

EXHIBIT "A"

SETTLEMENT AGREEMENT

SETTLEMENT AGREEMENT

This Settlement Agreement (this “Agreement”), dated as of June 18, 2014, is made and entered into by and among The Baptist Home of Philadelphia d/b/a Deer Meadows Retirement Community (the “Home”), The Baptist Home Foundation (the “Foundation” and, together with the Home, the “Debtors”), The Official Committee of Unsecured Creditors of the Debtors (the “Committee”), Beneficial Mutual Savings Bank (“Beneficial Bank”), and U.S. Bank National Association (the “Trustee”), as indenture trustee (each a “Party” and, collectively, the “Parties”).

RECITALS

WHEREAS, on April 25, 2014 (the “Petition Date”), each of the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), in the United States Bankruptcy Court for the Eastern District of Pennsylvania (the “Bankruptcy Court”);

WHEREAS, on the Petition Date, the Debtors filed the *Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. § 363, (II) Granting Adequate Protection in Connection Therewith Pursuant to 11 U.S.C. § 361, (III) Scheduling a Final Hearing Pursuant to Fed. R. Bankr. P. 4001, and (IV) Granting Related Relief* [Doc. No. 25] (the “Cash Collateral Motion”);

WHEREAS, on May 1, 2014, the Debtors filed the *Debtors’ Application for Order Authorizing Retention and Compensation of KPMG Corporate Finance LLC as Financial Advisor and Investment Banker* [Doc. No. 41] (the “KPMG Application”);

WHEREAS, on May 2, 2014, May 21, 2014, June 4, 2014, and June 9, 2014, the Bankruptcy Court authorized the Debtors to use cash collateral on an interim basis pursuant to the *Consent Order Authorizing the Interim Use of Cash Collateral and Granting Related Relief* [Doc. No. 50] (the “Interim Cash Collateral Order”);

WHEREAS, on May 5, 2014, the United States Trustee appointed the Committee pursuant to section 1102 of the Bankruptcy Code;

WHEREAS, on May 14, 2014, the Committee filed the *Objection of the Official Committee of Unsecured Creditors to Debtors’ Proposed Form of Final Cash Collateral Order* [Doc. No. 86] (the “Cash Collateral Objection”);

WHEREAS, on May 20, 2014, the Debtors filed the *Debtors’ Motion for Entry of (I) an Order (A) Approving Bidding Procedures in Connection with Sale of Substantially All of the Estates’ Assets, (B) Approving Break-Up Fee, (C) Scheduling an Auction and Hearing to Consider the Proposed Sale, and (D) Approving the Form and Manner of Notice Thereof; and (II) an Order (A) Approving the Sale, (B) Authorizing the Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Certain Related Relief* [Doc. No. 113] (the “Sale Procedures Motion”);

WHEREAS, on May 28, 2014, the Committee filed the *Objection of the Official Committee of Unsecured Creditors to Debtors’ Application for Order Authorizing Retention and*

Compensation of KPMG Corporate Finance LLC as Financial Advisor and Investment Banker
[Doc. No. 134] (the “KPMG Application Objection”);

WHEREAS, in addition to the Cash Collateral Objection and the KPMG Application Objection, the Committee has indicated that it is prepared to object to the Bid Procedures Motion in the absence of a global resolution;

WHEREAS, the Trustee and the Debtors assert that they have certain claims and causes of action against Beneficial Bank relating to, among other things, Beneficial Bank’s purported security interests in one or more of the Debtors’ brokerage accounts at Pershing Advisor Solutions LLC (“Pershing”), and Beneficial Bank has asserted defenses, and denies any liability with respect to, the claims and causes of action asserted by the Trustee and the Debtors;

WHEREAS, Beneficial Bank asserts security interests and liens against the marketable securities held in the brokerage account at Pershing and upon the Debtors’ deposit accounts with Beneficial Bank and the proceeds thereof (collectively, the “Disputed Beneficial Cash Collateral”), and the Debtors, the Committee, and the Trustee dispute Beneficial Bank’s purported security interests in the Disputed Beneficial Cash Collateral;

WHEREAS, the Trustee filed proof of its claims against the Debtors at Claim No. 4-1 in Case No. 14-13305 (ELF) and Claim No. 1-1 in Case No. 14-13306 (ELF);

WHEREAS, the Parties and their representatives have engaged in good faith, arms’ length settlement discussions regarding a consensual resolution of the foregoing disputes in order to avoid the expense and inconvenience of litigation;

WHEREAS, subject to the terms and conditions set forth in this Agreement, the Parties and their representatives have reached an agreement to resolve their disputes in connection with the Cash Collateral Motion, the KPMG Application, the Sale Procedures Motion, any claims and causes of action that the Debtors, the Committee, and the Trustee may have against Beneficial Bank, and any claims that Beneficial Bank may have to the Disputed Beneficial Cash Collateral; and

NOW, THEREFORE, in consideration of the foregoing and the premises, mutual covenants, and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

AGREEMENT

Section 1. Cash Collateral.

(a) Within one business day following execution of this Agreement, the Debtors shall file with the Bankruptcy Court the proposed *Final Order Authorizing the Consensual Use of Cash Collateral and Granting Related Relief* (the “Final Cash Collateral Order”) in the form attached hereto as **Appendix A**. The Final Cash Collateral Order is an integral part of this Agreement, and its provisions are incorporated by reference as if specifically set forth herein. Each Party hereby acknowledges that it supports and consents to the entry of the Final Cash Collateral Order by the Bankruptcy Court and agrees to take all reasonable actions and cooperate

in good faith to obtain entry of the Final Cash Collateral Order on or before June 25, 2014, in conjunction with approval of this Agreement.

(b) Pending entry of the Final Cash Collateral Order or termination of this Agreement in accordance with section 5, the Parties agree that the terms and conditions of the Interim Cash Collateral Order shall continue to govern the Debtors' use of cash collateral and shall not seek any order to the contrary.

Section 2. Retention and Compensation of KPMG.

Within one business day following execution of this Agreement, the Debtors shall file with the Bankruptcy Court the proposed *Consent Order Authorizing Retention and Compensation of KPMG Corporate Finance LLC as Financial Advisor and Investment Banker to Debtors* (the "KPMG Retention Order") in the form attached hereto as **Appendix B**. The KPMG Retention Order is an integral part of this Agreement, and its provisions are incorporated by reference as if specifically set forth herein. Each Party hereby acknowledges that it supports and consents to the entry of the KPMG Retention Order by the Bankruptcy Court and agrees to take all reasonable actions and cooperate in good faith to obtain entry of the KPMG Retention Order as soon as possible, but in any event no later than June 25, 2014.

Section 3. Sale Procedures.

Within one business day following execution of this Agreement, the Debtors shall file with the Bankruptcy Court the proposed *Order Granting Debtors' Motion for Entry of an Order (A) Approving Bidding Procedures in Connection with Sale of Substantially All of the Estates' Assets, (B) Approving Break-Up Fee, (C) Scheduling an Auction and Hearing to Consider the Proposed Sale, and (D) Approving the Form and Manner of Notice Thereof* (the "Sale Procedures Order") in the form attached hereto as **Appendix C**. The Sale Procedures Order is an integral part of this Agreement, and its provisions are incorporated by reference as if specifically set forth herein. Each Party hereby acknowledges that it supports and consents to the entry of the Sale Procedures Order by the Bankruptcy Court and agrees to take all reasonable actions and cooperate in good faith to obtain entry of the Sale Procedures Order on or before June 25, 2014, in conjunction with approval of this Agreement.

Section 4. Bankruptcy Court Approval.

(a) Within one business day following execution of this Agreement, the Debtors shall file with the Bankruptcy Court a joint motion (the "Rule 9019 Motion") in the form attached hereto as **Appendix D**, pursuant to which the Parties collectively shall seek approval of this Agreement pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure and entry of the Final Cash Collateral Order, the KPMG Retention Order, and the Sale Procedures Order. The Rule 9019 Motion shall include a request that the Rule 9019 Motion be heard on an expedited basis and upon shortened notice on or before June 25, 2014.

(b) The Parties acknowledge and agree that the material terms of this Agreement are subject to entry by the Bankruptcy Court of (i) an order (the "Rule 9019 Order") in the form attached hereto as **Appendix E** approving this Agreement pursuant to its terms, (ii) the Final

Cash Collateral Order, (iii) the KPMG Retention Order, and (iv) the Sale Procedures Order (collectively, the “Proposed Orders”).

(c) Each Party hereby acknowledges that it supports and consents to the entry of the Rule 9019 Order by the Bankruptcy Court and agrees to take all reasonable actions and cooperate in good faith to obtain entry of the Rule 9019 Order on or before June 25, 2014.

Section 5. Effective Date.

This Agreement shall be effective on the first business day (the “Effective Date”) after (i) each of the Proposed Orders becomes final and no longer subject to appeal and (ii) all of the conditions precedent set forth in this Agreement have been satisfied or waived. If the Effective Date does not occur by July 15, 2014, or such later date to which all Parties agree, this Agreement shall terminate and become null and void as to all Parties, and there will be no continuing obligation on the part of any Party hereunder as of the date of such termination.

Section 6. Beneficial Bank.

6.1. Liquidation of Securities.

Within three business days following execution of this Agreement, the Debtors shall request that Pershing begin the process of liquidating all securities held in Pershing Account Nos. 6U7-346289, 6U7-346297, 6U7-346305, 6U7-346313 (collectively, the “Beneficial Collateral Account”) and all securities in Pershing Account No. 6U7-346339 (“Account 6339”), \$284,424.82 of which the Parties agree are restricted funds from the Burr Estate. All proceeds of the liquidation of the Beneficial Collateral Account and all proceeds in excess of \$284,424.82 from the liquidation of Account 6339 (collectively, the “Securities Proceeds”) shall be transferred to and held in an escrow account at Beneficial Bank pending the occurrence of the Effective Date. The \$284,424.84 in Account 6339 shall be transferred to and held in a segregated account in the name of the Debtors at Citizens Bank pending an agreement among the Debtors, the Trustee, and the Committee or a court order determining their disposition. For the avoidance of doubt, upon the occurrence of the Effective Date, Beneficial Bank shall be deemed to have waived any interest it may have in, and any claims it may have to, the \$284,424.84 from Account 6339.

6.2. Relief from Automatic Stay.

The Rule 9019 Order shall include a grant of relief from the automatic stay to Beneficial Bank upon the occurrence of the Effective Date for the limited purpose of permitting Beneficial Bank to set off and apply (i) the Securities Proceeds and (ii) any of the Debtors’ cash that is frozen in Beneficial Account No. 6188001371 (together with the Securities Proceeds, the “Beneficial Retained Collateral”) against the amounts due and owing from the Debtors to Beneficial Bank under the Line of Credit Note, dated January 22, 2008, and the Line of Credit Note, dated May 9, 2008 (together, the “Beneficial Bank Notes”). Such relief from the automatic stay shall be conditioned upon and subject to Beneficial Bank’s compliance with the provisions of section 7.1 of this Agreement.

6.3. Waiver of Interest in Cash Collateral.

Upon the occurrence of the Effective Date, Beneficial Bank shall be deemed to have waived any interest it may have in, and any claims it may have to, the Collateral and Cash Collateral (as those terms are defined in the Final Cash Collateral Order), including but not limited to the Disputed Beneficial Cash Collateral, provided, however, Beneficial Bank shall retain its interests in, and any claims it may have to, the Beneficial Retained Collateral and Account 6339 in accordance with this Agreement.

6.4. Allowed Unsecured Claim.

The Parties will meet and confer in good faith to fix the amount of Beneficial Bank's allowed unsecured claim against the Debtors as soon as practicable after the liquidation of the accounts maintained at Pershing. The amount of Beneficial Bank's allowed unsecured deficiency claim shall be calculated based on the following calculation:

Amount of Beneficial Bank's Claim on the Petition Date: \$6,396,384.86;

Less: (\$274,709.46) (The amounts held by the Home in Beneficial deposit accounts ending in numbers 14 and 15);

Less: Proceeds received from the sale of all unrestricted securities held by Beneficial for the Home at Pershing, after payment of the reasonable fees and expenses payable to Pershing for liquidating the unrestricted securities, and after payment of the \$625,000.00 Beneficial Carve-Out paid to and for the benefit of the holders of general allowed unsecured claims;

Equals: \$_____ (Allowed deficiency claim of Beneficial Bank).

An agreement among the Parties as to the amount of Beneficial Bank's allowed unsecured claim shall be a condition precedent to the occurrence of the Effective Date.

6.5. Appointment to Committee.

Subject to the consent of the United States Trustee, Beneficial shall be appointed as a member of the Committee. If the United States Trustee does not consent to Beneficial Bank's appointment as a member of the Committee, Beneficial Bank shall be appointed as an *ex-officio* non-voting member of the Committee.

6.6. Release of Beneficial Bank.

Upon the Effective Date, each of the Debtors, the Trustee, and the Committee, on behalf of themselves and each of their employees, agents, affiliates, predecessors, heirs, legatees, devisees, partners, successors, and assigns, hereby releases and forever discharges Beneficial Bank and each of its officers, directors, shareholders, partners, agents, attorneys, professionals, advisors, employees, parent companies, subsidiaries, divisions, affiliates, participants, members, predecessors, servicers, successors, and assigns (collectively, the "Released Group") of and from all damages, losses, claims, demands, liabilities, obligations, actions, and causes of action, which

any of them may now have or claim to have against any member of the Released Group as of the date of this Agreement, whether presently known or unknown, arising out of, related to, or in connection with the Beneficial Bank Notes and any payments thereon, the security therefor, or the administration of the loans evidenced by the Beneficial Bank Notes, whether founded in contract, tort, equity, or pursuant to any other theory of liability.

Section 7. Carve-Out for Unsecured Creditors and the Committee's Professionals.

7.1. Carve-Out from Securities Proceeds.

After the Effective Date and concurrent with the setoff and application of the Beneficial Retained Collateral in accordance with section 6.2 of this Agreement, Beneficial Bank shall carve-out from the Beneficial Retained Collateral and any unrestricted funds from Account 6339 and deposit \$625,000.00 (the "Beneficial Carve-Out") in an escrow account with U.S. Bank National Association for the benefit of holders of allowed general unsecured claims, subject to the provisions of section 12 of this Agreement. Subject to the provisions of section 12 of this Agreement, the Beneficial Carve-Out shall remain in the escrow account pending entry of a court order governing the disposition of the Beneficial Carve-Out.

7.2. Carve-Out from Sale Proceeds.

(a) Upon a sale or another disposition approved by the Trustee of all or part of the Trustee's Collateral, the Trustee shall carve-out from the proceeds thereof for the sole and exclusive benefit of holders of allowed general unsecured claims, except as noted in subsection (b) below, an amount equal to:

(i) \$125,000.00 (the "Sale Proceeds Carve-Out"), plus

(ii) 5% of any such sale proceeds (on a gross basis) between \$19,000,000.00 and \$21,000,000.00, 6% of any such sale proceeds (on a gross basis) between \$21,000,000.01 and \$22,000,000.00, and 7% of any such sale proceeds (on a gross basis) in excess of \$22,000,000.00 up to the amount needed to satisfy the Trustee's allowed claim (the "Percentage Sharing Carve-Out" and, collectively with the Beneficial Carve-Out and the Sale Proceeds Carve-Out, the "Unsecured Creditors' Carve-Out").

(b) The Percentage Sharing Carve-Out shall be split among Beneficial Bank and all other holders of allowed general unsecured claims (excluding, however, any allowed unsecured deficiency claim of the Trustee) as follows: (i) 35% of the Percentage Sharing Carve-Out shall be distributed to Beneficial Bank; and (ii) 65% of the Percentage Sharing Carve-Out shall be distributed to all other holders of allowed general unsecured claims.

(c) Subject to the provisions of section 12 of this Agreement, the Sale Proceeds Carve-Out and the Percentage Sharing Carve-Out shall be held in escrow by the Debtors pending entry of an order of the Bankruptcy Court governing the disposition of such carve-outs in accordance with the terms of this Agreement.

7.3. No Sharing in Unsecured Creditors' Carve-Out.

Except as otherwise expressly set forth in this Agreement, neither the Trustee nor Beneficial Bank shall be entitled to any distribution from the Unsecured Creditors' Carve-Out. Moreover, the Unsecured Creditors' Carve-Out shall not constitute Cash Collateral of the Trustee or Beneficial Bank.

7.4. Carve-Out for Professional Fees.

The Final Cash Collateral Order shall provide for a carve-out from the Cash Collateral (as defined in the Final Cash Collateral Order) for the fees and expenses of the Committee's professionals in the aggregate amount of \$267,000.00 (the "Committee Professionals Carve-Out"). The Committee and its professionals shall not use in excess of \$17,000.00 of the Committee Professionals Carve-Out to investigate the Trustee's claims and liens or any other potential Challenges (as defined in the Final Cash Collateral Order). The Final Cash Collateral Order shall provide that the carve-out for the Debtors' professionals will be reduced from \$600,000.00 to \$475,000.00; such carve-out for the Debtors' professionals shall be exclusive of any pre-petition retainer.

Section 8. Chapter 5 Causes of Action.

Neither the Trustee nor Beneficial Bank shall share in any proceeds of any claims and/or causes of action the Debtors may assert or prosecute under chapter 5 of the Bankruptcy Code, which claims and causes of action shall be preserved to and for the benefit of the Debtors' unsecured creditors and which may not be assigned or transferred absent the consent of the Committee.

Section 9. Charitable Funds.

(a) For purposes of this section, the term "Charitable Funds" means any interests of the Debtors in any trust fund, trust account or trust, whether a charitable trust, remainder trust, or other statutory and common law trust, including but not limited to those identified in Exhibit C to the Final Cash Collateral Order.

(b) All Charitable Funds legally available to the Debtors under applicable law shall be shared pro rata among holders of allowed unsecured claims (on an aggregate basis), Beneficial Bank, and the Trustee. In calculating the pro rata percentages contemplated in the foregoing sentence, the aggregate claims of holders of allowed unsecured claims, exclusive of Beneficial Bank and the Trustee, shall be reduced by the amount of the Beneficial Carve-Out and the Sale Proceeds Carve-Out even if such carve-outs have not yet been distributed.

(c) The Debtors shall take such actions as may be necessary and appropriate to ensure that and provide for the Charitable Funds to be available to the Debtors' estates.

Section 10. Claims for Interest or Fees.

Notwithstanding anything to the contrary in this Agreement, the Committee, on behalf itself and holders of allowed unsecured claims, agrees that, as a condition to the application of the Unsecured Creditors' Carve-Out for the benefit of holders of allowed unsecured claims (other than any such claims held by Beneficial Bank and the Trustee), such holders shall not

collect any interest or fees on account of their allowed unsecured claims unless and until the allowed claims of Beneficial Bank and the Trustee are paid in cash in full. To the extent that any holder of an allowed unsecured claim recovers any amounts in excess of the principal amount of its allowed unsecured claim from the Debtors' estates prior to the allowed claims of Beneficial Bank and the Trustee are paid in cash in full, such holder shall turn over and/or assign its interest in, entitlement to, or payments received from the Unsecured Creditors' Carve-Out, to Beneficial Bank and the Trustee, on a pro rata basis, until Beneficial Bank and the Trustee receive payment in cash in full of the principal amount of their allowed claims.

Section 11. Committee's Investigation Period.

The Committee shall complete its investigation into the Trustee's liens and claims and any other potential Challenges (as defined in the Final Cash Collateral Order) and confirm in writing that there is, and will be, no such Challenge prior to the hearing to consider approval of the Rule 9019 Motion and this Agreement. Such written confirmation that there is, and will be, no Challenge from the Committee shall be a condition precedent to the occurrence of the Effective Date.

Section 12. Plan Support.

(a) The Committee agrees that if (1) it supports or does not affirmatively oppose any proposed plan of reorganization or plan of liquidation which does not pay the Trustee's allowed claim in full in cash, or provide some other treatment agreed to by the Trustee, or (2) any of its members, excluding Beneficial Bank, supports or votes in favor of any proposed plan of reorganization or plan of liquidation which does not pay the Trustee's allowed claim in full in cash, or provide some other treatment agreed to by the Trustee, and, with respect to clause (b) only, such proposed plan of reorganization or plan of liquidation is confirmed, then in either case on the effective date of such plan (unless the Trustee consents otherwise): (i) the Unsecured Creditors' Carve-Out shall immediately and irrevocably no longer be held or available for the benefit of holders of allowed unsecured claims; (ii) the Unsecured Creditors' Carve-Out shall be deemed to be collateral of the Trustee in which the Trustee has a perfected first-priority security interest and all funds on account of the Unsecured Creditors' Carve-Out held (or to be held) in escrow shall automatically and irrevocably be deemed held in trust for the benefit of the Trustee; (iii) all funds deposited (or to be deposited) into escrow on account of the Unsecured Creditors' Carve-Out in accordance with this Agreement shall immediately and indefeasibly be paid to the Trustee without further order of the Bankruptcy Court; and (iv) none of the Debtors' estates, the Committee (or its members), Beneficial Bank, or any other party in interest shall have any rights, interests, or claims in and to the Unsecured Creditors' Carve-Out, or any funds deposited in escrow on account of the same or the proceeds thereof.

(b) The Committee Professionals Carve-Out cannot be used in any manner to fund, directly or indirectly, in any manner whatsoever, the investigation, due diligence, discovery, prosecution, expenses or fees of the Committee's professionals (including experts) of any plan of reorganization or plan of liquidation or other transaction that does not pay the Trustee's allowed claim in cash in full that the Trustee does not support.

(c) Upon the Trustee's written request to counsel to Beneficial Bank at least five (5) business days prior to the required action or the voting deadline, Beneficial Bank hereby agrees to vote in favor of any plan of reorganization or plan of liquidation that the Trustee votes in favor of and supports and to not vote in favor of, or support, any plan of reorganization or plan of liquidation that the Trustee opposes. The contents of this section 12(c) shall be set forth expressly in the Rule 9019 Order.

Section 13. Mutual Representations and Warranties.

Each Party makes the following representations, warranties, and covenants (on a several basis, with respect to such Party only) to each of the other Parties, each of which are continuing representations, warranties, and covenants:

(a) subject to Bankruptcy Court approval, this Agreement is a legal, valid, and binding obligation of such Party, and the actions taken by each Party are within such Party's powers and have been duly authorized by all necessary action on its part;

(b) such Party has received independent legal advice from attorneys of such Party's choice with respect to the advisability of executing this Agreement, and prior to the execution of this Agreement by such Party, that Party's attorney reviewed this Agreement and discussed the Agreement with such Party and such Party has made all desired changes;

(c) such Party and its attorneys have made such investigation of the facts pertaining to this Agreement, and all the matters pertaining thereto, as they deem necessary; and

(d) this Agreement has been carefully read by, the contents hereto known and understood by, and is signed freely by such Party.

Section 14. Miscellaneous Terms.

14.1. Binding Obligation.

This Agreement is a legally valid and binding obligation of the Parties, enforceable in accordance with its terms, and shall inure to the benefit of the Parties and their respective successors, assigns, and representatives. Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties and their respective successors, assigns, and representatives any benefit or any legal or equitable right, remedy, or claim under this Agreement.

14.2. Neutral Construction of this Agreement.

This Agreement is a product of negotiation among the Parties hereto and represents the jointly conceived, bargained for, and agreed upon language mutually determined by the Parties to express their intentions in entering into this Agreement. Any ambiguity or uncertainty in this Agreement shall be deemed to be caused by or attributable to the Parties collectively. In any action to enforce or interpret this Agreement, this Agreement shall be construed in a neutral manner, no term or provision of this Agreement, or the Agreement as a whole, shall be construed more or less favorably to any one Party.

14.3. Headings.

The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

14.4. Governing Law; Venue.

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to the “choice of law” principles of that or any other jurisdiction. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees that any dispute with respect to this Agreement shall be resolved by the Bankruptcy Court, which shall have non-exclusive jurisdiction and power to enforce the terms of this Agreement. Each of the parties hereby irrevocably submits to the personal jurisdiction of the Bankruptcy Court solely for purposes of the foregoing sentence and irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of any such action or proceeding.

14.5. Complete Agreement; Modification and Waiver.

This Agreement constitutes the complete agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, among the Parties with respect thereto. This Agreement may only be modified, altered, amended, or supplemented by an agreement in writing signed by each Party. No waiver of any provision of this Agreement or any default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, whether intentional or not, shall be valid unless the same is made in a writing signed by the Party making such waiver, nor will such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, or affect in any manner any rights arising by virtue of any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant.

14.6. Non-Severability.

The provisions of this Agreement are not severable, and no provision of this Agreement would have been agreed to without the other provisions of this Agreement. If any provision of this Agreement is held to be invalid, or unenforceable, the entire Agreement shall be invalid, unenforceable, and void.

14.7. Specific Performance.

The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, the Parties agree that, in addition to any other remedies, each party shall be entitled to enforce the terms of this Agreement by a decree of specific performance without the necessity of proving the inadequacy of money damages as a remedy and without regard to anything to the contrary contained in applicable law. Each Party hereby waives any requirement for the securing or posting of any bond in connection with such remedy. Each Party further agrees that the only permitted objection that it may raise in response to any action for

equitable relief is that it contests that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached.

14.8. Notices.

All notices hereunder shall be deemed given if in writing and delivered, if sent by electronic mail, courier, or registered or certified mail (return receipt requested) to the following addresses (or at such other addresses as shall be specified by like notice):

If to the Debtors:

Cozen O' Connor
Attn: John T. Carroll, III
1900 Market Street
Philadelphia, PA 19103
Email: jcarroll@cozen.com

If to the Committee:

Pepper Hamilton LLP
Attn: Francis J. Lawall
3000 Two Logan Square
18th & Arch Streets
Philadelphia, PA 19103
Email: lawallf@pepperlaw.com

If to Beneficial Bank:

Stradley Ronon Stevens & Young, LLP
Attn: Michael J. Cordone
2005 Market Street, Suite 2600
Philadelphia, PA 19103
Email: mcordone@stradley.com

If to the Trustee:

Reed Smith LLP
Attn: Eric A. Schaffer
225 Fifth Avenue, Suite 1200
Pittsburgh, PA 15222
Email: eschaffer@reedsmith.com

14.9. Execution of this Agreement.

This Agreement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

THE BAPTIST HOME OF PHILADELPHIA
D/B/A DEER MEADOWS RETIREMENT
COMMUNITY

By: *Lisa Sofia*
Name: *Lisa Sofia*
Title: *President & CEO*

THE BAPTIST HOME FOUNDATION

By: *Lisa Sofia*
Name: *Lisa Sofia*
Title: *President & CEO*

THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS

By: _____
Name: _____
Title: _____

BENEFICIAL MUTUAL SAVINGS BANK

By: _____
Name: _____
Title: _____

U.S. BANK NATIONAL ASSOCIATION,
AS INDENTURE TRUSTEE

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

THE BAPTIST HOME OF PHILADELPHIA
D/B/A DEER MEADOWS RETIREMENT
COMMUNITY

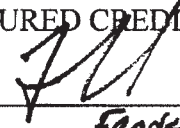
THE BAPTIST HOME FOUNDATION

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS

BENEFICIAL MUTUAL SAVINGS BANK

By:  _____
Name: Flanders J. Lovell
Title: Chair

By: _____
Name: _____
Title: _____

U.S. BANK NATIONAL ASSOCIATION,
AS INDENTURE TRUSTEE

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

THE BAPTIST HOME OF PHILADELPHIA
D/B/A DEER MEADOWS RETIREMENT
COMMUNITY

THE BAPTIST HOME FOUNDATION

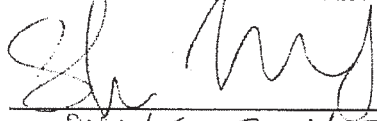
By: _____
Name: _____
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By: _____
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Title: _____

THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS

BENEFICIAL MUTUAL SAVINGS BANK

By: _____
Name: _____
Title: _____

By: 
Name: SHANE I. MITZNER
Title: VP, Special Assets

U.S. BANK NATIONAL ASSOCIATION,
AS INDENTURE TRUSTEE

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

THE BAPTIST HOME OF PHILADELPHIA
D/B/A DEER MEADOWS RETIREMENT
COMMUNITY

THE BAPTIST HOME FOUNDATION

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____


THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS

BENEFICIAL MUTUAL SAVINGS BANK

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

U.S. BANK NATIONAL ASSOCIATION,
AS INDENTURE TRUSTEE

By: 
Name: Charles S. Hodges
Title: Vice President

APPENDIX A

Final Cash Collateral Order

(Attached)

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<hr/>)
In re:	)	Chapter 11
)	
The Baptist Home of Philadelphia d/b/a Deer Meadows Retirement Community, <i>et al.</i> ¹,	)	Case No. 14-13305 (ELF)
)	
Debtors.	)	Jointly Administered
<hr/>)

FINAL ORDER AUTHORIZING THE CONSENSUAL USE OF CASH COLLATERAL AND GRANTING RELATED RELIEF

Upon the motion (the "Motion"), dated April 25, 2014, of The Baptist Home of Philadelphia d/b/a Deer Meadows Retirement Community (the "Home") and The Baptist Home Foundation (the "Foundation" and, together with the Home, the "Debtors") for entry of (1) an interim order (the "Interim Order") (a) authorizing the Debtors to use cash collateral on an interim basis, on the terms and conditions set forth in the Interim Order, pending a final hearing on the Motion, (b) granting adequate protection pursuant to 11 U.S.C. §§ 361, 362, and 363, and (c) scheduling a final hearing and approving notice with respect thereto, and (2) a final order (this "Final Order") granting the relief requested in the Motion on a final basis; and the Court having considered the Motion and the exhibits attached thereto; and finding due and proper notice of the Motion having been given; and a hearing to consider approval of the Motion on an interim basis having been held and concluded on April 30, 2014 and the Interim Order having been entered on May 2, 2014; and hearings to consider approval of the Motion on a final basis having been held on May 21, 2014, June 4, 2014, June 9, 2014, and June 27, 2014; and upon the

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are The Baptist Home of Philadelphia d/b/a Deer Meadows Retirement Community (4330) and The Baptist Home Foundation (7309).

pleadings filed with the Court and the proceedings held before the Court; and, after due deliberation and sufficient cause appearing therefor,

THE COURT HEREBY FINDS:

A. **Petition Date.** On April 25, 2014 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. § 101 *et seq.* (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Eastern District of Pennsylvania (the "Court"). Each Debtor is continuing in the management and possession of its business and properties as a debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. As of the date hereof, no request has been made for the appointment of a trustee or examiner. An official committee of unsecured creditors (the "Committee") has been appointed in the Debtors' chapter 11 cases (the "Chapter 11 Cases"). The Chapter 11 Cases are being jointly administered. The assets and liabilities of the Debtors have not been substantively consolidated.

B. **Jurisdiction and Venue.** The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(M). The statutory predicates for the relief requested herein are sections 105, 361, 362, and 363 of the Bankruptcy Code and Rule 4001(d) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

C. **Notice.** Notice of the relief sought by the Motion and the hearing with respect thereto was provided by the Court's CM/ECF system, facsimile, and/or overnight delivery to the following parties in interest or, in lieu thereof, their counsel: (a) the office of the United States Trustee for Region 3 (the "U.S. Trustee"); (b) the Trustee (as hereinafter defined);

(c) the 20 largest unsecured creditors for each of the Debtors; (d) any party in interest that has filed a notice of appearance pursuant to Bankruptcy Rule 2002(g); and (e) any other party that claims a lien or security interest in or to the Debtors' real or personal property. Given the nature of the relief sought in the Motion, such notice is appropriate under the circumstances and no other or further notice is necessary.

D. **Debtors' Stipulations.** Without prejudice to the rights of any Committee, creditors or other parties in interest as set forth in paragraph 17 below, the Debtors admit, stipulate, acknowledge, and agree that (collectively, paragraphs (D)(1) through (D)(14) hereof shall be referred to as the "Debtors' Stipulations"):

1. Pursuant to the Trust Indenture, dated as of April 15, 1998, between the Philadelphia Authority for Industrial Development (the "Authority") and First Union National Bank ("First Union"), as bond trustee, the Authority issued (i) its Health Care Facilities Revenue Bonds Series 1998A (The Baptist Home of Philadelphia) in the aggregate principal amount of \$25,825,000.00, and (ii) its Health Care Facilities Revenue Bonds Series 1998B (The Baptist Home of Philadelphia) Extendable Rate Adjustable Securities in the aggregate principal amount of \$2,550,000.00 (together, the "Bonds").

2. Pursuant to the Loan Agreement, dated as of April 15, 1998, the Authority loaned the proceeds of the Bonds to the Home for the purpose of, *inter alia*, financing alterations, additions, and improvements to the Home's health care facilities.

3. Contemporaneously with the execution and delivery of the Trust Indenture and the Loan Agreement, the Authority assigned and transferred to the bond

trustee all of the Authority's right, title, and interest in and to the Loan Agreement as well as all payments thereunder, to be held in trust, as security for payment of the Bonds.

4. To evidence the Home's obligations under the Loan Agreement, the Debtors executed and delivered two master promissory notes (the "Notes") to First Union, as master trustee, in the respective principal amounts of \$25,825,000.00 and \$2,550,000.00, pursuant to the Master Trust Indenture (as supplemented, the "Master Indenture"), dated as of April 15, 1998, between the Debtors and First Union.

5. Pursuant to the Master Indenture, the Debtors granted the master trustee a security interest in, *inter alia*, all of the rights, titles, and interests of the Debtors in and to the Pledged Revenues (as defined in the Master Indenture), including but not limited to all revenues of the Debtors from whatever source derived, accounts, general intangibles, documents, instruments, chattel paper, and all proceeds of the foregoing.

6. Pursuant to the Mortgage and Security Agreement (the "Mortgage"), dated as of April 15, 1998, between the Home and First Union, as master trustee, the Home granted the master trustee liens upon and security interests in certain real and personal property, all as more specifically described in the Mortgage. The Mortgage was recorded on April 21, 1998, in the Office of the Commissioner of Records for Philadelphia County, Pennsylvania, in Book 120, Page 492. Certain financing and continuation statements also were filed with the Secretary of the Commonwealth of Pennsylvania and the Department of Records for Philadelphia County, Pennsylvania.

7. The Trust Indenture, the Bonds, the Loan Agreement, the Notes, the Master Indenture, and the Mortgage (and all amendments or supplements thereto) are referred to herein collectively as the "Bond Documents." All collateral granted or

pledged by the Debtors pursuant to any Bond Document and all prepetition and postpetition proceeds thereof collectively shall be referred to herein as the “Collateral.” For the avoidance of doubt, the term “Collateral” as used in this Final Order does not encompass any claims or causes of action arising under chapter 5 of the Bankruptcy Code.

8. U.S. Bank National Association (the “Trustee”) is the successor bond trustee and master trustee under the Bond Documents and has succeeded to all rights of First Union under the Bond Documents and related documents.

9. The Bond Documents currently are in default due to, *inter alia*, the Debtors’ failure to (i) make certain payments as required by the Bond Documents and (ii) satisfy certain covenants or other provisions contained within the Bond Documents.

10. As of March 31, 2014, the outstanding principal and accrued interest under the Bond Documents was \$23,867,289.45, comprising principal in the amount of \$22,735,000 and accrued interest in the amount of \$1,132,289.45. In addition, the Debtors are obligated to pay additional interest, fees, and expenses, including but not limited to attorneys’ fees and expenses, incurred in connection with the enforcement and collection of the Bonds, which accrue pre-petition and post-petition.

11. The Bonds are secured by valid, perfected, first priority liens upon and security interests (collectively, the “Liens”) in the Collateral, including any cash or cash proceeds of the Collateral.

12. The Liens (i) constitute valid, binding, enforceable, and protected liens; (ii) are first-priority liens; and (iii) are not subject to avoidance or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law. The Debtors’

obligations under the Bond Documents and the Bonds (collectively, the “Obligations”) constitute the legal, valid, and binding obligations of the Debtors, enforceable in accordance with their terms and no offsets, defenses, or counterclaims exist to the Obligations, and no portion of the Obligations, or any amounts previously paid to the Trustee on account of the Obligations, is subject to avoidance or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law, except as may be determined by the Court in accordance with an action brought pursuant to paragraph 17 of this Final Order.

13. The Debtors hereby waive (a) the “equities of the case” exception under section 552(b) of the Bankruptcy Code, (b) the right to surcharge the Collateral under section 506(c) of the Bankruptcy Code, and (c) the right to invoke the equitable doctrine of “marshaling” or any other similar doctrine with respect to Collateral, Cash Collateral, the Adequate Protection Collateral (as hereinafter defined), or otherwise.

14. Each Debtor and its affiliates, in its individual capacity hereby forever releases, waives, and discharges the Trustee, together with its respective officers, directors, employees, agents, attorneys, professionals, affiliates, subsidiaries, assigns and/or successors (collectively, the “Released Parties”), from any and all claims and causes of action arising out of, based upon or related to, in whole or in part, any of the Bond Documents, any aspect of the prepetition relationship between any Debtor, on the one hand, and any or all of the Released Parties, on the other hand, or any other acts or omissions by any or all of the Released Parties in connection with any of the Bond Documents or their prepetition relationship with any Debtor or any affiliate thereof, including, without limitation, any claims or defenses as to the extent, validity, priority, or

perfection of the Liens, “lender liability” claims, causes of action, any actions, claims, or defenses under chapter 5 of the Bankruptcy Code, claims to invalidate, subordinate, recharacterize, disallow or otherwise challenge the Obligations, claims to surcharge the Collateral, any requirement that the Trustee marshal the Collateral, any claim pursuant to section 552 of the Bankruptcy Code, including the “equities of the case” exception, or any other claims and causes of action (collectively, the “Claims and Defenses”).

E. **Cash Collateral.** For purposes of this Final Order, the following assets constitute “Cash Collateral” within the meaning of section 363(a) of the Bankruptcy Code: (a) all cash of the Debtors as of the Petition Date, and (b) all cash proceeds of the Collateral received after the Petition Date.

F. **Trustee’s Consent.** The Trustee consents to the Debtors’ proposed use of its Cash Collateral solely on the terms and conditions set forth in this Final Order and solely to be used in accordance with the Budget (as hereinafter defined) and the terms and conditions set forth in this Final Order. The adequate protection provided herein and other benefits and privileges contained herein are consistent with and authorized by the Bankruptcy Code and are necessary in order to obtain such consent.

G. **Good Faith.** Based on the record before the Court, the terms of the use of Cash Collateral and adequate protection as provided in this Final Order have been negotiated at arms’ length and in “good faith” as that term is used in section 364(e) of the Bankruptcy Code. The Trustee is permitting the use of its Cash Collateral in good faith, and the Trustee is entitled to the benefits of the provisions of section 364(e) of the Bankruptcy Code.

H. **Need to Use Cash Collateral.** The Debtors have an immediate and critical need to use the Trustee’s Cash Collateral in order to fund allowed expenses during the

Chapter 11 Cases. The Debtors and the Trustee believe that it is in the best interests of the Debtors, their estates, and their creditors that the Debtors be allowed to use the Trustee's Cash Collateral during the Chapter 11 Cases to implement, and subject to, the terms of this Final Order and the Budget.

I. **Relief Essential.** Based on the record before the Court, good, adequate, and sufficient cause has been shown to justify the immediate grant of the relief requested in the Motion to avoid irreparable harm to the Debtors' estates. The terms of the Debtors' use of Cash Collateral, as more fully set forth herein, are (i) fair and reasonable under the circumstances, (ii) reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, (iii) constitute reasonably equivalent value and fair consideration for the Trustee's consent thereto, and (iv) are essential and appropriate for the continued operation and management of the Debtors' business and the preservation of their assets and properties pending the orderly liquidation thereof and wind-down of the Debtors' estates.

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. **Motion Granted.** The Motion is granted to the extent set forth herein. Any objections to the relief sought in the Motion to the extent not previously resolved or withdrawn are hereby denied and overruled on their merits. This Final Order shall constitute findings of fact and conclusions of law and shall become effective immediately upon its entry.

2. **Use of Cash Collateral.** The Debtors are authorized, pursuant to section 363(c)(2)(A) of the Bankruptcy Code, to use the Trustee's Cash Collateral during the period from the Petition Date until the occurrence of a Termination Date (as hereinafter defined with respect to the Trustee), solely in accordance with and for the purposes identified in the Budget (subject to the Permitted Variance, as described below).

3. **Budget.** Attached hereto as **Exhibit A** is a 13-week cash flow forecast (as may be extended or modified from time to time by the Debtors with the prior written consent of the Trustee with respect to its Cash Collateral without further order of the Court or notice to any other parties, the “Budget”). Notwithstanding anything to the contrary in the preceding sentence, the Debtors and the Trustee must provide five (5) business days’ notice to the Committee of any extension or modification of the Budget, and nothing herein shall prejudice the Committee’s right to file an objection to any such requested extension or modification. The Debtors’ use of Cash Collateral is subject to and governed by the terms of the Budget, and the Trustee shall have no obligation to permit the use of its Cash Collateral other than in accordance with the Budget and as set forth in this Final Order; provided, however, that the Debtors shall be permitted to use Cash Collateral in an amount of up to ten percent (10%) in excess of the budgeted amount for any specific line item (except Professional Fees) identified in the Budget for any Monthly Period, without reference to any prior month or future month line item budgeted amount (the “Permitted Variance”). For the avoidance of doubt, the Budget may provide for the use of Cash Collateral to pay certain Professional Fees, but solely in the amounts and during the time period (including all Professional Fees accrued through such time period) provided for therein. Notwithstanding anything to the contrary set forth in the Budget, Professional Fees contemplated in the Budget shall be paid solely to the extent that the professionals’ respective retainers paid prior to the Petition Date are exhausted. For purposes of this Final Order, “Monthly Period” means any four (4) consecutive calendar weeks; provided, however, that Monthly Periods shall be calculated on a non-rolling basis such that, upon the expiration of a four calendar week Monthly Period, such Monthly Period shall expire and a new Monthly Period shall commence.

4. **Termination of Cash Collateral Authorization.**

a. The use of the Trustee's interests in Cash Collateral shall terminate

without further order of the Court upon the occurrence of a "Termination Date" as set forth below. A Termination Date shall occur on the earliest to occur of:

- i. the date that an application is filed by the Debtors seeking to amend, modify, supplement, or extend this Final Order without the prior written consent of the Trustee or the Committee, as applicable, or the date of entry of any order reversing, amending, supplementing, staying, vacating, or otherwise modifying this Final Order without the prior written consent of the Trustee or the Committee as applicable;
- ii. the date any material provision of this Final Order shall for any reason cease to be valid and binding or any Debtor shall so assert in any pleading filed in any court;
- iii. the date an application is filed by any Debtor for the approval of any superpriority claim or any lien in any of the Chapter 11 Cases which is *pari passu* with or senior to the Liens, the Adequate Protection Liens (as hereinafter defined), or the Adequate Protection Priority Claims (as hereinafter defined) without the prior written consent of the Trustee;
- iv. the date of the commencement of any action by any person against the Trustee with respect to the Bond Documents, including, without limitation, any action to invalidate, surcharge, avoid, disallow, or subordinate any Obligations and/or Liens;
- v. the date a plan of reorganization or liquidation is filed by any Debtor without the prior written consent of the Trustee that does not propose to pay in full in cash all amounts owed under the Bond Documents on the effective date of such plan; and
- vi. the date any of the Chapter 11 Cases shall be dismissed or converted to a case under chapter 7 of the Bankruptcy Code or any Debtor shall file a motion or other pleading seeking the dismissal of any of the Chapter 11 Cases pursuant to section 1112 of the Bankruptcy Code or otherwise.

b. A Termination Date shall also occur with respect to the Trustee's interests

in Cash Collateral following the occurrence of any of the following described events, but only upon the expiration five (5) business days following the filing of written notice with the Court of such an event by the party or parties indicated below:

- i. any stay, amendment, reversal, vacatur, or modification of this Final Order, with notice of same to be filed by the Trustee;
- ii. the commencement of any action (including leave to commence any action) by any party in interest other than the Debtors or the Committee against the Trustee with respect to the Bond Documents, including, without limitation, any action to invalidate, surcharge, avoid, disallow, or subordinate the Obligations and/or the Liens, with notice of same to be filed by the Trustee;
- iii. the payment by any Debtor in respect of any prepetition claim without the prior written consent of the Trustee, with notice of same to be filed by the Trustee;
- iv. entry of an order granting relief from the automatic stay applicable under section 362 of the Bankruptcy Code to the holder or holders of any security interest, lien, or right of setoff (other than any other secured creditor) to permit foreclosure, possession, setoff, or any similar remedy with respect to any assets of any Debtor that have a value in excess of \$100,000 in the aggregate, with notice of same to be filed by the Trustee;
- v. the date a trustee under chapter 11 of the Bankruptcy Code, a responsible officer, or an examiner with enlarged powers relating to operating the business (powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code) under section 1106(b) of the Bankruptcy Code shall be appointed or elected in any of the Chapter 11 Cases or any Debtor shall file a motion or pleading seeking the appointment of any such trustee under chapter 11, with notice of same to be filed by the Trustee;
- vi. the date that is sixty-five (65) days after the Petition Date, if the Court has not entered an order (the "Bidding Procedures Order"), pursuant to section 363 of the Bankruptcy Code, authorizing the Debtors to conduct an auction for the sale of substantially all of the Debtors' assets and approving bidding procedures in connection therewith (which bidding procedures and bidding procedures order shall be in form and substance acceptable to the Trustee), with notice of same to be filed by the Trustee;
- vii. the date that is 120 days after the Petition Date, if the Debtors have not conducted an auction of substantially all of the Debtors' assets, with notice of same to be filed by the Trustee;
- viii. the date that is 150 days after the Petition Date, if the Debtors have not consummated a sale of substantially all of their assets in accordance with an order pursuant to section 363 of the Bankruptcy Code (in form and substance acceptable to the Trustee) (the "Sale Order") or obtained entry of an order of confirmation of a plan (which plan shall be acceptable to the

Trustee in accordance with the Bond Documents) under section 1129 of the Bankruptcy Code, with notice of same to be filed by the Trustee;

- ix. the date that the Collateral is subject to surcharge or marshaling, with notice of same to be filed by the Trustee;
- x. the date the Debtors use the Trustee's interests in Cash Collateral not contemplated by the Budget (subject to the Permitted Variance), with notice of same to be filed by the Trustee; or
- xi. the failure of the Debtors to comply with terms of the order approving the bidding procedures, or the order approving the sale of substantially all of the Debtors' assets, with notice of same to be filed by the Trustee; and
- xii. the failure of the Debtors to comply with any of the terms of this Final Order, with notice of same to be filed by the Trustee.

During the five (5) business days between the filing of written notice by the Trustee (as applicable) of the Termination Date and the Termination Date itself, the Debtors shall have a right to cure the underlying default giving rise to the Termination Date under this paragraph 4(b) to the extent that such default is capable of being cured.

c. Unless otherwise ordered by the Court, the Debtors' authority to use the Trustee's Cash Collateral shall automatically terminate upon the occurrence of a Termination Date without further order or relief from the Court unless waived in writing by the Trustee. Notwithstanding anything herein or the occurrence of a Termination Date, all of the rights, benefits, and protections provided to the Trustee under this Final Order shall survive a Termination Date and shall, with regard to the Trustee, continue until the Debtors either have paid in full or refinanced the Obligations to the Trustee in their entirety. The Debtors shall be required to comply with the Bankruptcy Code, the Bankruptcy Rules, or any order of this Court for continued use of Cash Collateral during the notice period required under subsection (b) of this paragraph 4 and shall limit expenditures only to ordinary course expenditures that are actual and necessary to operate and maintain the Debtors' business, and for the avoidance of doubt,

payment of professional fees of the Debtors and the Committee are not ordinary course expenditures that are actual and necessary to operate and maintain the Debtors' business.

Notwithstanding anything contained herein, the Trustee shall have no obligation to allow the Debtors to use any of the Trustee's interests in Cash Collateral following a Termination Date.

d. Notwithstanding the occurrence of a Termination Date, upon the Trustee's written request and subject to the objection procedures set forth in this subparagraph (d), the Debtors shall continue to implement a sale of substantially all of the Debtors' assets in accordance with the Bidding Procedures Order and/or the Sale Order and, to the extent the Bidding Procedures Order and/or the Sale Order have not been entered as of the occurrence of a Termination Date, the covenants contained in subparagraphs (i) through (o) of paragraph 11 of this Final Order. The Debtors and Committee shall have five (5) business days from receipt of any such request by the Trustee to file a written objection with the Court solely as to the reasonableness of the Trustee's request and a motion for an expedited hearing on the Debtors or Committee's objection. If an objection to the Trustee's request is filed by the Debtors or Committee in accordance with this subparagraph (d), the Trustee's request to continue the sale process shall be subject to approval by the Bankruptcy Court. For the avoidance of doubt, in the event that the Trustee requests the continuance of the sale process, the Trustee shall not be deemed to be directing, or in control of, the sale or the sale process.

5. **Restrictions on Use of Cash Collateral.**

a. From and after the Petition Date, all proceeds of the Collateral and/or Adequate Protection Collateral (as hereinafter defined), including, without limitation, all of the Debtors' existing or future cash and Cash Collateral, shall not, directly or indirectly, be used for (i) any payments, expenses, or disbursements of the Debtors; or (ii) compensation and

reimbursement of fees and expenses payable pursuant to sections 330 and 331 of the Bankruptcy Code and payable to attorneys, accountants, investment bankers, financial advisors, or other professional persons retained by the Debtors or any Committee and permitted or awarded pursuant to an order of the Court (collectively, "Professional Fees"); except for those payments, expenses, and/or disbursements that are expressly permitted under this Final Order or other orders entered by the Court and are consistent with the Budget (subject to the Permitted Variance). For the avoidance of doubt, the Budget may provide for the use of Cash Collateral to pay any certain Professional Fees, but solely in the amounts and during the time period provided for therein. To the extent the Budget references any amounts payable for Professional Fees, such reference shall not be construed as consent to the allowance of any of the amounts referred and shall not affect the right of any party in interest to object to the allowance and payments of any such amounts. Professional Fees shall be paid solely in accordance with the Budget and/or from the Carve-Out (as hereinafter defined).

b. No administrative expense claims, including Professional Fees, shall be charged or assessed against or recovered from the Collateral or the Adequate Protection Collateral (including Cash Collateral) pursuant to section 506(c) of the Bankruptcy Code or otherwise by, through, or on behalf of the Debtors except as provided in the Budget and Carve-Out.

c. Except as set forth herein, the Trustee has not consented to or agreed to the additional use of the Collateral or the Adequate Protection Collateral.

d. Other than \$17,000 of the carve-out for professionals employed by the Committee as approved as part of the Committee Settlement, no Cash Collateral (including any additional amounts subject to the Carve-Out (as hereinafter defined)) may be used directly or

indirectly by any of the Debtors, any Committee, or any other person or entity to (i) object, contest, or raise any defense to the validity, perfection, priority, extent, or enforceability of the Obligations, (ii) assert or prosecute any Claims and Defenses (as hereinafter defined) against the Trustee or its predecessors-in-interest, agents, affiliates, representatives, attorneys, or advisors, (iii) prevent, hinder, or otherwise delay the Trustee's assertion, enforcement, or realization on the Collateral, Cash Collateral, the Adequate Protection Obligations, or the Adequate Protection Liens in accordance with this Final Order, (iv) apply to any court for an order authorizing the use of Cash Collateral except on the terms of: (A) this Final Order, (B) the Budget (subject to the Permitted Variance), or (C) any customary "first day" orders that the Trustee has consented to in writing, or (v) apply to the Court for authority to approve superpriority claims or grant liens in the Collateral, the Adequate Protection Collateral, or any portion thereof that are senior to, or on parity with, the Adequate Protection Liens, the Adequate Protection Priority Claims, or the Liens, unless all obligations under the Bond Documents and this Final Order have been paid in cash in full. For the avoidance of any doubt, no more than \$17,000 of the carve out for professionals employed by the Committee may be used to pay the allowed fees and expenses of Committee counsel in connection with the matters described in subparts (i) through (v) of the preceding sentence.

6. **Adequate Protection of Trustee.** The Trustee is entitled, under sections 361, 363(c), and 363(e) of the Bankruptcy Code, to adequate protection of its interests in the Collateral, including to the extent applicable its interest in Cash Collateral, and to adequate protection on account of the imposition of the automatic stay, equal to the amount of the Trustee's Cash Collateral used by the Debtors and the aggregate diminution in the value of the Trustee's interests in the Collateral (the "Trustee Adequate Protection Obligations"). The

Debtors shall be jointly and severally liable for the Trustee Adequate Protection Obligations. As adequate protection for the interest of the Trustee in the Collateral (including its interest in Cash Collateral) on account of the Debtors' use of the Trustee's Cash Collateral or disposition or other depreciation of the Collateral, and on account of the imposition of the automatic stay, the Trustee is hereby provided with the following forms of adequate protection, which constitute part of the Trustee Adequate Protection Obligations:

a. **Adequate Protection Payments.** Provided sufficient cash exists and all accrued and then payable obligations identified in the Budget have been paid, as adequate protection, the Debtors are authorized and directed to pay, after notice to the Committee, the Trustee ongoing payments in cash on a current basis, no less than monthly, and including any amounts incurred prior to the Petition Date, equal to the amount of reasonable and documented fees, costs, and expenses of the Trustee in connection with the Chapter 11 Cases (including, without limitation, the fees and expenses of Reed Smith LLP as counsel to the Trustee and CohnReznick LLP as financial advisor to the Trustee). The Debtors and the Committee may contest the reasonableness of such amounts at any time prior paying the same. All of the amounts to be paid pursuant to this paragraph shall be paid regardless of whether such amounts accrued prior to the Petition Date or after the Petition Date, whether or not such amounts are included in the Budget (and the Budget shall be adjusted accordingly), and shall be paid without further motion, fee application, or order of the Court; provided, however, that counsel to the Committee shall be provided with a summary statement showing the amount of fees and expenses to be paid pursuant to this paragraph 6(a) and no payments shall be made until the expiration of five (5) business days following the delivery of such statement and no objection by the Committee having been raised with respect thereto. Any objection by the Committee under

this paragraph 6(a) must be in writing and shall state the amount that the Committee believes is unreasonable and the basis for the objection. The Debtors shall pay all amounts not subject to an objection. Notwithstanding anything contained in this Final Order, in the event that the Obligations are determined by a final non-appealable order of this Court (with specific findings in support thereof) to be undersecured, then, notwithstanding the grant of adequate protection under this Final Order, any adequate protection payments made hereunder during the Chapter 11 Cases to the Trustee shall be subject to recharacterization as payments on account of the Trustee's allowed secured claim.

b. **Replacement Liens and Superpriority Claim.** The Trustee is hereby granted (i) valid, enforceable, non-avoidable, and fully perfected, first priority postpetition security interests and liens (effective and perfected upon the date of entry of this Final Order and without the necessity of execution by the Debtors of mortgages, security agreements, pledge agreements, financing statements, or other agreements or instruments) (the "Trustee Adequate Protection Liens") in and upon all property of the Debtors (other than any claims or causes of action arising under chapter 5 of the Bankruptcy Code), now existing or hereafter acquired, including, without limitation, all accounts, accounts receivable, inventory, goods, contract rights, instruments, documents, chattel paper, patents, trademarks, copyrights and licenses therefor, intellectual property, general intangibles, payment intangibles, letters of credit, letter-of-credit rights, supporting obligations, machinery and equipment, vehicles, real property (including all facilities), fixtures, leases, money, investment property, deposit accounts, securities accounts, books and records, all commercial tort claims and other causes of action, all Cash Collateral, and all cash and non-cash proceeds, rents, products, substitutions, accessions, and profits of all of the foregoing, (collectively, the "Adequate Protection Collateral"), but only to the extent of any

diminution in the value of the Trustee's interests in Collateral (including its interest in Cash Collateral) resulting from the Debtors' use of the Trustee's interest in Cash Collateral hereunder or the disposition or other depreciation of the Collateral, and on account of the imposition of the automatic stay, and (ii) should the adequate protection described above prove to be insufficient, first priority superpriority administrative expense claims under section 507(b) of the Bankruptcy Code (the "Adequate Protection Priority Claims") with priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including, without limitation, sections 105, 326, 328, 330, 331, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 726 (to the extent permitted by law), 1113, and 1114 of the Bankruptcy Code, whether or not such expenses or claims arise in the Chapter 11 Cases or in any subsequent case or proceedings under the Bankruptcy Code that may result therefrom. The Trustee Adequate Protection Liens and the Trustee's Adequate Protection Priority Claims are subject and subordinate to (i) those valid, enforceable, unavoidable, and properly perfected liens existing on the Petition Date with priority over the Liens, and (ii) on and after the occurrence of a Termination Date, payment of the Carve-Out in accordance with the terms and conditions set forth herein. The Trustee Adequate Protection Liens and the Trustee's Adequate Protection Priority Claims (A) shall not be subject to sections 506, 510, 542, 549, 550, or 551 of the Bankruptcy Code or otherwise or the "equities of the case" exception of section 552 of the Bankruptcy Code (in the case of section 506(c) of the Bankruptcy Code and the "equities of the case" exception of section 552 of the Bankruptcy Code, subject to entry of the Final Order), (B) shall be senior in priority and right of payment to any lien that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or otherwise, and (C) shall be valid and enforceable against any trustee or any other estate representative

appointed or elected in the Chapter 11 Cases, or in any other proceedings related to any of the foregoing (each, a “Successor Case”), and/or upon the dismissal of the Chapter 11 Cases. For the avoidance of any doubt, the Trustee Adequate Protection Liens, Adequate Protection Collateral, Adequate Protection Claims, Collateral and Cash Collateral, shall not include any claims, causes of action or rights of recovery arising under Chapter 5 of the Bankruptcy Code, or any other proceeds, property or amounts received in respect thereof, whether by judgment, settlement or otherwise.

c. **Further Adequate Protection.** Nothing in this Final Order waives any rights of the Trustee to request at any time that the Court provide additional or further protection of its interest in the Collateral (including its interest in Cash Collateral) or seeking further or additional adequate protection and the ability of the Debtors or any other party in interest to oppose any such relief.

7. **Intercompany Loans.** Subject to approval from the Court, the Foundation, after consent of the Trustee and the Committee, may make one or more loans to the Home for use as Cash Collateral.

8. **Reporting Obligations; Access.**

a. The Debtors shall prepare and furnish to counsel and the financial advisor to the Trustee and counsel to the Committee each week a cumulative weekly report of receipts, disbursements, and a reconciliation of actual expenditures and disbursements with those set forth in the Budget, showing for each prior Weekly Period any variance to the proposed receipts and disbursements set forth in the Budget (the “Budget Reconciliation”). Such Budget Reconciliation shall be provided to counsel and the financial advisor to the Trustee and counsel

to the Committee so as actually to be received no later than Tuesday following the end of each prior Weekly Period.

b. The Debtors shall provide the following information to counsel and the financial advisor to the Trustee and counsel to the Committee: (i) within seven (7) calendar days after the end of each Monthly Period, an updated rolling 13-week forecast of cash receipts and disbursements for the Debtors for the next succeeding 13-week period; and (ii) all financial statements, reports, and other documents and information required under the Bond Documents in the manner and the timeframes specified therein. Unless expressly consented to in writing by the Trustee with respect to its interests in Cash Collateral, the delivery of an updated rolling 13-week forecast of cash receipts and disbursements shall not constitute a new Budget.

c. Upon reasonable notice and at such reasonable times during normal business hours and otherwise as may reasonably be requested, the Debtors shall permit representatives designated by the Trustee and the Committee to visit and inspect any of their properties, to inspect, copy, and take extracts from their financial and accounting records, and to discuss their affairs, finances, and accounts with their officers, financial advisors, and independent public accountants. Such right to inspect the Debtors' books and records shall include the right of the Trustee, the Committee, and their representatives to have reasonable access to all records and files of the Debtors pertaining to the Collateral, Cash Collateral and Adequate Protection Collateral. The rights afforded to the Trustee hereunder shall be in addition to any inspection rights under the Bond Documents.

d. The Debtors shall make its officers, attorneys, financial advisors, accountants, and/or brokers (as requested) available for a phone conference (i) within 48 hours of a written request by the Trustee (which request may be made by electronic mail), with the

Trustee, the holders of the Bonds, and/or each of their counsel and advisors to occur at such reasonable times during normal business hours and otherwise as may be reasonably requested; and (ii) within 48 hours of a written request by the Committee (which request may be made by electronic mail), with the Committee, its counsel and representatives to occur at such reasonable times during normal business hours and otherwise as may be reasonably requested.

9. **Carve-Out.** As used in this Final Order, “Carve-Out” means (a) the unpaid quarterly fees required to be paid pursuant to 28 U.S.C. § 1930(a), together with interest payable thereon pursuant to applicable laws and any fees payable to the Clerk of the Court (the “Trustee Fees”), (b) the Professional Fees in an amount not to exceed the specific amounts for the specific professionals identified in **Exhibit B** hereto less the amounts, if any, paid from Cash Collateral in accordance with the Budget (the “Professional Fee Cap”). The Budget provides for the payment of the Trustee Fees from Cash Collateral and for the payment of Professional Fees. To the extent that Trustee Fees and Professional Fees are not paid from Cash Collateral, and to the extent that Professional Fees remain unsatisfied after application of any retainers paid to the professional prior to the Petition Date and after application of the Debtors’ assets not subject to the Liens and the Adequate Protection Liens, the remaining unpaid Professional Fees, if any, shall be paid from the proceeds from the sale of the Collateral in an amount not to exceed the Professional Fee Cap. Notwithstanding anything to the contrary contained herein, the Carve-Out shall not include, apply to, or be available for (i) any success fee, transaction fee, deferred compensation fee, or similar payment to any such professionals or other persons payable in connection with a restructuring or asset disposition with respect to any of the Debtors or any Committee or otherwise, or (ii) any fees or expenses incurred by any party, including any Debtor or any Committee (except as set forth on Exhibit B hereto), or its respective professionals, in

connection with, or relating to, the investigation of any claims, causes of action, or other litigation against the Trustee, including without limitation, challenging the amount, validity, perfection, priority, or enforceability of or asserting any defense, counterclaim, or offset to, the Obligations, the Bond Documents, the Adequate Protection Liens, or Adequate Protection Priority Claims. Nothing herein shall be construed to impair the ability of any party in interest to object to any fees, expenses, reimbursement, or compensation of any professionals retained by the Debtors or any Committee.

10. **Covenants.** The Debtors covenant and agree, with the Trustee, to timely perform each of the following undertakings:

a. The Debtors shall immediately provide written notice of the occurrence of a Termination Date to the U.S. Trustee, any Committee, and counsel to the Trustee pursuant to paragraph 4 of this Final Order;

b. The Debtors shall immediately upon receipt from the Trustee of a notice of the occurrence of a Termination Date pursuant to subparagraph (b) of paragraph 4 of this Final Order, deliver a copy of such notice to the U.S. Trustee and the Committee;

c. The Debtors shall provide the Trustee with written notice of any Debtor's failure to comply with any of the terms or conditions of this Final Order, including but not limited to failure to comply with the Budget (subject to the Permitted Variance);

d. The Debtors shall provide the Trustee with written notice of the commencement of any action by any party in interest other than the Debtors against the Trustee with respect to the Bond Documents, including, without limitation, any action to invalidate, surcharge, avoid, disallow, or subordinate the Obligations and/or the Liens;

- e. The Debtors shall not make any payment in respect of any prepetition claim except upon prior consent by the Trustee and entry of an order permitting same;
- f. The Debtors covenant and agree, with the Trustee as applicable, to timely perform each of the following undertakings:
 - g. The Debtors shall commence in conjunction with the Trustee an adversary proceeding against Beneficial Bank as provided in paragraph 4(b)(vi) hereof;
 - h. The Debtors shall file on or before thirty (30) calendar days after the Petition Date a motion (the "Sale Motion") for an order, pursuant to section 363 of the Bankruptcy Code, authorizing the Debtors to conduct an auction for the sale of substantially all of the Debtors' assets, approving bidding procedures in connection therewith, and approving the sale of substantially all of the Debtors' assets (which Sale Motion, bidding procedures, bidding procedures order, and sale order shall be in form and substance acceptable to the Trustee), unless the Trustee consents to a longer period of time;
 - i. The Debtors shall request that the Court hear the Sale Motion with regard to bidding procedures within sixty-five (65) calendar days of the Petition Date;
 - j. The Debtors shall conduct an auction for the sale of substantially all of the Debtors' assets on or before 120 days after the Petition Date, with the auction to be conducted in accordance with the bidding procedures and bidding procedures order in form and substance acceptable to the Trustee;
 - k. The Debtors shall within 150 days of the Petition Date either consummate a sale of substantially all of their assets in accordance with the Sale Order or obtain the entry of an order of confirmation of a plan (which plan shall be acceptable to the Trustee in accordance with the Bond Documents) under section 1129 of the Bankruptcy Code;

l. The Debtors shall use commercially reasonable efforts to maintain and preserve the Debtors' interest in the trusts identified in **Exhibit C** hereto, for the benefit of the Debtors' estates and creditors; and

m. On or before six (6) days after the Petition Date, the Debtors shall file an application to employ a broker knowledgeable and nationally known as an expert in selling businesses and related assets similar to the Debtors', on terms and conditions acceptable to the Trustee.

11. **Binding Effect; No Waiver.**

a. The provisions of this Final Order, as applicable, shall be binding upon and inure to the benefit of the Trustee, the Committee and the Debtors and their respective successors and assigns (including any estate representative, chapter 7 trustee, or other trustee or fiduciary hereafter appointed as a legal representative of the Debtors or with respect to the property of the estates of the Debtors).

b. The failure or delay by the Trustee to exercise its respective rights and remedies under this Final Order shall not constitute a waiver of any of the rights of the Trustee hereunder or otherwise, and any single or partial exercise of such rights and remedies against any of the Debtors, the Collateral, Cash Collateral and/or the Adequate Protection Collateral shall not be construed to limit any further exercise of such rights and remedies against any or all of the other Debtors, the Collateral, Cash Collateral and/or Adequate Protection Collateral.

c. Notwithstanding anything to the contrary contained herein, the entry of this Final Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, or otherwise impair any of the rights of the Trustee under the Bond Documents, the Bankruptcy Code, or under non-bankruptcy law, including, without limitation, the right of the

Trustee to (A) request modification of the automatic stay of section 362 of the Bankruptcy Code or (B) request dismissal of any of the Chapter 11 Cases, conversion of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, or appointment of a chapter 11 trustee or examiner (including with expanded powers), or any other rights, claims, or privileges (whether legal, equitable, or otherwise) of the Trustee.

12. **Modification of Automatic Stay.**

a. Following a Termination Date and upon three (3) business days' written notice, which shall be effected by hard copy service by overnight courier or hand delivery and shall also include service by electronic mail (the "Waiting Period") by the Trustee to counsel to the Debtors, the Committee and the Office of the United States Trustee, the automatic stay provisions of section 362 of the Bankruptcy Code are hereby modified to the extent necessary to permit the Trustee to terminate the Debtors' use of Cash Collateral and to take any and all actions necessary to take control of all Cash Collateral. If the Debtors and Trustee have not agreed to an extension of the Debtors' use of Cash Collateral within such three (3) business day Waiting Period, or if the Court has not scheduled a hearing within seven (7) business days of the expiration of the Waiting Period on the issue of extending the Debtors' use of Cash Collateral based upon a motion filed by the Debtors and/or Committee on or before 5 pm Eastern Time on the day the Waiting Period expires, and personally served upon the Trustee, the Committee and the United States Trustee, then the automatic stay provisions of the Bankruptcy Code are hereby further vacated to the extent necessary to permit the Trustee to take any or all of the following actions without further order or application to this Court: (a) receive and collect payments and proceeds in respect of the Collateral, including the Trustee's interest in Cash Collateral or adequate protection payments, and for the Trustee to apply and/or setoff the same in accordance

with the Bond Documents, or as otherwise provided under the terms and provisions of this Final Order; (b) apply any bond funds in its possession in accordance with the terms of the Bond Documents; (c) exercise, upon the occurrence of a Termination Date, all rights and remedies provided for hereunder and under applicable non-bankruptcy law, and to take any or all of the following actions without further order of or application to this Court: (i) terminate the Debtors' use of the Trustee's interest in Cash Collateral; (ii) declare all Adequate Protection Obligations owed to the Trustee to be immediately due and payable; (iii) set off and apply immediately any and all amounts in accounts maintained by the Debtors with the Trustee or against the Adequate Protection Obligations owed to the Trustee; (iv) take any other actions or exercise any other rights or remedies permitted under the Bond Documents, this Final Order, and/or applicable law to effect the repayment and satisfaction of the Obligations and Adequate Protection Obligations owed to the Trustee, including but not limited to pursuit of an action to foreclose upon the Collateral and/or the appointment of a receiver; provided, however, that the Waiting Period shall not apply to exercising any enforcement rights or remedies in respect of the Collateral and/or Adequate Protection Collateral described in clauses (i) or (ii) above or with respect to freezing any deposit accounts or securities accounts maintained by the Trustee, during such Waiting Period the Debtors shall have a right to cure the underlying default giving rise to a Termination Date to the extent that such default arises under paragraph 4(a) of this Final Order and is capable of being cured. The rights and remedies of the Trustee specified herein are cumulative and not exclusive of any rights or remedies that they may otherwise have.

b. During the Waiting Period the Debtors shall only be permitted to use Cash Collateral to pay for immediately due and essential costs and expenses of operating the business, and shall not expend any Cash Collateral for any other purpose, including, without limitation, the

Debtors shall not use Cash Collateral to pay any accrued expenses not yet due or payable, or to pay any amounts in respect of professional fees for the professionals employed by the Debtors or the Committee.

13. **Collateral Rights.**

a. Unless otherwise ordered by the Court, if the Trustee shall at any time exercise its rights and remedies hereunder or under applicable law to effect payment or satisfaction of the Obligations or Adequate Protection Obligations owed to the Trustee or to receive any amounts or remittances due hereunder, the Trustee shall have the right, without any further action or approval of this Court, to exercise such rights and remedies as to all or such part of the Collateral or the Adequate Protection Collateral as the Trustee shall elect in its sole discretion, subject to the provision by the applicable parties of the written notice and opportunity to cure as provided in paragraph 4(b) and the preceding paragraph 13 of this Final Order. In no event shall the Trustee be subject to the equitable doctrine of “marshaling” or any other similar doctrine with respect to any such collateral or otherwise.

b. Each Debtor shall not sell, lease, transfer or otherwise dispose of its interest in the Collateral outside the ordinary course of business of any Debtor, or seek authority of this Court (other than in a plan of reorganization that is acceptable to the Trustee in accordance with the Bond Documents) to do any of the foregoing, without the prior written consent of the Trustee. Each Debtor shall not sell, lease, transfer or otherwise dispose of its interest in Adequate Protection Collateral outside the ordinary course of business of any Debtor, or seek authority of this Court (other than in a plan of reorganization that is acceptable to the Trustee in accordance with the Bond Documents) to do any of the foregoing, without the prior written consent of the Trustee, but only to the extent of its Adequate Protection Obligations. In

the event of any such sale, lease, transfer, license, or other disposition of property outside the ordinary course of business, of any Debtor that constitutes Collateral, the Debtors are authorized and directed, without further notice or order of this Court, to immediately pay to the Trustee one hundred percent (100%) of the proceeds (net of customary closing costs) resulting therefrom. In the event of any such sale, lease, transfer, license, or other disposition of property outside the ordinary course of business, of any Debtor, to the extent that such assets are subject to Adequate Protection Liens granted under this Final Order, the Debtors are authorized and directed, without further notice or order of this Court, to immediately pay the Adequate Protection Obligations from proceeds (net of customary closing costs) resulting therefrom to the Trustee.

c. In the event of any casualty, condemnation, or similar event with respect to property that constitutes Collateral, the Debtors are authorized and directed to pay to the Trustee one hundred percent (100%) of any insurance proceeds, condemnation award, or similar payment on the first business day following receipt of payment by the Debtors. In the event of any casualty, condemnation, or similar event with respect to property, to the extent that such property is subject to Adequate Protection Liens granted under this Final Order, the Debtors are authorized and directed to pay to the extent of the Adequate Protection Obligations any insurance proceeds, condemnation award, or similar payment on the first business day following receipt of payment by the Debtors to the Trustee.

d. Pursuant to this Final Order, the Adequate Protection Liens are, and are deemed to be, valid, enforceable, and perfected liens, effective as of the Petition Date, and (notwithstanding any provisions of any agreement, instrument, document, the Uniform Commercial Code, or any other relevant law or regulation of any jurisdiction) no further notice, filing, possession, control, or other act shall be required to effect such perfection; provided,

however, that the Trustee is hereby authorized (and, if required, is granted relief from the automatic stay of section 362 of the Bankruptcy Code in order to so do), but not required, to file or record financing statements, trademark filings, copyright filings, mortgages, notices of lien, or similar instruments in any jurisdiction, or take possession of or control over, or take any other action in order to validate and perfect the liens granted hereunder. The Debtors shall execute and deliver to the Trustee all such agreements, financing statements, instruments, and other documents as it may request to evidence, confirm, validate, or perfect the liens granted pursuant hereto. If the Trustee shall, in its sole discretion, choose to require the execution of and/or file (as applicable) such financing statements, control agreements, notices of liens, and other similar instruments and documents, all such financing statements, control agreements, notices of liens, or other similar instruments and documents shall be deemed to have been executed, filed, and/or recorded at the time and on the date of the Petition Date. A photocopy of this Final Order may, in the discretion of the Trustee, be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, notices of lien, or similar instruments. Each and every federal, state, and local government agency or department may accept the entry by this Court of this Final Order as evidence of the validity, enforceability, and perfection on the Petition Date of the liens granted herein to or for the benefit of the Trustee.

14. **Modification or Subsequent Reversal.**

a. Except as expressly set forth herein or in the Final Order, the provisions of this Final Order shall not be modified, impaired, or superseded by any subsequent order of this Court, and this Final Order shall survive entry of, and shall govern with respect to any conflict with, any subsequent order of this Court.

b. Based on the findings set forth in this Final Order and in accordance with section 363(m) of the Bankruptcy Code, which is applicable to the use of Cash Collateral contemplated by this Final Order, in the event that any or all of the provisions of this Final Order are hereafter modified, amended, or vacated by a subsequent order of any other Court, no such modification, amendment, or vacation shall affect the validity, enforceability, or priority of any lien or claim authorized or created hereby including, without limitation, any Adequate Protection Lien or Adequate Protection Priority Claim incurred hereunder. Notwithstanding any such modification, amendment, or vacation, any Adequate Protection Obligations incurred and any claim or lien granted to the Trustee hereunder arising prior to the effective date of such modification, amendment, or vacation shall be governed in all respects by the original provisions of this Final Order, and the Trustee shall be entitled to all of the rights, remedies, privileges, and benefits, including the liens and priorities granted herein, with respect to any such Adequate Protection Obligations.

c. The Debtors irrevocably waive any right to seek any modifications of this Final Order without the prior written consent of the Trustee as to its interests in Cash Collateral.

15. **Authority to Act.** The Debtors are authorized and directed to do and perform all acts, to make, execute, and deliver all instruments and documents, and shall pay all fees and expenses as provided for herein or that may be required or necessary for the Debtors' performance under this Final Order, including, without limitation, the payment of the fees and expenses described or provided hereunder, whether or not included in the Budget, as such become due. All such fees and expenses shall constitute Adequate Protection Obligations and shall be secured by the Adequate Protection Liens (as applicable) and afforded all of the priorities and protections afforded to the Adequate Protection Obligations under this Final Order.

16. **Survival.** The obligations of the Debtors in respect of the Adequate Protection Obligations, and the claims and liens granted to or for the benefit of the Trustee pursuant to this Final Order shall not be discharged by the entry of an order (i) confirming a chapter 11 plan in any of the Chapter 11 Cases (and, pursuant to section 1141(d)(4) of the Bankruptcy Code, the Debtors hereby waive such discharge, (ii) converting either of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, (iii) to the extent authorized by applicable law, dismissing either of the Chapter 11 Cases, (iv) withdrawing of the reference of either of the Chapter 11 Cases from this Court, or (v) providing for abstention from handling or retaining of jurisdiction of either of the Chapter 11 Cases in this Court.

17. **Lien/Claim Challenge.** The Debtors' Stipulations shall be binding upon the Debtors, all persons, creditors, and each party in interest, including any Committee (but with respect to the Committee or, if an official committee of unsecured creditors is not formed, creditors or other parties in interest, subject only to subparagraph (b) of this paragraph 17), in all circumstances.

a. Notwithstanding anything contained herein to the contrary, the extent, validity, priority, perfection, and enforceability of the Obligations, the Liens, the existence (or the lack thereof) of Claims and Defenses, and all acknowledgments, admissions, and confirmations of the Debtors and their affiliates contained in the Debtors' Stipulations, are for all purposes subject to the rights of the Committee or, if an official committee of unsecured creditors is not formed, creditors or other parties in interest, to timely and properly file a complaint pursuant to Bankruptcy Rule 7001 seeking to assert Claims and Defenses or to challenge the Debtors' Stipulations (collectively, the "Challenges"); provided, however, that any such complaint of a Committee must be timely and properly filed with this Court within 60 days

of formation of the Committee (but in no event later than 120 days after entry of the Interim Order), and, if a Committee is not formed, any such complaint of creditors or other parties in interest must be timely and properly filed with this Court within 120 days after entry of the Interim Order (each such period, as the case may be, the "Challenge Period"). The Challenge Period shall be subject to extension by the Court for cause upon a duly noticed motion filed and an order entered thereon, in each case prior to the expiration of the Challenge Period. Upon the expiration of the applicable Challenge Period without a complaint being properly filed (or with respect to the Challenges asserted in the complaint, if a timely filed complaint does not result in a final and non-appealable order of this Court with respect to the Challenges that is inconsistent with clauses (i) through (v) of subparagraph (c) of this paragraph 17) the Debtors' Stipulations not subject to such Challenges shall be binding upon all creditors and other parties in interest, and any and all Claims and Defenses not subject to such Challenges against any of the Released Parties shall be deemed, without further notice to or order of the Court, to have been forever relinquished, released, and waived as to all creditors and other parties in interest, and if such complaint is timely and properly filed on or before such date, any and all of the Debtors' Stipulations, and Claims and Defenses against any of the Released Parties, shall be deemed, immediately and without further action, to have been forever relinquished, released, and waived as to such creditors and other parties in interest, except with respect to such of the Debtors' Stipulations and Claims and Defenses expressly asserted in such complaint and only to the extent provided in a final and non-appealable order of this Court with respect to such Challenges that is inconsistent with clauses (i) through (v) of subparagraph (c) of this paragraph 17. Nothing in this Final Order shall address or confer standing upon any Committee or any other person or

entity to bring, assert, commence, continue, prosecute, or litigate any Claims and Defenses against any Released Party.

b. If no such complaint as to the Debtors' Stipulations and Claims and Defenses is properly filed within such time period, or such timely filed complaint does not result in a final and nonappealable order of this Court that is inconsistent with clauses (i) through (v) of this subparagraph, (i) the Obligations not subject to any such complaint shall constitute allowed secured claims for all purposes in the Chapter 11 Cases and any subsequent cases or proceedings under the Bankruptcy Code, including, without limitation, any chapter 7 proceedings if any Chapter 11 Case is converted to a case under chapter 7 of the Bankruptcy Code (each, a "Successor Case"), (ii) the Liens not subject to any such complaint shall be deemed legal, valid, binding, enforceable, perfected, first priority liens not subject to recharacterization, subordination (except as expressly specified in this Final Order as to the Carve-Out and First Lien Adequate Protection Liens) or avoidance for all purposes in the Chapter 11 Cases and any Successor Case, (iii) the release of the Claims and Defenses against the Released Parties not subject to any such complaint shall be binding on all parties in interest in the Chapter 11 Cases and any Successor Case, (iv) the Debtors' Stipulations not subject to any such complaint shall be binding on all parties in interest in the Chapter 11 Cases and any Successor Case; and (v) the Obligations, the Liens, releases of the Claims and Defenses against the Released Parties, and prior payments on account of or with respect to the Obligations shall not be subject to any other or further claim, cause of action, recharacterization, objection, contest, setoff, defense, or challenge by any party in interest for any reason, including, without limitation, by any successor to or estate representative of any Debtor. Notwithstanding anything herein to the contrary, this subparagraph shall not preclude the Debtors, a Committee, creditors or other parties in interest from

challenging clauses (i) through (v) of this subparagraph in any subsequent case or proceeding under the Bankruptcy Code commencing after the closure or dismissal of these Chapter 11 Cases based on facts and circumstances arising after expiration of the Challenge Period.

18. **Notice.** All notices required to be given by this Final Order shall be deemed given if in writing and delivered by electronic mail, courier, or by registered or certified mail to the following addresses:

If to the Debtors:

The Baptist Home of Philadelphia
The Baptist Home Foundation
8301 Roosevelt Boulevard
Philadelphia, PA 19152
Email: Isofia@deer-meadows.org

- and -

Cozen O'Connor
1201 North Market Street, Suite 1001
Wilmington, DE 19801
Attention: John T. Carroll, III
Email: jcarroll@cozen.com

If to the Trustee:

U.S. Bank National Association
214 North Tyron Street, 27th Floor
Charlotte, NC 28202
Attention: Charles S. Hodges
Email: steve.hodges@usbank.com

- and -

Reed Smith LLP
225 Fifth Avenue, Suite 1200
Pittsburgh, PA 15222
Attention: Eric A. Schaffer
Email: eschaffer@reedsmith.com

If to the Committee:

Pepper Hamilton, LLP
Francis J. Lawall
30000 Two Logan Square
18th & Arch Streets
Philadelphia, PA 19103 - 27990
Email: lawallf@pepperlaw.com

19. **Effectiveness.** This Final Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and shall take effect and be fully enforceable *nunc pro tunc* to the Petition Date immediately upon entry of this Final Order. Notwithstanding any Bankruptcy Rule or other applicable law, there shall be no stay of execution or effectiveness of this Final Order.

20. **Retention of Jurisdiction.** The Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation and enforcement of this Final Order.

Dated: _____, 2014

HONORABLE ERIC L. FRANK, CHIEF JUDGE
UNITED STATES BANKRUPTCY JUDGE

SO STIPULATED AND AGREED:

COZEN O'CONNOR

By: /s/ John T. Carroll
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*Counsel for U.S. Bank National Association,
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*Counsel to the Official Committee of
Unsecured Creditors*

EXHIBIT A

Budget

(Attached)

The Baptist Home of Philadelphia
d/b/a Deer Meadows Retirement Community
Cash Collateral Budget
STRICTLY CONFIDENTIAL

week	1	2	3	4	5	6	7	8	9	10	11	12	13
	w/e 05/02/14 ACTUAL	w/e 05/09/14 ACTUAL	w/e 05/16/14 ACTUAL	w/e 05/23/14 ACTUAL	w/e 05/30/14 ACTUAL	w/e 06/06/14 ACTUAL	w/e 06/13/14 Forecast	w/e 06/20/14 Forecast	w/e 06/27/14 Forecast	w/e 07/04/14 Forecast	w/e 07/11/14 Forecast	w/e 07/18/14 Forecast	w/e 07/25/14 Forecast
Revenues													
Private (SNF+Res)	184,888	364,679	123,033	67,968	239,158	436,071	160,961	87,129	145,214	177,639	177,639	59,213	88,819
Medicare	6,058	11,838	39,748	-	311,357	9,816	-	17,480	297,161	34,960	-	17,480	297,161
Medicaid	-	7,834	7,834	-	577,701	53,623	-	600,342	112,564	38,084	-	609,347	-
Managed Care	-	-	-	-	-	-	-	33,593	55,988	67,653	67,653	22,551	33,826
Total Resident Revenue Collected	190,946	384,351	170,615	67,968	1,128,217	499,510	160,961	738,543	610,927	318,336	245,291	708,591	419,807
Other Revenues	-	-	257,748	(101,787)	-	-	-	-	20,000	-	-	-	-
Total Other Revenue	-	-	257,748	(101,787)	-	-	-	-	20,000	-	-	-	-
Total Revenues Collected	190,946	384,351	428,363	(33,819)	1,128,217	499,510	160,961	738,543	630,927	318,336	245,291	708,591	419,807
Expenses													
BHP Services	-	30,000	-	25,000	-	30,000	-	25,000	-	30,000	-	-	25,000
Health	-	117,980	-	-	-	120,751	-	-	140,000	25,000	-	-	-
Imperial Credit (WC)	-	-	-	-	-	-	-	-	-	185,600	-	-	-
Payroll	414,608	-	395,000	-	390,000	-	385,000	-	385,000	-	385,000	134,750	385,000
JAP	317	14,864	110,127	70,370	266,385	6,028	100,000	169,500	134,750	134,750	134,750	134,750	134,750
Sodexo - COD	30,000	30,000	30,000	30,229	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Total Operating Expenses	444,925	192,845	535,127	125,599	686,385	186,779	515,000	224,500	689,750	405,350	549,750	164,750	574,750
Net Cash Flow/(Burn) FROM OPERATIONS	(253,978)	191,506	(106,764)	(159,418)	441,831	312,731	(354,039)	514,043	(58,823)	(87,014)	(304,459)	543,841	(154,943)
Legal Fees - Laura Solomon & Assoc	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal Fees - Cozen O'Connor	-	-	-	-	-	-	-	-	-	-	-	-	175,000
Prof Fees - Sims	-	-	-	-	-	-	-	-	-	-	-	-	-
Prof Fees - Shea Advisory Svcs	-	-	-	-	-	-	29,826	-	20,000	-	-	-	20,000
RETAINER - Laura Solomon & Assoc	-	-	-	-	-	-	-	-	-	-	-	-	-
RETAINER - Cozen O'Connor	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounting Fees - audit	-	-	-	-	-	-	-	-	-	-	-	-	-
Creditor Committee-Counsel Fees	-	-	-	-	-	-	-	-	70,000	-	-	-	70,000
Trustee-Counsel Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Professional Fees	-	-	-	-	-	-	-	-	10,000	-	-	-	-
Total Professionals Fees	-	-	-	-	-	-	29,826	-	100,000	-	-	-	265,000
Total Operating & Professional Expenses	444,925	192,845	535,127	125,599	686,385	186,779	544,826	224,500	789,750	405,350	549,750	164,750	839,750
Net Cash Flow/(Burn)	(253,978)	191,506	(106,764)	(159,418)	441,831	312,731	(383,865)	514,043	(158,823)	(87,014)	(304,459)	543,841	(419,943)
Debt Service Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	9,222	(4,138)	-	-	-	-	-	-	10,000	-	-	-	-
Other Cash Uses	9,222	(4,138)	-	-	-	-	-	-	10,000	-	-	-	-
Total Cash Flow/(Burn)	(263,200)	195,644	(106,764)	(159,418)	441,831	312,731	(383,865)	514,043	(168,823)	(87,014)	(304,459)	543,841	(419,943)
Cumulative Cash Flow/(Burn)							(381,588)	132,455	(36,368)	(123,382)	(427,841)	116,000	(303,943)
Cash Accounts Activity													
CASH FLOW INCLUDING PROFESSIONALS													
Cash - Bank Account (Operating) - Beginning Balance	518,046	254,845	450,490	343,726	184,308	626,139	938,870	555,005	1,069,048	900,226	813,211	508,752	1,052,594
Cash Flow/(Burn) from above	(263,200)	195,644	(106,764)	(159,418)	441,831	312,731	(383,865)	514,043	(168,823)	(87,014)	(304,459)	543,841	(419,943)
Cash - Bank Account (Operating) - Ending Balance	254,845	450,490	343,726	184,308	626,139	938,870	555,005	1,069,048	900,226	813,211	508,752	1,052,594	632,650

EXHIBIT B

Professional Fee Caps

Professional	Professional Fee Cap
Cozen O'Connor	\$475,000
Laura Solomon & Associates	\$45,000 (inclusive of pre-petition retainer of \$45,000)
KPMG	The amount of the Transaction Fee, as determined and if payable pursuant to the terms of the engagement letter, dated May 1, 2014, between KPMG and the Home as approved by Court order; provided, however, if the Transaction (as defined in the engagement letter) is not approved by the Trustee in its sole discretion, KPMG's Professional Fee Cap shall be \$0.00
Shea Advisory Services	\$10,000 for every two-week period between the Petition Date and the earlier of (i) consummation of a sale pursuant to the Sale Order or (ii) entry of an order of confirmation of a plan
Committee	\$267,000 (inclusive of \$17,000 to conduct an investigation for any claims, causes of action, or other litigation against the Trustee, including without limitation challenging the amount, validity, perfection, priority, or enforceability of or asserting any defense, counterclaim, or offset to, the Obligations, the Bond Documents, the Adequate Protection Liens, or Adequate Protection Priority Claims)

EXHIBIT C

Trusts

Perpetual Trusts:

- Trust under Will of Edward A. Ginkinger, Deceased (Wells Fargo consolidated account #M15161)
- Trust under Agreement of Levi L. Rue dated November 9, 1988 (Wells Fargo account #1519030869)
- Trust under Will of Robert M. Griffith, Deceased (PNC Bank account #21-35-501-3407265)
- Trust under Will of Elizabeth Hegerman, Deceased (PNC Bank account #21-35-001-0608246)

Remainder Trusts:

- Trust under Will of Ethel B. Beatty, Deceased (Janney Montgomery Scott account #1421-6344)
- Trust under Deed of Harriet E. O'Hara dated April 6, 1967, as amended (BNY Mellon account #108423V1042)
- Trust under Will of Charles H. James, Deceased (Wells Fargo account #1513112015)
- Trust under Indenture of Dorothy Cecilia Timm dated July 1, 1955 (Wells Fargo account #1519208650)
- Trust under Indenture of Elizabeth James Hart dated July 1, 1955 (Wells Fargo account #1519208641)
- Trust under Deed of Royal E. Beck dated October 26, 1982, as amended (PNC Bank account #35-35-501-0524107)

APPENDIX B

KPMG Retention Order

(Attached)

**UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

)	
In re:	)	Chapter 11
)	
The Baptist Home of Philadelphia d/b/a Deer Meadows Retirement Community, <i>et al.</i> , ¹	)	Case No. 14-1305 (ELF)
	)	Jointly Administered
)	
Debtors.	)	Re Docket No. ____
)	

ORDER AUTHORIZING RETENTION AND COMPENSATION OF KPMG CORPORATE FINANCE LLC AS FINANCIAL ADVISOR AND INVESTMENT BANKER TO DEBTORS

Upon consideration of the Debtors’ Application for Order Authorizing Retention and Compensation of KPMG Corporate Finance LLC as Financial Advisor and Investment Banker (the “Application”);² and upon the representations in the Application and the accompanying Declaration; and the Court having determined that notice was adequate under the circumstances and that no further notice is necessary; and after due deliberation, it is hereby

ORDERED that the Application is granted; and it is

FURTHER ORDERED that the Debtors are authorized to retain and compensate KPMG CF pursuant to the terms of the Engagement Agreement, effective as of the date of the Engagement Agreement; and it is

FURTHER ORDERED that the terms and conditions of the Engagement Agreement are hereby approved; and it is

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are The Baptist Home of Philadelphia d/b/a Deer Meadows Retirement Community (4330) and The Baptist Home Foundation (7309).

² Unless otherwise defined in this Order, capitalized terms shall have the meanings provided in the Application

FURTHER ORDERED that the Debtors are hereby authorized to enter into the Engagement Agreement and take such actions as may be necessary to carry out their duties under the Engagement Agreement; and it is

FURTHER ORDERED that all fees and expenses earned by or reimbursable to KPMG CF under the Engagement Agreement shall constitute administrative expense claims in these Chapter 11 cases; and it is

FURTHER ORDERED that the Transaction Fee shall be paid by wire upon the closing of a Transaction, provided, however, that two (2) days prior to the closing of any Transaction and the payment of any Transaction Fee to KPMG CF, KPMG CF and the Debtors shall provide the Official Committee of Unsecured Creditors appointed in these cases with a written statement detailing the Transaction Fee to be paid to KPMG CF and how such compensation was calculated. The Committee shall have the right solely to object to the calculation of the amount of the Transaction Fee, and upon receipt of such a written objection by the Committee, that portion of such Transaction Fee related to the disputed calculation, if any, shall be placed in an interest bearing escrow account by the Debtors pending resolution of the Committee's objection, whether such resolution is by agreement of the parties or order of the Court. The Debtors, KPMG CF and the Committee shall work in good faith to resolve any such objection raised by the Committee. To the extent that the disputed calculation is resolved in favor of KPMG CF, accrued interest in the escrow account shall be paid to KPMG CF at the time the disputed portion of the Transaction Fee is released from escrow. For the avoidance of doubt, KPMG CF shall be entitled to only one (1) minimum Transaction Fee regardless of the number of Transactions that may be effectuated; and it is

FURTHER ORDERED that the requirements of Federal Bankruptcy Rule 2016(a) and Local Bankruptcy Rule 2016-3 are waived, and KPMG CF shall file a final fee application including a summary of all fees earned and expenses reimbursed in these Chapter 11 Cases; and it is

FURTHER ORDERED that all compensation payable to KPMG CF under the Engagement Agreement shall be subject to the standard of review set forth in section 328(a) of the Bankruptcy Code and not any other standard, including that set forth in section 330 of the Bankruptcy Code; and it is

FURTHER ORDERED that the Debtors and KPMG CF shall meet and confer with, either in person or by telephone, counsel to U.S. Bank National Association, as indenture trustee, and counsel to the Committee at least one (1) time a week prior to the Auction so as to update the Trustee and the Committee on the status of the bids received, potential bidders, stalking-horse bidder and proposed Auction.

Dated: _____, 2014
Philadelphia, Pennsylvania

Honorable Eric L. Frank
Chief United States Bankruptcy Judge

APPENDIX C

Sale Procedures Order

(Attached)

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

In re:

) Chapter 11

The Baptist Home of Philadelphia d/b/a Deer
Meadows Retirement Community, *et al.*¹,

) Case No. 14-13305 (ELF)

Debtors.

) Jointly Administered

**ORDER GRANTING DEBTORS' MOTION FOR ENTRY OF AN ORDER
(A) APPROVING BIDDING PROCEDURES IN CONNECTION WITH SALE
OF SUBSTANTIALLY ALL OF THE ESTATES' ASSETS, (B) APPROVING
BREAK-UP FEE, (C) SCHEDULING AN AUCTION AND HEARING
TO CONSIDER THE PROPOSED SALE, AND (D) APPROVING THE FORM
AND MANNER OF NOTICE THEREOF**

This matter comes before the Court upon consideration of the Debtors' Motion for Entry of (I) an Order (A) Approving Bidding Procedures in Connection With Sale of Substantially all of the Estates' Assets, (B) Approving Break-Up Fee, (C) Scheduling an Auction and Hearing to Consider the Proposed Sale and (D) Approving the Form and Manner of Notice Thereof; and (II) an Order (A) Approving the Sale, (B) Authorizing the Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Certain Related Relief (the "Sale Motion")² seeking, among other things, entry of an order: (i) approving the Bidding Procedures in connection with the Sale, (ii) approving the Break-Up Fee, (iii) scheduling an Auction and hearing to approve the Sale, (iv) approving the form and manner of notice thereof, and (v) granting related relief. After due deliberation and having determined that the relief requested in the Sale Motion regarding the Sale Process is in the best interest of the Estates,

¹The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are The Baptist Home of Philadelphia d/b/a Deer Meadows Retirement Community (4330) and The Baptist Home Foundation (7309).

²All capitalized terms used, but not otherwise defined, in this Order shall have the meanings given in the Sale Motion.

THE COURT HEREBY FINDS THAT:³

A. The Court has jurisdiction over the Sale Motion pursuant to 28 U.S.C. § 1334. This proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (N) and (O). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief requested herein are sections 105(a), 363(b) and (f), 365, 503 and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) and Rules 2002(a)(2), 6004(a), (b), (c), (e) and (f), 6006(a) and (c), 9007 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 6004-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Eastern District of Pennsylvania (the “Local Rules”).

B. Notice of the Sale Motion, having been given to the Notice Parties, is sufficient in light of the circumstances and the nature of the relief requested in the Sale Motion.

C. The Debtors have articulated good and sufficient reasons for this Court to grant the relief requested in the Sale Motion regarding the Sale Process, including without limitation, (i) approval of the Bidding Procedures and the Break-Up Fee; and (ii) approval of, and authorization to serve, the Notice of Auction and Sale Hearing and the Cure Notice.

D. The Break-Up Fee, as may be modified by agreement of the Debtors, the Bond Trustee and Committee, to be offered under the circumstances described in the Sale Motion to a Stalking Horse Bidder is (i) an actual and necessary cost and expense of preserving the Estates, within the meaning of sections 503(b) and 507(a)(2) of the Bankruptcy Code, (ii) commensurate to the real and substantial benefit conferred upon the Estates by a Stalking Horse Bidder, (iii) reasonable and appropriate, in light of the size and nature of the proposed Sale and

³The findings and conclusions set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

comparable transactions, the commitments that have been made and the efforts that have been and will be expended by a Stalking Horse Bidder, and (iv) necessary to induce a Stalking Horse Bidder to continue to pursue the Sale and to continue to be bound by the Stalking Horse Bidder's Purchase Agreement.

E. The Break-Up Fee, if applicable, is a material incentive to a potential Stalking Horse Bidder to submit a bid that will serve as a minimum or floor bid. A Stalking Horse Bidder will provide a material benefit to the Estates by increasing the likelihood that the best possible price under the circumstances for the Purchased Assets will be received. Accordingly, the Bidding Procedures and the Break-Up Fee are reasonable and appropriate and represent the best method for maximizing value for the benefit of the Estates.

F. The Notice of Auction and Sale Hearing and the service thereof, and the service of the Cure Notice on the Counterparties, are calculated to provide all interested parties with timely and proper notice of the Sale, the Sale Hearing, the Auction, and the Cure Amounts.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Bidding Procedures, substantially in the form attached hereto as Exhibit A, are hereby approved and fully incorporated into this Order. The Debtors are authorized to undertake any and all actions necessary or appropriate to implement the Bidding Procedures.

2. U.S. Bank National Association, in its capacity as successor indenture trustee (the "Bond Trustee"), is hereby deemed a Qualified Bidder and shall be entitled to (i) access to all information that is generally made available to other Potential Bidders, and (ii) credit bid all or a portion of its claim against the Debtors in an amount not to exceed the Indebtedness Amount, without otherwise complying with the Bidding Procedures. The Bidding Procedures shall be

modified to reflect that in addition to consulting with the Bond Trustee the Debtors are authorized and directed to consult with the Committee in connection with the Bidding Procedures including but not limited to consulting with the Committee with respect to any Due Diligence, Possible Selection of Stalking Horse Bidder, Bid Deadline, Qualified Bids, Auction, Successful Bid, Successful Bidder, Alternate Bid, Alternate Bidder, or Reservation of Rights. To the extent the Debtors fail to consult with the Bond Trustee or the Committee as indicated herein and in the Bidding Procedures, the Bond Trustee and/or Committee may seek immediate relief from the Court with respect to the Auction and Sale.

3. Objections, if any, to the Bid Procedures, Break-Up Fee or Sale Process identified in the Sale Motion that have not been withdrawn, waived, or settled are hereby overruled. Any and all other objections to the Auction, proposed Sale, proposed Sale Order, proposed Cure Amount and/or assumption, assignment or rejection of any executory contract or unexpired lease are expressly reserved and preserved for the Sale Hearing.

4. The Debtors are authorized, following consultation with their counsel, professional advisors, KPMG CF, the Official Committee of Unsecured Creditors (the "Committee") and the Bond Trustee (to the extent the Bond Trustee is not the Stalking Horse Bidder), to designate a Stalking Horse Bidder and to offer the Break-Up Fee in accordance with the terms of the Sale Motion. No person or entity, other than the Stalking Horse Bidder, shall be entitled to a Break-Up Fee.

5. The Notice of Auction and Sale Hearing, substantially in the form attached hereto as Exhibit B: (i) is hereby approved; and (ii) shall be served, together with a copy of this Order, within three (3) business days of entry of this Order upon each of the Notice Parties.

6. Subject to the Bidding Procedures, if the Debtors do not receive any Qualified Bids, the Debtors shall report the same to the Court and declare the Auction a “failed auction.” In the event only one Qualified Bid is received, the Debtors may determine (in consultation with the Committee and the Bond Trustee) in their reasonable business judgment that such Qualified Bid is insufficient, and shall have the right to either postpone the Auction and Bid Deadline or declare the Auction a “failed auction.” As further described in the Bidding Procedures, in the event that the Debtors timely receive at least one Qualified Bid other than the Stalking Horse Bidder’s Qualified Bid, the Debtors shall conduct the Auction on August __, 2014 (the “Auction Date”) at 10:00 a.m. (ET) at the offices of Cozen O’Connor, or such later time or other place as the Debtors shall notify all Qualified Bidders.

7. Any person wishing to submit a higher or better offer for the Purchased Assets must do so in accordance with the terms of the Bidding Procedures, as may be modified after consultation with the Bond Trustee and the Committee.

8. All bidders submitting a Qualified Bid are deemed to have submitted to exclusive jurisdiction of the Court with respect to all matters related to the Auction, the Sale and the terms and conditions of the transfer of the Purchased Assets.

9. The Debtors are hereby authorized to conduct the Sale without complying with any state or local bulk transfer law or requirements.

10. Within fourteen (14) days after entry of this Order, the Debtors shall file and serve the Cure Notice upon the Counterparties, which notice shall set out the applicable Cure Amounts, if any. The Cure Notice shall be in substantially the form attached hereto as Exhibit C, which form is hereby approved.

11. Objections, if any, to the Debtors' proposed Cure Amounts, and to the assumption and assignment of any executory contract and/or unexpired lease, must: (i) be in writing; (ii) state with specificity the grounds for such objection (with appropriate documentation in support thereof); (iii) comply with the Bankruptcy Rules and the Local Rules; and (iv) be filed with this Court and served upon (so as to be **received** by) the Objection Service Parties on or before the date that is seven (7) days prior to the Sale Hearing (the "Objection Deadline").

12. Any party failing to timely file an objection, on or before the Objection Deadline, to the Cure Amounts and/or assumption and/or assignment of any executory contract or unexpired lease shall be forever barred from objecting to the Cure Amounts and/or to such assumption and/or assignment, and will be deemed to consent to the Cure Amounts and/or assumption and assignment of such executory contract or unexpired lease. Objections, if any, to the Cure Amounts and assumption and/or assignment of executory contracts or unexpired leases shall be heard at the Sale Hearing.

13. The Sale Hearing is scheduled to be held on August ____, 2014 at _____:___ .m. (ET) before the Honorable Eric L. Frank, Chief United States Bankruptcy Judge, at the United States Bankruptcy Court for the Eastern District of Pennsylvania, Courtroom No. 1, 900 Market Street, Philadelphia, PA 19107. The Debtors will seek the entry of the Sale Order at the Sale Hearing approving and authorizing the Sale to the Successful Bidder or Alternate Bidder, on terms and conditions consistent with the Purchase Agreement of the Successful Bidder or Alternate Bidder, as the case may be, as may be amended and/or modified by agreement between the Debtors and the Successful Bidder or Alternate Bidder. The Sale Order shall be in form and substance acceptable to the Bond Trustee and Committee.

14. Objections, if any, to the relief requested in the Sale Motion and Sale Order as it relates to the Sale must: (i) be in writing and filed with this Court; (ii) comply with the Federal Rules of Bankruptcy Procedure and the Local Rules; and (iii) be filed and served upon, so as to be **received** by, the Objection Service Parties on or before the Objection Deadline, _____, 2014.

15. The failure of any person or entity to timely file an objection, on or before the Objection Deadline, to the Sale Motion and Sale Order shall be a bar to the assertion, at the Sale Hearing or thereafter, of any objection to the Sale of the Purchased Assets to the Successful Bidder or Alternate Bidder.

16. Notwithstanding the possible applicability of Bankruptcy Rule 6004(h), this Order shall be immediately effective and enforceable upon its entry.

17. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

18. To the extent that any provisions of this Order may be inconsistent with the Sale Motion, the terms of this Order shall control.

DATED: _____, 2014

Hon. Eric L. Frank
Chief United States Bankruptcy Judge

Exhibit A

Bidding Procedures

[This exhibit remains subject to Committee review, which shall be concluded prior to filing the Rule 9019 Motion, and any comments or changes to this exhibit shall be consistent with the Sale Procedures Order and acceptable to each of the Parties.]

Exhibit B

Notice of Auction and Sale Hearing

[This exhibit remains subject to Committee review, which shall be concluded prior to filing the Rule 9019 Motion, and any comments or changes to this exhibit shall be consistent with the Sale Procedures Order and acceptable to each of the Parties.]

Exhibit C

Cure Notice

[This exhibit remains subject to Committee review, which shall be concluded prior to filing the Rule 9019 Motion, and any comments or changes to this exhibit shall be consistent with the Sale Procedures Order and acceptable to each of the Parties.]

APPENDIX D

Rule 9019 Motion

(Attached)

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

)	
In re:	)	Chapter 11
)	
The Baptist Home of Philadelphia d/b/a Deer Meadows Retirement Community, <i>et al.</i> , ¹	)	Case No. 14-13305 (ELF)
	)	Jointly Administered
)	
Debtors.	)	Hearing Date: June 27, 2014 at 10:00 a.m.
	)	Objection Deadline: At Hearing
)	

JOINT MOTION PURSUANT TO BANKRUPTCY RULE 9019 FOR APPROVAL OF SETTLEMENT, WITH REQUEST FOR EXPEDITED HEARING AND LIMITED NOTICE THEREOF

The Baptist Home of Philadelphia d/b/a Deer Meadows Retirement Community (the “Home”) and The Baptist Home Foundation (the “Foundation” and together with the Home, the “Debtors”), U.S. Bank National Association, as indenture trustee (the “Indenture Trustee”), Beneficial Mutual Savings Bank (“Beneficial”) and the Official Committee of Unsecured Creditors (the “Committee”) (collectively, the “Parties”), by their respective undersigned counsel, hereby file this joint motion (the “Motion”), pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for an order approving the Parties’ settlement agreement (the “Settlement Agreement”), a copy of which is annexed as Exhibit A hereto and made a part hereof. The Parties have requested that the Court schedule an expedited hearing to consider this Motion for June 27, 2014, and approve the limited notice as described herein. In support of this Motion, the Parties respectfully state as follows:

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are The Baptist Home of Philadelphia d/b/a Deer Meadows Retirement Community (4330) and The Baptist Home Foundation (7309).

JURISDICTION AND VENUE

1. This Court has jurisdiction over the subject matter of the Motion pursuant to 28 U.S.C. §§ 157 and 1334, and venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein are section 105 of title 11 of the United States Code (the “Bankruptcy Code”), Bankruptcy Rules 2002 and 9019, and Local Rule 5070-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Eastern District of Pennsylvania.

BACKGROUND

2. On April 25, 2014 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, thereby commencing these Chapter 11 cases (the “Chapter 11 Cases”).

3. The Debtors continue to operate their business and manage their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On May 5, 2014, the Office of the United States Trustee appointed the Committee pursuant to section 1102 of the Bankruptcy Code.

4. The Home is a 501(c)(3) tax-exempt, charitable Pennsylvania nonprofit corporation formed in 1869. It owns and operates a continuing care retirement community known as “Deer Meadows Retirement Community”, which is located at 8301 Roosevelt Boulevard, Philadelphia, Pennsylvania.

5. The Home offers 126 living accommodations, which vary in size, for independent living and personal care. The Home presently also has 206 skilled nursing beds in the nursing and rehabilitation center that offers short and long term care. In 2008, the skilled nursing center opened an Airway Unit that offers short and long term care for ventilator-dependent individuals.

Personal care is licensed by the Pennsylvania Department of Welfare. The Skilled Nursing and Rehabilitation Center is certified by Medicare and Medicaid and is licensed by the Pennsylvania Department of Health. In total, 491 residents can make the Deer Meadows Retirement Community their home.

6. For 145 years, the mission of the Home has been to provide quality continuing care living facilities and support services for its adult population regardless of race, ethnicity, national origin, gender or creed. The Home is a thoughtful, forward-looking and active leader in the aging services network. The Home strives to excel in the care and services it provides, which include short-term and long-term skilled rehabilitation and nursing care, personal care and independent living for the older adult population. The Home and its leadership continuously attempt to anticipate and meet the expectations all of its stakeholders, especially the residents and patients it serves. Its stated core values are: “compassion (caring for those it serves with kind, heartfelt, and genuine concern); creativity (continuous improvement through innovation and teamwork); integrity (dedication to doing what is right); quality (excellence in service to others; and respect (highest regard for the worth and right of others).”

7. The Foundation is a 501(c)(3) tax-exempt charitable Pennsylvania nonprofit corporation formed in 1997 to conduct, develop and expand fundraising, endowment, asset management and related activities on behalf of the Home and affiliated entities.

8. Four principal areas of dispute exist among the Parties in these Chapter 11 Cases: (i) terms governing the Debtors’ use of cash collateral; (ii) bid procedures and timeline with respect to a possible sale of substantially all of the Debtors’ assets; (iii) terms of the Debtors’ proposed retention of KPMG Corporate Finance LLC (“KPMG”) as their investment banker to assist in the Debtors’ pursuit of a sale or other transaction, such as a restructuring; and (iv)

asserted claims and causes of action of the Indenture Trustee and/or the Debtors against Beneficial related to the Debtors' purported grant of liens to Beneficial, and the asserted interest of Beneficial in certain cash collateral. The ability of the Debtors to successfully prosecute these Chapter 11 Cases to the maximum benefit of their estates, creditors, and other critical constituencies – the residents of the Home being chief among them – very likely hinges on the Parties' ability to resolve these issues in a consensual and timely manner so as to avoid the distraction, delay, and crushing expense that litigation of these issues would entail.

A. Cash Collateral

9. On the Petition Date, the Debtors filed the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. § 363, (II) Granting Adequate Protection in Connection Therewith Pursuant to 11 U.S.C. § 361, (III) Scheduling a Final Hearing, and (IV) Granting Related Relief* (the "Cash Collateral Motion") [Docket No. 25], pursuant to which the Debtors requested the entry of interim and final orders approving their consensual use of cash collateral.

10. On May 2, 2014, the Court entered a *Consent Order Authorizing the Interim Use of Cash Collateral and Granting Related Relief* (the "Interim Cash Collateral Order") [Docket No. 50], as had been agreed upon among the Debtors, the Indenture Trustee, and Beneficial.

11. On May 14, 2014, the Committee filed the *Objection of the Official Committee of Unsecured Creditors to Debtors' Proposed Form of Final Cash Collateral Order* (the "Cash Collateral Objection") [Docket No. 86].

12. A final hearing on the Cash Collateral Motion and Cash Collateral Objection was commenced on May 21, 2014, and the hearing since has been continued to afford the Parties further time in which to pursue a global agreement that includes, but is not limited, to the terms

of a final order for the Debtors' use of cash collateral. In the meantime, the terms of the Interim Cash Collateral Order have remained in effect with consent of the Parties and by further order of the Court.

B. Bid Procedures

13. On May 20, 2014, the Debtors filed the *Debtors' Motion for Entry of (I) an Order (A) Approving Bidding Procedures in Connection with Sale of Substantially all of the Estates Assets, (B) Approving Break-Up Fee, (C) Scheduling an Auction and Hearing to Consider the Proposed Sale, and (D) Approving the Form and Manner of Notice Thereof; and (II) an Order (A) Approving the Sale, (B) Authorizing the Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Certain Related Relief* (the "Bid Procedures Motion") [Docket No. 113].

14. While the Committee has not yet filed a formal objection to the Bid Procedures Motion, it has advised the Debtors informally of its concerns regarding the proposed bid procedures and sale process, and that it is prepared to object to the Bid Procedures Motion in the absence of a global resolution.

C. KPMG Retention

15. On May 1, 2014, the Debtors filed the *Debtors' Application for Order Authorizing Retention and Compensation of KPMG Corporate Finance LLC as Financial Advisor and Investment Banker* (the "KPMG Retention Application") [Docket No. 41].

16. On May 28, 2014, the Committee filed the *Objection of the Official Committee of Unsecured Creditors to Debtors' Application for Order Authorizing Retention and* (the "KPMG Retention Objection") [Docket No. 134], in which the Committee has indicated that, while it

supports the retention of KPMG generally, it objects to certain of the proposed terms regarding compensation of KPMG.

17. A hearing on the KPMG Retention Application was originally scheduled for June 4, 2014, but the Court has continued the hearing to allow the Parties to attempt to resolve the KPMG Retention Objection consensually.

D. Potential Litigation Involving Beneficial

18. The Indenture Trustee and/or the Debtors may hold claims and causes of action against Beneficial related to the Debtors' purported granting of certain liens to Beneficial, including in one or more of the Debtors' securities accounts at Pershing Advisor Solutions LLC ("Pershing"). Conversely, Beneficial asserts security interests and liens against the marketable securities held in the Pershing accounts, as well as upon the Debtors' deposit accounts with Beneficial and the proceeds thereof, which security interests and the liens are disputed by the Indenture Trustee and the Debtors. The Debtors are of the view that engaging in litigation as to any such claims, causes of action, and/or alleged interests of Beneficial would not be in the best interests of the estates and creditors, as such litigation would divert the Parties' energies and resources away from pursuit of a successful outcome in these Chapter 11 Cases.

19. The Parties and their representatives have engaged in good faith, arms' length settlement discussions regarding a consensual resolution of the foregoing disputes in order to avoid the expense and inconvenience of litigation. The Parties have reached an agreement to resolve their disputes, as memorialized in the Settlement Agreement annexed hereto as Exhibit A.

20. The Parties believe that the global settlement embodied in the Settlement Agreement is in the best interests of the Debtors' estates.

RELIEF REQUESTED

21. By this Motion, the Parties seek the entry of an Order, substantially in the form submitted herewith, approving the Settlement Agreement and granting certain related relief. In addition, the Parties have requested that the Court schedule a hearing on the Settlement Agreement for June 27, 2014, and approve limited notice of this Motion.

BASIS FOR RELIEF REQUESTED

22. This Court has the authority to grant the relief requested in this Motion pursuant to section 105 of the Bankruptcy Code and Bankruptcy Rule 9019(a). Section 105(a) provides that “[t]he court may issue any order. . . that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105. Bankruptcy Rule 9019 grants the Court authority to approve settlements of claims and controversies after notice and a hearing.² Under this authority, the Third Circuit has emphasized that “to minimize litigation and expedite the administration of a bankruptcy estate, [c]ompromises are favored in bankruptcy.” *Myers v. Martin (In re Martin)*, 91 F. 3d 389, 393 (3d Cir. 1996) (quoting 9 Collier on Bankruptcy ¶ 9019.03[1] (15th ed. 1993)). In addition, the approval of a proposed compromise and settlement is committed to the sound discretion of the bankruptcy court. *See In re Louise’s, Inc.*, 211 B.R. 798, 801 (D. Del. 1997).

23. Before approving a settlement under Bankruptcy Rule 9019(a), a court must determine whether “the compromise is fair, reasonable, and in the interests of the estate.” *In re Marvel Entertainment Group, Inc.*, 222 B.R. 243, 249 (D. Del. 1998) (quoting *Louise’s*, 211 B.R. at 801). To reach such a determination, the court must assess the value of the claim that is

² Rule 9019(a) of the Bankruptcy Rules provides in pertinent part that “[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement.”

being settled and balance it against the value to the estate of the approval of the settlement.

Martin, 91 F.3d at 393. In striking this balance, the court should consider the following factors:

- a. The probability of success in the litigation;
- b. The complexity, expense and likely duration of the litigation;
- c. The possibilities of collecting on any judgment which might be obtained;
- d. All other factors relevant to making a full and fair assessment of the wisdom of the proposed compromise; and
- e. Whether the proposed compromise is fair and equitable to the debtors, their creditors, and other parties in interest.

Protective Comm. For Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson, 390 U.S. 414, 424-425 (1968). *See also Martin*, 91 F.3d at 393. Fundamental to the process of evaluating proposed settlements is “the need to compare the terms of the compromise with the likely rewards of litigation.” *TMT Trailer Ferry*, 390 U.S. at 425. The *TMT* rule does not require the Court to hold a full evidentiary hearing before a compromise can be approved. Rather, the Court’s obligation is “to canvas the issues and see whether the settlement ‘falls below the lowest point in a range of reasonableness.’” 10 COLLIER ON BANKRUPTCY, ¶ 9019.2, 9019-4 (15th ed.), quoting *In re Drexel Lambert Group, Inc.*, 134 B.R. 493 (Bankr. S.D.N.Y. 1991). *See also, Cosoff v. Rodman (In re W.T. Grant Co.)*, 699 F.2d 599, 608 (2d Cir. 1983), *cert. denied*, 464 U.S. 822 (1983).

24. From the Debtors’ perspective, a failure by the Parties to resolve any of the issues addressed in the proposed settlement – the Debtors’ ability to use cash collateral, the establishment of a sale process, retention of KPMG to assist and advise the Debtors in the pursuit

of a sale or other transactions such as a restructuring, and avoidance of litigation involving Beneficial – would be highly detrimental to the estates, all creditors, and other key constituencies, including the residents of the Home, whose interests remain paramount to the Debtors. The Parties have bridged their differences to reach the proposed settlement. The alternative, a series of expensive and time-consuming contested matters and/or adversary proceedings between any or all of the Parties, is simply untenable.

**REQUEST FOR EXPEDITED HEARING AND LIMITED NOTICE UNDER
BANKRUPTCY RULE 2002**

25. The Parties have requested that the Court hear this Motion, and any objections hereto, on June 27, 2014.

26. The Parties' settlement is critical to the progress of these Chapter 11 Cases. While much work remains to be done in these Chapter 11 Cases, the resolution of the Parties' existing disputes creates a clearer pathway to a successful outcome for all creditors and parties in interest. Prompt approval of the Settlement Agreement will provide the Parties, and the interests they represent, with greater clarity as to how these Chapter 11 Cases are likely to take shape and will enable the Parties to focus their attentions on both maximizing value and ensuring that the interests of the Homes' residents continue to be served.

27. The Parties, with the Court's approval, will serve the Motion and its exhibits on the following parties only: (i) the Office of the United States Trustee, (ii) the Office of the Attorney General for the Commonwealth of Pennsylvania, (iii) the Debtors' twenty (20) largest unsecured creditors, (iv) the designated representative for members of each of the Home's Resident Council for Independent Living and Resident Council for Personal Care and Healthcare Center, and (v) all parties in interest having requested notice pursuant to Rule 2002 of the

Bankruptcy Rules as of the date hereof. The Parties will serve only a notice regarding the Motion, and not copies of the Motion and exhibits, upon all other creditors of the Debtors. In addition, as the complete Motion package is being served upon each of the Home's two Resident Councils, no additional notice of the Motion is being given to the Home's individual residents. In light of the nature of the relief requested herein, the Parties respectfully submit that no other or further notice need be given. In particular, incurring the significant expense in serving a copy of this Motion and the Settlement Agreement, with exhibits, upon all of the Debtors' creditors, given the Committee's participation in the settlement and the absence of any other pending objections as to the Cash Collateral Motion, Bid Procedures Motion, and KPMG Retention Application, would be wasteful.

WHEREFORE, the Parties respectfully request that the Court enter an order, substantially in the form annexed hereto, approving the Settlement Agreement among the Parties and authorizing the Parties to take any and all actions necessary or appropriate to effectuate same.

Dated: June 18, 2014

COZEN O'CONNOR

/s/ John T. Carroll, III _____

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Dated: June 18, 2014

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Dated: June 18, 2014

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Dated: June 18, 2014

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Counsel for Beneficial Mutual Savings Bank

APPENDIX E

Rule 9019 Order

(Attached)

**UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

)	
In re:	)	Chapter 11
)	
The Baptist Home of Philadelphia d/b/a Deer Meadows Retirement Community, <i>et al.</i> , ¹	)	Case No. 14-13305 (ELF)
Debtors.	)	Jointly Administered
)	
)	
)	

**ORDER GRANTING JOINT MOTION PURSUANT
TO BANKRUPTCY RULE 9019 FOR APPROVAL OF SETTLEMENT**

AND NOW, this ____ day of _____, 2014, upon consideration of the Joint Motion of The Baptist Home of Philadelphia d/b/a Deer Meadows Retirement Community (the “Home”) and The Baptist Home Foundation (the “Foundation” and together with the Home, the “Debtors”), U.S. Bank National Association, as indenture trustee (the “Indenture Trustee”), Beneficial Mutual Savings Bank (“Beneficial”) and the Official Committee of Unsecured Creditors (the “Committee”) (collectively, the “Parties”), pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure, for an order approving the Settlement Agreement (the “Motion”),² and any response thereto, and it appearing that the relief requested is in the best interest of the Debtors’ estates and creditors; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and adequate notice of the Motion having been given; and it appearing that no other notice need be given; and after due deliberation and sufficient cause appearing therefore; it is hereby:

ORDERED that the Motion is granted; and it is further

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are The Baptist Home of Philadelphia d/b/a Deer Meadows Retirement Community (4330) and The Baptist Home Foundation (7309).

² Capitalized terms used but not defined herein shall have the meaning given in the Motion.

ORDERED that the Settlement Agreement attached as Exhibit A to the Motion shall be, and is hereby approved; and it is further

ORDERED that the Parties are authorized and directed to take all actions necessary to effectuate the terms of the Settlement Agreement; and it is further

ORDERED that, effective upon the occurrence of the Effective Date (as defined in the Settlement Agreement), Beneficial is granted limited relief from the automatic stay pursuant to section 362 of the Bankruptcy Code for the limited purpose of permitting Beneficial to exercise the setoffs authorized in accordance with sections 6.2 and 7.1 of the Settlement Agreement; and it is further

ORDERED that, pursuant to section 12(c) of the Settlement Agreement, upon the Trustee's written request to counsel to Beneficial Bank at least five (5) business days prior to the required action or the voting deadline, Beneficial Bank shall vote in favor of any plan of reorganization or plan of liquidation that the Trustee votes in favor of and supports and shall not vote in favor of, or support, any plan of reorganization or plan of liquidation that the Trustee opposes; and it is further

ORDERED that the provisions of this Order: (i) shall not be amended, modified, impaired, or superseded by any subsequent order of this Court; (ii) shall survive entry of, and shall govern with respect to any conflict with, any subsequent order of this Court; (iii) shall be binding on all parties in interest in these Chapter 11 Cases; and (iv) provided that a sale or another disposition approved by the Trustee of all or part of the Trustee's Collateral occurs prior to the dismissal or conversion of either or both of these Chapter 11 Cases, shall survive such dismissal or conversion and shall be binding in any successor case or cases of the Home and/or

the Foundation filed within two (2) years of dismissal or conversion of these Chapter 11 Cases;
and it is further

ORDERED that this Court shall retain jurisdiction to resolve any disputes arising from
the Settlement Agreement or this Order.

Dated: This ____ day of _____, 2014

By: _____
Honorable Eric L. Frank
Chief United States Bankruptcy Judge