, § 999.5), and therefore any sale, foreclosure, or other disposition of the DIP
15 Collateral, either to a for-profit entity or non-profit entity, shall not require the consent of the
16 Attorney General of the State of California under Cal. Corp. Code § 5914 or § 5920. Further, service
17 of this Interim Order shall be deemed written notice to the Attorney General under Cal. Corp. Code
18 § 5913 of Debtors' intention to sell, lease, convey, exchange, transfer or otherwise dispose of all or
19 substantially all of the DIP Collateral to either a non-profit or a for-profit entity, and no further
20 notice to, or consent or approval by, the Attorney General shall be required.

21 14. Priority of DIP Liens.

22 (a) Effective as of entry of this Interim Order, the DIP Liens shall constitute
23 continuing, valid, binding, enforceable, non-avoidable, automatically and properly perfected
24 security interests in and liens on in the DIP Collateral as follows:

25 (i) pursuant to Section 364(c)(2) of the Bankruptcy Code, valid, binding,
26 continuing, enforceable, non-avoidable, automatically and properly perfected first priority liens on
27 and security interests in all DIP Collateral that is not otherwise subject to any Permitted Prior Liens;
28 and

1 (ii) pursuant to Section 364(c)(3) of the Bankruptcy Code, valid, binding,
2 continuing, enforceable, non-avoidable, automatically and properly perfected junior liens on and
3 security interests in all DIP Collateral that is subject to any Permitted Prior Liens, which junior liens
4 and security interests in favor of the DIP Lender shall be subject only to any such Permitted Prior
5 Liens.

6 (b) Except as expressly set forth herein, the DIP Liens and the DIP Superpriority
7 Claims: (i) shall not be or be made junior to or *pari passu* with (A) any lien, security interest or
8 claim heretofore or hereinafter granted in the Chapter 11 Cases or any Successor Cases, and shall
9 be valid and enforceable against the Debtors, their estates, any trustee or any other estate
10 representative appointed or elected in the Chapter 11 Cases or any Successor Cases and/or upon the
11 dismissal of any of the Chapter 11 Cases or any Successor Cases, provided however that the DIP
12 Liens and DIP Superpriority Claims shall be *pari passu* with any replacement liens granted to the
13 Indenture Trustee through any interim or final Cash Collateral Orders entered by the Bankruptcy
14 Court in these Chapter 11 Cases, (B) any lien or interest that is avoided and preserved for the benefit
15 of the Debtors and their estates under Section 551 of the Bankruptcy Code or otherwise, and (C)
16 any intercompany or affiliate lien or claim of the Debtors; and (ii) shall not be subject to Sections
17 510, 549, or 550 of the Bankruptcy Code.

18 (c) Notwithstanding anything contained in this Interim Order or any other order
19 of this Court to the contrary, the DIP Liens shall constitute first priority liens on and security interests
20 in all DIP Cash Collateral.

21 15. Professional Fees

22 (a) No Direct Obligation To Pay Allowed Professional Fees. The DIP Lender
23 shall not be responsible for the payment or reimbursement of any fees or disbursements of any
24 Professional Person incurred in connection with the Chapter 11 Cases or any Successor Cases.
25 Nothing herein or otherwise shall be construed to obligate the DIP Lender, in any way, to pay
26 compensation to, or to reimburse expenses of, any Professional Person or to guarantee that the
27 Debtors have sufficient funds to pay such compensation or reimbursement.

1 (b) Agreement Regarding Professional Fees. The Debtors and the Indenture
2 Trustee agree that the professional fee line items under the Restructuring Costs section of the Budget
3 (e.g., Debtors Professionals, Secured Lenders Professionals and UCC Professionals) shall reflect no
4 balances for purposes of this Interim Order. Counsel for the Debtors and counsel for the Indenture
5 Trustee agree to defer seeking this Court's approval of payment of their respective fees and expenses
6 until the earlier of (a) close of a sale of the Beverly Community Hospital; (b) such time as the
7 Debtors and the Indenture Trustee submit to the Court an agreed Budget that contains budgeted line
8 items for such professional fees; and (c) the closing of the Bankruptcy Case. As such, no fees or
9 expenses of professionals, whether of the Debtor, Indenture Trustee or Committee, shall be paid
10 from, or carved out of, the proceeds of the DIP Loans unless and until the Court approves a budget
11 for those fees and expenses which has been mutually agreed to by all parties or the Court enters final
12 orders pursuant to Section 330 of the Bankruptcy Code approving such fees and expenses.

13 (c) Objection Rights. Nothing contained herein is intended to constitute, nor shall
14 be construed as consent to, the allowance of any Professional Person's fees, costs or expenses by
15 any party and shall not affect the right of the Debtors, the DIP Lender, or any other party-in-interest
16 to object to the allowance and/or payment of any such amounts incurred or requested.

17 16. Limitation on Use of DIP Facility Proceeds. Notwithstanding anything herein to the
18 contrary, no portion of the DIP Facility or the DIP Collateral (or the proceeds of any of the
19 foregoing) shall include, apply to, be available for, or be used for payment of any fees, costs or
20 expenses incurred by any party, including the Debtors or the Committee, in connection with any of
21 the following: (a) investigation (including by way of examinations or discovery proceedings),
22 preparation for, initiation, assertion, joining, commencement, support or prosecution of any claims,
23 counter-claims, actions, causes of action, proceedings, adversary proceedings, applications,
24 motions, objections, defenses, or other contested matters against the DIP Lender or any of its
25 successors, assigns, affiliates, parents, subsidiaries, partners, controlling persons, representatives,
26 agents, attorneys, advisors, financial advisors, consultants, professionals, officers, directors,
27 members, managers, shareholders, and employees, past, present and future, and their respective
28 heirs, predecessors, successors and assigns, in each case in their respective capacities as such and

1 with respect to any transaction, occurrence, omission, action or other matter (each, a “Secured Party
2 Claim”), including, without limitation, (i) investigating or challenging in any way the DIP
3 Obligations, the DIP Documents, the DIP Liens, the DIP Superpriority Claims, or any other security
4 interests, liens, or claims of the DIP Lender (including with respect to the validity, enforceability,
5 priority, extent, nature, or amount of any of the foregoing or any defense, counterclaim, or offset to
6 any of the foregoing), or (ii) investigating or asserting any action seeking to invalidate, modify, set
7 aside, recharacterize, avoid, or subordinate, in whole or in part, the DIP Obligations; (b) the assertion
8 of any claims or causes of action against the DIP Lender, including, without limitation, claims or
9 actions to prevent, hinder or delay the DIP Lender’s enforcement or realization on the DIP Collateral
10 in accordance with this Interim Order, the Final Order, or the DIP Documents, as applicable; (c)
11 seeking to amend or modify any of the rights, remedies, priorities, privileges, protections and
12 benefits granted to the DIP Lender under this Interim Order, the Final Order, or the DIP Documents;
13 (d) payment of any amount on account of any claims arising prior to the Petition Date unless such
14 payments are (i) in accordance with the DIP Credit Agreement, and (ii) approved by order of this
15 Court; or (e) any purpose that is prohibited under the Bankruptcy Code.

16 17. Section 506(c) Waiver. The Debtors irrevocably waive and are prohibited from
17 asserting any surcharge claim, whether under Sections 105(a) or 506(c) of the Bankruptcy Code or
18 otherwise, for any costs and expenses incurred in connection with the preservation, protection or
19 enhancement of, or realization by the DIP Lender upon, the DIP Collateral, and no costs or expenses
20 of administration that have been or may be incurred in any of the Chapter 11 Cases or any Successor
21 Cases at any time shall be charged against the DIP Lender any of its claims or liens (including any
22 claims or liens granted pursuant to this Interim Order) or the DIP Collateral pursuant to Sections
23 105(a) or 506(c) of the Bankruptcy Code or otherwise.

24 18. No Marshaling/Application of Proceeds. The Debtors irrevocably waive and are
25 prohibited from asserting the equitable doctrine of “marshaling” or any other similar doctrine with
26 respect to the DIP Collateral, and in no event shall the DIP Lender be subject to the equitable
27 doctrine of “marshaling” or any other similar doctrine with respect to the DIP Collateral. All
28

1 proceeds of the DIP Collateral shall be received and used in accordance with this Interim Order and
2 the DIP Documents.

3 19. Disposition of Collateral. Except as expressly permitted by the DIP Documents, (a)
4 the Debtors shall not sell, transfer, lease, encumber, or otherwise dispose of any of the DIP Collateral
5 without an order of this Court or the prior written consent of the DIP Lender, and (b) shall apply all
6 net proceeds of the DIP Collateral, whether sold in the ordinary course or otherwise, as provided in
7 the DIP Credit Agreement.

8 20. Proceeds of Subsequent Financing. If the Debtors, any trustee, any examiner with
9 expanded powers, or any responsible officer subsequently appointed in the Chapter 11 Cases or any
10 Successor Cases shall obtain credit or incur debt in violation of the DIP Documents at any time prior
11 to the indefeasible payment in full in cash of all the DIP Obligations and/or other satisfaction in full
12 (either in cash, by DIP Lender credit bid, or by written consent of DIP Lender) of all the DIP
13 obligations either (i) under Section 363(k) of the Bankruptcy Code or (ii) upon fully executed
14 deed(s) in lieu and/or the completion of one or more foreclosures or other remedies under applicable
15 California law and the termination of DIP Lender's obligation to extend credit under the DIP
16 Facility (including subsequent to the confirmation of any Chapter 11 plan with respect to any or all
17 of the Debtors and the Debtors' estates) and such facilities are secured by any DIP Collateral, then
18 all the cash proceeds derived from such credit or debt shall immediately be turned over to the DIP
19 Lender to be applied in accordance with this Interim Order and the DIP Documents.

20 21. Protections of Rights of DIP Lender.

21 (a) Unless the DIP Lender shall have provided its prior written consent, or all
22 DIP Obligations have been indefeasibly paid in full in cash and the lending commitments under the
23 DIP Facility have terminated, there shall not be entered in the Chapter 11 Cases or any Successor
24 Cases any order (including any order confirming a Chapter 11 plan) that authorizes any of the
25 following: (i) the obtaining of credit or the incurring of indebtedness that is secured by a security,
26 mortgage, or collateral interest or other lien on all or any portion of the DIP Collateral and/or that is
27 entitled to administrative priority status, in each case that is superior to or *pari passu* with the DIP
28 Liens and/or the DIP Superpriority Claims except as expressly set forth in this Interim Order or the

1 DIP Documents; or (ii) the modification of any of the DIP Lender's rights under this Interim Order
2 or the DIP Documents with respect any DIP Obligations.

3 (b) The Debtors (and/or their legal and financial advisors in the case of clauses
4 (i) through (iii) below) will (i) reasonably cooperate with, consult with, and provide to the DIP
5 Lender all such information and documents that any or all of the Debtors are obligated (including
6 upon reasonable request by the DIP Lender) to provide under the DIP Documents or the provisions
7 of this Interim Order; (ii) upon reasonable advance notice, during normal business hours, permit the
8 DIP Lender and its advisors to visit and inspect any of the Debtors' business premises and other
9 properties, to examine and make abstracts or copies from any of their respective books, records,
10 reports, and other papers, and to discuss their respective affairs, finances, properties, business
11 operations, and accounts with their respective officers, employees, independent public accountants,
12 and other professional advisors; (iii) permit the DIP Lender to consult with the Debtors'
13 management and advisors on matters concerning the Debtors' businesses, financial condition,
14 operations, and assets; and (iv) upon reasonable advance notice, permit the DIP Lender to conduct,
15 at its discretion and at the Debtors' cost and expense, field audits, collateral examinations,
16 liquidation valuations, environmental surveys, and appraisals at reasonable times in respect of any
17 or all of the DIP Collateral in accordance with the DIP Documents.

18 22. Automatic Effectiveness of Liens. The DIP Liens shall become valid, perfected,
19 binding, enforceable, non-avoidable and effective liens by operation of law as of the Petition Date
20 without any further action by the Debtors or the DIP Lender and without the necessity of executing,
21 filing or recording any financing statements, security agreements, mortgages, filings with a
22 governmental unit, or other documents, agreements, or instruments or the taking of any other actions
23 (including, for the avoidance of doubt, taking possession of any collateral) to validate or perfect (in
24 accordance with applicable law) the DIP Liens or to entitle the DIP Lender to the priorities granted
25 herein. If the DIP Lender hereafter requests that the Debtors execute and deliver any financing
26 statements, security agreements, mortgages, filings with a governmental unit, or other documents,
27 agreements, or instruments considered by the DIP Lender to be reasonably necessary or desirable to
28 further evidence the perfection of the DIP Liens, the Debtors are hereby authorized and directed to

1 execute and deliver any such documents, agreements, and instruments to the DIP Lender, and the
2 DIP Lender is hereby authorized to file or record any such documents, agreements or instruments
3 in its discretion without seeking modification of the automatic stay under Section 362 of the
4 Bankruptcy Code, in which event all such documents shall be deemed to have been filed or recorded
5 at the time and on the Petition Date; provided, however, that no such filing or recordation shall be
6 necessary or required in order to create or perfect the DIP Liens. The DIP Lender, in its sole
7 discretion, may file a copy of this Interim Order as a financing statement with any filing or recording
8 office or with any registry of deeds or similar office in addition to, or in lieu of, such financing
9 statements, mortgages, notices of liens or similar documents, agreements, or instruments, and any
10 such filing, recording, or similar office is directed to accept such filing as a financing statement.

11 23. Modification of Automatic Stay. The automatic stay imposed under Section 362(a)
12 of the Bankruptcy Code is hereby modified as necessary to effectuate all of the terms, rights,
13 benefits, privileges, remedies and provisions of this Interim Order and the DIP Documents (without
14 further notice, motion, application to, order of, or hearing before this Court), including, without
15 limitation, to permit: (a) the Debtors to take all appropriate actions necessary or reasonably
16 requested by the DIP Lender to (i) grant the DIP Liens, the DIP Superpriority Claims, or any other
17 liens or claims set forth herein, and (ii) ensure that the DIP Liens or any other liens granted hereunder
18 are perfected and maintain the priority set forth herein; (b) the Debtors to incur all liabilities and
19 obligations (including the DIP Obligations) to the DIP Lender, as contemplated under this Interim
20 Order and the DIP Documents; (c) the Debtors to pay all amounts required under, in accordance
21 with, and subject to the DIP Documents and this Interim Order; (d) the DIP Lender to retain and
22 apply payments made in accordance with the DIP Documents and this Interim Order; (e) the DIP
23 Lender to exercise, upon the occurrence and during the continuance of any Event of Default under
24 the DIP Documents, all rights and remedies provided for in this Interim Order and the DIP
25 Documents and take any or all actions provided therein, in each case without further notice, motion,
26 application to, order of, or hearing before, this Court; and (f) the implementation of all of the terms,
27 rights, benefits, privileges, remedies, and provisions of this Interim Order and the DIP Documents.

1 24. Case Milestones. As a condition to the DIP Facility, the Debtor shall comply with
2 each of the Milestones (as defined in the DIP Credit Agreement). For the avoidance of doubt, the
3 failure of the Debtors to comply with any of the Milestones shall, unless waived in writing by the
4 DIP Lender, (a) constitute an immediate Event of Default under the DIP Credit Agreement and this
5 Interim Order, and (b) subject to paragraph 24 below, permit the DIP Lender to exercise all rights
6 and remedies provided for in this Interim Order and the DIP Documents.

7 25. Rights and Remedies Upon Event of Default. Immediately upon the occurrence and
8 during the continuation of an Event of Default under any of the DIP Documents, notwithstanding
9 the provisions of Section 362 of the Bankruptcy Code, without any application, motion or notice to,
10 hearing before, or order from this Court, but subject to the terms of this Interim Order, the DIP
11 Lender may declare (any such declaration shall be referred to herein as a “Termination Declaration”)
12 (i) the unpaid principal amount of all outstanding DIP Loans, all interest accrued and unpaid thereon,
13 and all other DIP Obligations to be immediately due and payable, without presentment, demand,
14 protest or other notice of any kind, all of which are hereby expressly waived by the Debtors, (ii) the
15 termination, reduction or restriction of any further commitment to extend credit to the Debtors to
16 the extent any such commitment remains under the DIP Facility, and (iii) the termination of the DIP
17 Facility and the DIP Documents as to any future liability or obligation of the DIP Lender, but without
18 affecting any of the DIP Liens or the DIP Obligations. The Termination Declaration shall be
19 delivered by email (or other electronic means) to counsel to the Debtors, counsel to the Committee
20 (if appointed), counsel for the Indenture Trustee and the U.S. Trustee. The Debtors, Indenture
21 Trustee and/or the Committee (if appointed) shall be entitled to seek an emergency hearing with this
22 Court to be held within five (5) days after the Termination Date (the “Remedies Notice Period”,
23 provided that the sole issue that the Debtors, Indenture Trustee and/or the Committee may bring
24 before this Court at any such emergency hearing is whether an Event of Default has occurred and/or
25 is continuing. The date on which the Remedies Notice Period expires, unless the Court orders
26 otherwise, is referred to herein as the “Termination Date”). Unless this Court orders otherwise, the
27 automatic stay in the Chapter 11 Cases otherwise applicable to the DIP Lender shall automatically
28 terminate at the end of the Remedies Notice Period without further notice or order, and the DIP

1 Lender shall be entitled (without further order of or application or motion to this Court) to enforce
2 all rights and remedies of the DIP Lender under the DIP Documents, this Interim Order, and
3 applicable law to satisfy the DIP Obligations, the DIP Superpriority Claims, and the DIP Liens. The
4 DIP Liens shall maintain all right, priority, perfection, and other protections granted pursuant to this
5 Interim Order and provided under the DIP Documents until all of the DIP Obligations are
6 indefeasibly paid in cash and discharged, and none of the DIP Liens shall be released until all of the
7 DIP Obligations have been indefeasibly paid in cash and discharged. The Debtors and the
8 Committee (if appointed) shall cooperate with the DIP Lender in the exercise of its rights and
9 remedies (whether against the DIP Collateral or otherwise), shall not challenge or raise any objection
10 to the exercise of such rights and remedies except during the Remedies Notice Period, and shall
11 waive any right to seek relief under the Bankruptcy Code, including under Section 105 thereof, to
12 the extent that such relief would restrict or impair the rights and remedies of the DIP Lender set
13 forth in this Interim Order and the DIP Documents. For the avoidance of doubt, no party in interest,
14 except for the Indenture Trustee to the extent any enforcement of rights and remedies are sought
15 against the Indenture Trustee Collateral, shall have the right to contest the enforcement of the rights
16 and remedies set forth in this Interim Order or the DIP Documents on any basis other than an
17 assertion that no Event of Default has occurred and is continuing. This Court shall retain exclusive
18 jurisdiction to hear and resolve any disputes and enter any orders required by the provisions of this
19 paragraph and relating to the application, re-imposition or continuance of the automatic stay as
20 provided hereunder. The delay or failure to exercise rights and remedies under the applicable DIP
21 Documents or this Interim Order by the DIP Lender shall not constitute a waiver of the DIP Lender's
22 rights hereunder, thereunder or otherwise, unless such waiver is pursuant to a written instrument
23 executed in accordance with the terms of the DIP Documents and this Interim Order, as applicable.

24 26. Maintenance of DIP Collateral. Until the indefeasible payment in full in cash of all
25 the DIP Obligations and/or other satisfaction in full (either in cash, by DIP Lender credit bid, or by
26 written consent of DIP Lender) of all the DIP obligations either (i) under Section 363(k) of the
27 Bankruptcy Code or (ii) upon fully executed deed(s) in lieu and/or the completion of one or more
28 foreclosures or other remedies under applicable California law and the termination of the DIP

1 Lender's obligation to extend credit under the DIP Facility, the Debtors shall (x) insure the DIP
2 Collateral as required under the DIP Documents, (y) conduct all business activities required to
3 manage the rental properties, including, but not limited to, collecting rents, timely paying real estate
4 taxes when due, maintaining the properties and premises in the condition and in the manner set forth
5 and required by the DIP Documents, and (z) maintain books, records, and accounts to the extent and
6 as required by the DIP Documents.

7 27. Binding Effect. Immediately upon entry, the terms and provisions of this Interim
8 Order shall inure to the benefit of the Debtors, the DIP Lender, and each of their respective
9 successors and assigns, and shall be binding upon the Debtors, the DIP Lender, the Committee (if
10 appointed), and any and all other creditors of the Debtors or other parties in interest and their
11 respective successors and assigns, including without limitation, any trustee hereafter appointed for
12 the estate of any of the Debtors, whether in the Chapter 11 Cases or any Successor Cases. Such
13 binding effect is an integral part of this Interim Order.

14 28. Survival. The terms and provisions of this Interim Order and any actions taken
15 pursuant hereto (including, but not limited to, the granting of the DIP Liens and the DIP
16 Superpriority Claims) shall survive the entry of any order: (a) converting any of the Chapter 11
17 Cases to a Chapter 7 case; or (b) dismissing any of the Chapter 11 Cases or any Successor Cases,
18 and the terms and provisions of this Interim Order and any actions taken pursuant hereto shall
19 continue in full force and effect notwithstanding the entry of any such order. The terms and
20 provisions of this Interim Order shall continue in the Chapter 11 Cases and any Successor Cases,
21 and all liens and claims granted pursuant to this Interim Order shall maintain their priority as
22 provided by this Interim Order and the DIP Documents until all of the DIP Obligations are
23 indefeasibly paid in cash and discharged and all commitments to extend credit under the DIP Facility
24 are terminated. If an order dismissing any of the Chapter 11 Cases or any Successor Cases is at any
25 time entered, such order shall provide (in accordance with Sections 105 and 349 of the Bankruptcy
26 Code) that: (a) the DIP Liens and the DIP Superpriority Claims granted to and conferred upon the
27 DIP Lender and the protections afforded to the DIP Lender pursuant to this Interim Order and the
28 DIP Documents shall continue in full force and effect and shall maintain their priorities as provided

1 in this Interim Order until all DIP Obligations shall have been paid and satisfied in full in cash (and
2 that such DIP Liens, DIP Superpriority Claims and other protections shall, notwithstanding such
3 dismissal, remain binding on all interested parties); and (b) to the maximum extent permitted by
4 applicable law, this Court shall retain jurisdiction, notwithstanding such dismissal, for the purpose
5 of enforcing the DIP Liens and the DIP Superpriority Claims.

6 29. Amendment of DIP Documents. The Debtors and the DIP Lender are hereby
7 authorized (without further notice, motion or application to, order of or hearing before, this Court)
8 to amend, modify, or supplement any of the DIP Documents if such amendment, modification, or
9 supplement (a) is non-material or non-adverse to the Debtor, (b) does not directly affect the
10 Indenture Trustee Collateral, and (c) is in accordance with the terms of the DIP Documents, provided
11 however that notice of any such amendment, modification, or supplement shall be provided to the
12 Indenture Trustee in writing. In the case of a material amendment, modification, or supplement to
13 the DIP Documents that is adverse to the Debtors or that directly affects the Indenture Trustee
14 Collateral, the Debtors or the DIP Lender shall provide notice (which may be provided through
15 email) of any such amendment, modification, or supplement to counsel for the Committee (if
16 appointed), the Indenture Trustee and the U.S. Trustee, each of whom shall have five (5) business
17 days from the date of such notice to object in writing to such amendment, modification, or
18 supplement; provided, however, that any forbearance from, or waiver of, a breach by the Debtors of
19 a covenant, representation or any other agreement or a default or an Event of Default, in each case
20 under the DIP Documents, shall not constitute a material amendment, modification or supplement.
21 If no objections are timely received by the Debtors or the DIP Lender, as applicable, during such
22 five business (5) days' notice period, the Debtors and the DIP Lender are authorized and empowered
23 to implement, in accordance with the terms of the DIP Documents, such material amendment,
24 modification or supplement to the DIP Documents, without further notice, hearing or approval of
25 this Court. Any proposed material amendment, modification, or supplement to the DIP Documents
26 that is subject to a timely filed objection in accordance with this paragraph shall be subject to further
27 order of this Court (which may be sought on an expedited basis).

1 30. Insurance Policies. Upon entry of this Interim Order, on each insurance policy
2 maintained by the Debtors which insures or consists of DIP Collateral: (i) the DIP Lender shall be,
3 and shall be deemed to be, without any further action by or notice to any person, named as an
4 additional insured; and (ii) the DIP Lender shall be, and shall be deemed to be, without any further
5 action by or notice to any person, named as a loss payee. The Debtors are hereby authorized and,
6 upon the written request of the DIP Lender, shall use commercially reasonable efforts to have the
7 DIP Lender added as an additional insured and loss payee on each insurance policy maintained by
8 the Debtors which in any way relates to the DIP Collateral.

9 31. Protection Under Section 364(e) of the Bankruptcy Code. The DIP Lender has acted
10 in good faith in connection with this Interim Order and its reliance on this Interim Order is in good
11 faith. Based on the findings set forth in this Interim Order and the record of the Chapter 11 Cases,
12 and in accordance with Section 364(e) of the Bankruptcy Code, if any or all of the provisions of this
13 Interim Order are hereafter reversed, modified, vacated or stayed, such reversal, modification,
14 vacation or stay shall not affect (a) the validity of any DIP Obligations owing to the DIP Lender,
15 incurred prior to the actual receipt by the DIP Lender of written notice of the effective date of such
16 reversal, modification, vacation or stay, or (b) the validity or enforceability of any DIP Loans or
17 other advances previously made or any claim, lien, security interest or priority authorized or created
18 hereby or pursuant to the DIP Documents with respect to any DIP Obligations owing to the DIP
19 Lender. Notwithstanding any such reversal, modification, vacation or stay, any incurrence of DIP
20 Obligations prior to the actual receipt by the DIP Lender of written notice of the effective date of
21 such reversal, modification, vacation or stay, shall be governed in all respects by the provisions of
22 this Interim Order, and the DIP Lender shall be entitled to all of the rights, remedies, protections
23 and benefits granted under Section 364(e) of the Bankruptcy Code, this Interim Order, and the DIP
24 Documents with respect to the incurrence of DIP Obligations.

25 32. Sale Process; Credit Bidding.

26 (a) The Debtors' selection of a broker or investment banker for a sale of any of
27 the DIP Collateral (the "DIP Collateral Broker") shall be subject to the written approval of the DIP
28 Lender, which approval shall not be unreasonably withheld, delayed or denied. The Debtors and

1 the DIP Collateral Broker shall keep the DIP Lender informed on a current basis of the status of all
2 offers received (whether written or oral) for any of the DIP Collateral and shall provide the DIP
3 Lender copies of all such offers within one business day after receipt. Pending completion of a sale
4 of the DIP Collateral, the Debtors (i) shall take all actions necessary to preserve the leases (including
5 the Ground Lease) covering any of the DIP Collateral (including all actions necessary to prevent the
6 deemed rejection of any such leases under Section 365 of the Bankruptcy Code), and (ii) shall take
7 no action that could reasonably result in the rejection of any of the leases (including the Ground
8 Lease) covering any of the DIP Collateral.

9 (b) The DIP Lender shall be considered a qualified bidder (whether described as
10 “Qualified Bidder” or similar term or not specifically defined) in connection with any sale of DIP
11 Collateral. The DIP Lender shall have the right to “credit bid”, in full or in part, up to the full
12 amount of the applicable outstanding DIP Obligations in connection with the sale of all or any
13 portion of the DIP Collateral (including without limitation, any sale pursuant to Section 363 of the
14 Bankruptcy Code, any sale included as part of any Chapter 11 plan subject to confirmation under
15 Section 1129(b)(2)(A)(ii) - (iii) of the Bankruptcy Code, or any sale made by a Chapter 7 trustee
16 under Section 725 of the Bankruptcy Code), whether (a) after the occurrence of an Event of Default
17 under the DIP Credit Agreement, or (b) as a bidder in any sale. Auction or other disposition of DIP
18 Collateral conducted in the Chapter 11 Cases. The foregoing rights shall be not be stayed during or
19 otherwise affected by the Remedies Notice Period.

20 33. Discharge Waiver. The DIP Obligations and the obligations of the Debtors with
21 respect to the liens, claims and adequate protection provided to the DIP Lender under this Interim
22 Order shall survive (and not be discharged by) the entry of an order confirming a Chapter 11 plan
23 in any of the Chapter 11 Cases, notwithstanding the provisions of Section 1141(d) of the Bankruptcy
24 Code, unless such obligations have been indefeasibly paid in full in cash on or before the effective
25 date of the confirmed Chapter 11 plan. The Debtors shall not propose or support any Chapter 11
26 plan that is not conditioned upon the indefeasible payment in full in cash of all DIP Obligations
27 upon the earlier of the effective date of the confirmed Chapter 11 plan or the Termination Date. In
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1 no event shall a Chapter 11 plan alter the terms of repayment of any of the DIP Obligations from
2 those set forth in the DIP Documents unless agreed to by and among the Debtors and the DIP Lender.

3 34. No Third Party Rights. Except as explicitly provided for herein, this Interim Order
4 does not create any rights for the benefit of any third party, creditor, equity holder, or any direct,
5 indirect, or incidental beneficiary other than the DIP Lender.

6 35. Joint and Several Liability. Nothing in this Interim Order shall be construed to
7 constitute a substantive consolidation of any of the Debtors' estates, it being understood, however,
8 that the Debtors shall be jointly and severally liable for all obligations under this Interim Order and
9 the DIP Documents, including without limitation, the DIP Obligations and the DIP Superpriority
10 Claims in accordance with the terms of this Interim Order and the DIP Documents.

11 36. Limitations on Liability. In determining to make extensions of credit under the DIP
12 Facility or in exercising any rights or remedies as and when permitted pursuant to this Interim Order,
13 the Final Order, or the DIP Documents, as applicable, the DIP Lender shall not be deemed to be in
14 control of the operations of the Debtors or any affiliate (as defined in Section 101(2) of the
15 Bankruptcy Code) of the Debtors, or to be acting as a "responsible person" or "owner or operator"
16 with respect to the operation or management of the Debtors or any affiliate of the Debtors (as such
17 terms, or any similar terms, are used in the United States Comprehensive Environmental Response,
18 Compensation and Liability Act, 29 U.S.C. §§ 9601 *et seq.*, as amended, or any similar federal or
19 state statute). Furthermore, nothing in this Interim Order, the DIP Documents, or any other
20 documents related thereto shall in any way be construed or interpreted to impose or allow the
21 imposition upon the DIP Lender of any liability for any claims arising from the prepetition or
22 postpetition activities of the Debtors or any affiliate of the Debtors, including any and all activities
23 by the Debtors in the operation of their business or the administration of the Chapter 11 Cases.

24 37. Findings of Fact and Conclusions of Law. This Interim Order constitutes, where
25 applicable, findings of fact and conclusions of law and shall take effect and be fully enforceable
26 *nunc pro tunc* to the Petition Date immediately upon entry hereof. The findings and conclusions set
27 forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy
28

1 Rule 7052. To the extent any findings of fact constitute conclusions of law, they are adopted as
2 such. To the extent any conclusions of law constitute findings of fact, they are adopted as such.

3 38. Entry of this Interim Order; Waiver of Stay. Notwithstanding Bankruptcy Rules
4 4001(a)(3), 6004(h), 6006(d), 7062 or 9024, any other Bankruptcy Rule or Local Rule, or Rule 62(a)
5 of the Federal Rules of Civil Procedure, this Interim Order shall be immediately effective and
6 enforceable upon its entry and there shall be no stay of execution or effectiveness of this Interim
7 Order.

8 39. Choice of Law; Jurisdiction. The DIP Facility and DIP Documents (and the rights
9 and obligations of the parties thereto) provide that they shall be governed by, and construed and
10 interpreted in accordance with, the laws of the State of New York and, to the extent applicable,
11 California law and the Bankruptcy Code. This Court shall have exclusive jurisdiction with respect
12 to any and all disputes or matters under, or arising out of, or in connection with, either the DIP
13 Facility or the DIP Documents.

14 40. No Modification of Interim Order. Until and unless the DIP Obligations have been
15 indefeasibly paid in full in cash and all commitments to extend credit under the DIP Facility have
16 been terminated, the Debtors irrevocably waive the right to seek and shall not seek or consent to,
17 directly or indirectly, without the prior written consent of the DIP Lender: (a) any modification,
18 stay, vacatur, amendment, or extension of this Interim Order; (b) any priority claim for any
19 administrative expense or unsecured claim against the Debtors (now existing or hereafter arising of
20 any kind or nature whatsoever, including any administrative expense of the kind specified in
21 Sections 503(b), 506(c), 507(a) or 507(b) of the Bankruptcy Code) in any of the Chapter 11 Cases
22 or any Successor Cases, equal or superior to the DIP Superpriority Claims other than the Permitted
23 Superpriority Claims to the extent permitted under this Interim Order; or (c) any lien on any of the
24 DIP Collateral with priority equal or superior to the DIP Liens, except as specifically provided in
25 the DIP Documents.

26 41. Controlling Effect of Interim Order. To the extent any provision of this Interim Order
27 conflicts with any provision of the DIP Motion or any DIP Document, the provisions of this Interim
28 Order shall control.

1 42. Service. Service of this Interim Order and notice of the Final Hearing shall be made
2 upon the parties described in paragraph P above, the Committee (if appointed as of the date hereof),
3 and any person who, as of the date hereof, has filed a notice pursuant to Bankruptcy Rule 2002.

4 43. Objections. Objections to the entry of the Final Order shall be in writing and shall
5 be filed with the Clerk of this Court, on or before May 3, 2023, with a copy served upon: (a) counsel
6 to the Debtors, Sheppard, Mullin, Richter & Hampton LLP, 321 N. Clark Street, 32nd Floor,
7 Chicago, IL 60654 (Attn: Justin R. Bernbrock (jbernbrock@sheppardmullin.com); Catherine Jun
8 (cjun@sheppardmullin.com)); (b) counsel to the DIP Lender, Bryan Cave Leighton Paisner LLP,
9 161 N. Clark St., #4300, Chicago, Illinois 60601 (Attn: Eric Prezant, Esq.) (email:
10 eric.prezant@bclplawcom), and 120 Broadway, #300, Santa Monica, California 90401 (Attn;
11 Sharon Weiss) (email: sharon.weiss@bclplaw.com) (c) counsel to be selected by the Committee
12 upon its formation if selected by such date, and (f) the Office of the United States Trustee, 915
13 Wilshire Blvd., Suite 1850, Los Angeles, CA 90017 (Attn: Kelly L. Morrison, Esq.) (email:
14 kelly.l.morrison@usdoj.gov).

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Sandra R. Klein
United States Bankruptcy Judge