

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

In re:) **Chapter 11 Proceeding**
)
SUNSET VILLAGE LIMITED)
PARTNERSHIP, an Illinois limited) **Case No. 10-45772**
Partnership)
)
Debtor.) **Hon. A. Benjamin Goldgar**
)

**AGREED ORDER AUTHORIZING CONTINUED USE OF CASH COLLATERAL FOR
THE PERIOD NOVEMBER 16, 2010 THROUGH DECEMBER 31, 2010, PROVIDING
PROTECTION AND PROVIDING OTHER RELIEF**

This matter coming to be heard on the continued Motion for Authority to Use Cash Collateral and for Related Relief filed by Sunset Village Limited Partnership, the debtor and debtor in possession herein (the "Debtor"), for the entry of an order authorizing the Debtor's use of cash collateral on an interim basis, to provide protection and for other relief (the "Motion"); given the circumstances, due and adequate notice of the Motion having been served on all parties entitled thereto; the Court finding that (i) it has jurisdiction over the Debtor's bankruptcy case pursuant to 28 U.S.C. §§157(b)(1) and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. §157(b); and (iii) venue is proper pursuant to 28 U.S.C. §§1408 and 1409; the Court having entered an Agreed Order Authorizing Interim Use of Cash Collateral, Providing Protection, and Providing Other Relief (Docket No. 18) and an Agreed Order Authorizing Continued Use of Cash Collateral For The Period November 1, 2010 Through November 15, 2010, Providing Protection and Providing Other Relief (Docket No. 30), the Court having heard the statements of counsel and having considered said statements and the stipulations herein, there being no objection to the entry of this order (the "Order"), and the Court being fully advised in the premises; and

THE PARTIES HAVING REPRESENTED AS FOLLOWS:

A. The Debtor is an Illinois limited partnership that is the owner of a manufactured home community, situated on approximately 30 acres located at 2450 Waukegan Road, Glenview, Illinois (the "Property"). The Debtor has a fee simple interest in approximately 20 acres of the Property ("Fee Simple Area") and a leasehold interest in approximately 10.0 acres of the Property ("Leasehold Area").

B. On November 1, 2010, Jefferson-Pilot Investments, Inc. ("Jefferson-Pilot"), as successor and assignee of The Lincoln National Life Insurance Company, filed a proof of claim (Claim No. 4) (the "Claim") against the Debtor asserting a secured claim in an amount in excess of \$27 million, plus accrued and accruing interest, costs and expenses, including attorneys' fees. Jefferson-Pilot alleges that the Claim is secured by a valid, perfected first priority mortgage lien and security interest on the entire Property, including the Fee Simple Area and the Leasehold Area (the "Mortgage"), and a valid, perfected first priority lien on the rents and other proceeds generated from the Property (the "Cash Collateral", and together with the Mortgage, the "Prepetition Collateral"). As provided in the Agreed Order Authorizing Continue Use of Cash Collateral For The Period November 1, 2010 Through November 15, 2010, Providing Protection and Providing Other Relief (Docket No. 30), the Debtor will be deemed to have admitted the validity and perfection of the Jefferson-Pilot Mortgage lien and security interests, subject only to mechanics' liens which are found by the Court to be valid, perfected, enforceable and which are found to prime the Mortgage, unless the Debtor files a complaint to determine the nature, extent and priority of the Mortgage lien and security interests by November 30, 2010.

C. The rents and other proceeds generated from the Property, constitute cash collateral as defined in §363(a) of the Bankruptcy Code.

D. The Debtor requires the continued use of Cash Collateral for the maintenance and preservation of the Property through the payment of ordinary and necessary expenses of operation. Jefferson-Pilot has agreed to such use, but only upon the terms and conditions of this Order.

E. On October 13, 2010 (the "Petition Date"), the Debtor commenced the above-captioned bankruptcy case (the "Case") by filing a voluntary petition seeking relief under Chapter 11 of the Bankruptcy Code. The Debtor is in possession of its assets and operating its business as Debtor in Possession pursuant to §§1107 and 1108 of the Bankruptcy Code.

F. The terms and conditions under which the Debtor proposes for its use of Cash Collateral, as reflected in this Order, are fair and reasonable under the circumstances. There is good cause, and it is in the best interests of the Debtor that the Debtor is authorized to use Cash Collateral pursuant to the terms and conditions of this Order. The terms for use of Cash Collateral and the grant of security interests, liens, rights, and priorities to Jefferson-Pilot are fair and appropriate under the circumstances. The Debtor has alleged that it will suffer immediate and irreparable harm if it is not authorized to continue to use Cash Collateral according to the terms and conditions in this Order.

G. The Debtor has agreed to use its best efforts to comply with document and other requests for information made by Jefferson-Pilot.

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. The Debtor is authorized to use Cash Collateral on an interim basis for the period November 16, 2010 through December 31, 2010, pursuant to the terms of this Order and §363(c)(2) of the Bankruptcy Code.

2. The Debtor's right to use Cash Collateral under this Order is to be governed by the following provisions:

a. The Debtor shall not use any Cash Collateral, except as authorized and permitted by this Order or by a subsequent order of the Court or by written agreement of Jefferson-Pilot.

b. On or before the close of business on December 6, 2010, Debtor shall provide to Jefferson-Pilot a reconciliation of actual to budgeted income and expenditures from November 16, 2010 through November 30, 2010. The reconciliation shall include: (i) a copy of the Debtor's bank statements for the month of November, 2010; and (ii) a copy of the Debtor's rent roll marked to indicate the status of each tenant's October and November rent obligation.

c. On or before the close of business on January 7, 2011, Debtor shall provide to Jefferson-Pilot a reconciliation of actual to budgeted income and expenditures from December 1, 2010 through December 31, 2010. The reconciliation shall include: (i) a copy of the Debtor's bank statements for the month of December, 2010; and (ii) a copy of the Debtor's rent roll marked to indicate the status of each tenant's December rent obligation.

d. For the period from November 16, 2010 through December 31, 2010 (the "Budget Period"), the Debtor has furnished a statement of revenues, both received and projected, and anticipated expenses ("Budgeted Expenses"), a copy of which is attached to this Order as Exhibit A ("Budget"), and the Debtor may pay the Budgeted Expenses under the terms of this Order. To the extent that receipts received by the Debtor for the

Budget Period exceed the amounts paid for Budgeted Expenses ("Net Income"), the Debtor is hereby directed to hold such Net Income pending further order of the Court.

e. During the Budget Period, the Debtor shall not be authorized to expend any funds for an item or expenditure not included in the Budget plus a ten percent (10%) variance for any individual expense on the Budget, not to exceed a total variance of five percent (5%) of the total operating expenses for the Budget Period; however, the Debtor may not exceed the amount specified on the Budget for "miscellaneous" expenses.

f. The Debtor is prohibited from paying any "Management Fees" to Capital First Realty or any other entity during the Budget Period.

3. In order to (a) provide protection to Jefferson-Pilot for the Debtor's use of Cash Collateral and (b) provide Jefferson-Pilot with protection against any decrease in the value of its interest in the Property and in the Pre-petition Collateral resulting from the stay imposed under §362 of the Bankruptcy Code, or the use of such property by the Debtor, Jefferson-Pilot is hereby granted (i) to the extent not heretofore granted, a lien against and security interest in all presently owned and hereafter-acquired property, assets, and rights, of any kind or nature, of the Debtor respecting the Property (but not including causes of action, if any, of the estate arising under §§544, 545, 546, 547, 548, 549, 550, or 552 of the Bankruptcy Code), wherever located (the "Post-Petition Liens"), subject only to valid and enforceable liens and security interests existing on said property, assets, or rights of the Debtor at the time of the commencement of the Case or, in the case of property, assets or rights acquired after the Petition Date, at the time the Debtor's estate acquires the property, assets or rights and (ii) to the extent of any diminution in value of the Property or the Pre-Petition Collateral, a superpriority administrative expense claim in accordance with §364(c)(1) of the Bankruptcy Code, having priority in right of payment over

any and all other obligations, liabilities, and indebtedness of the Debtor, now in existence or hereafter incurred by Debtor, and over any and all administrative expenses and priority claims of the kind specified in, or ordered pursuant to Bankruptcy Code §§105, 326, 330, 331, 503(b), 507(b) or 552 and over all rights of set-off.

4. As further protection for Jefferson-Pilot's interest in the Pre-petition Collateral, and consistent with §552 of the Bankruptcy Code, Jefferson-Pilot is hereby granted replacement liens and security interests in the Debtor's post-petition assets including the proceeds, products, rents and profits, and all property and assets of the Debtor respecting the Property which are of the same type or nature as the Pre-petition Collateral, coming into existence or acquired by the Debtor on or after the Petition Date (including, without limitation, all accounts receivable generated at the Property after the Petition Date) to the same extent and priority as existed with respect to the Pre-petition Collateral (the "Post-petition Collateral").

5. As additional protection for Jefferson-Pilot's interests, the Debtor shall maintain insurance naming Jefferson-Pilot as mortgagee and loss payee for any and all insurance issued in connection with the Property or the Debtor's operations.

6. The Post-Petition Liens granted to Jefferson-Pilot pursuant to the terms of this Order shall be valid and perfected, as of the date of this Order, without the need for the execution or filing of any further document or instrument otherwise required to be executed or filed under applicable non-bankruptcy law. Notwithstanding such automatic perfection, the Debtor, including its principals, officers and agents acting on its behalf, shall execute and deliver such further documents as Jefferson-Pilot may reasonably request to evidence and give notice of the Post-Petition Liens granted by this Order.

7. The terms and provisions of the Order shall be binding upon the Debtor and its successors and assigns, excluding any trustee appointed in the Case. Notwithstanding anything herein to the contrary, any official committee of unsecured creditors appointed in this Case shall have 60 days following its appointment to challenge Jefferson-Pilot's Mortgage and pre-petition security interests.

8. The authority of the Debtor to use Cash Collateral shall terminate on the earlier of (a) the date of entry by the Court of an order modifying or otherwise altering the effective date of this Order, (ii) an Event of Default (as hereinafter defined) or (c) the expiration of the Budget Period.

9. Each of the following events shall constitute an Event of Default:

a. Entry of an order converting this Case to a case under Chapter 7 of the Bankruptcy Code;

b. Entry of an order dismissing this Case;

c. Failure of the Debtor to comply with any provision of this Order; or


d. Entry of an order granting liens or priority administrative expense claims pursuant to § 364 of the Bankruptcy Code to any party other than Jefferson-Pilot.

10. Upon Debtor's receipt from Jefferson-Pilot of written notice that an Event of Default has occurred (the "Default Notice"), (i) the Debtor shall immediately cease using Cash Collateral and shall hold all Cash Collateral pending further order of the Court; and (ii) Jefferson-Pilot shall be entitled to seek modification of the automatic stay in order to pursue all of its rights and remedies against the Debtor and/or its collateral, or request any other relief it deems appropriate, by a hearing held on three (3) business days notice following the delivery of the Default Notice. The Default Notice shall be provided by Jefferson-Pilot or its counsel Faye

B. Feinstein, Quarles & Brady LLP, 300 N. LaSalle Street, Suite 4000, Chicago, Illinois 60654 at faye.feinstein@quarles.com, via e-mail or facsimile, to Debtor's counsel Scott R. Clar, Crane, Heyman, Simon, Welch & Clar, 135 South LaSalle Street, Suite 3705, Chicago, Illinois 60603-4297 at sclar@craneheyman.com, and to the Office of the United States Trustee, 219 S. Dearborn St., Room 873, Chicago, IL 60604 in care of Roman Sukley at Roman.L.Sukley@usdoj.gov (the "Default Notice").

11. The Debtor is authorized and directed to perform all acts and execute and comply with the terms of such other documents, instruments and agreements necessary to effectuate the terms and conditions of this Order.

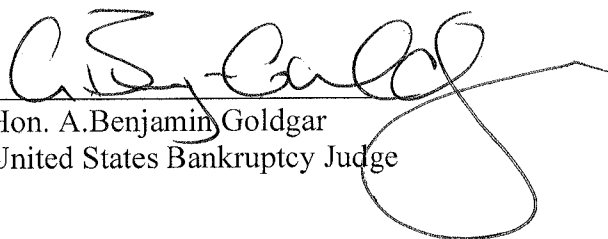
12. Any notices required to be sent to any party under the terms of this Order shall be sent to such party's counsel of record in the Case.

13. The Debtor is directed to give notice of a hearing to consider the continued use of Cash Collateral, along with a proposed budget (the "Continued Hearing"). The Continued Hearing will be held on January 3, 2010^{He}, at the hour of 10:00 a.m., and the same may be continued or adjourned by the Court. Any party wishing to object to the relief requested at the Continued Hearing must raise all such objections in writing and file the same with the Court prior to the Continued Hearing. Any such objections shall be served by e-mail or overnight mail service on counsel for (a) the Debtor, (b) Jefferson-Pilot and (c) the Office of the United States Trustee as set forth in paragraph 11 above. If no objection is timely filed and served, the Court may enter an order allowing the Debtor to continue to use Cash Collateral. 

14. Nothing herein is intended, nor shall it be deemed, to constitute a waiver of the rights of Jefferson-Pilot to take any position herein, or request relief from the Court on any basis

at any time, including, without limitation, to seek adequate protection, to modify the automatic stay, to dismiss or convert this case, or to object to the continued use of Cash Collateral.

15. This Order is effective immediately, and the stay provided for under Rule 6004 of the Federal Rules of Bankruptcy Procedure is waived. The Debtor shall serve a copy of this Order on all of its creditors.

Enter: 
Hon. A. Benjamin Goldgar
United States Bankruptcy Judge

NOV 15 2010

Sunset Village Manufactured Home Community Weekly Cash Budget	11/1/2010								Totals
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	
	Nov 9 to 11/15/2010	Nov 16 to 11/22/2010	Nov 23 to 11/29/2010	Nov 30 to 12/6/2010	Dec 7 to 12/13/2010	Dec 14 to 12/20/2010	Dec 21 to 12/27/2010	Dec 28 to 1/3/2010	
Cash Balance	\$158,000	\$134,849	\$140,792	\$124,581	\$174,600	\$205,439	\$233,314	\$233,088	\$158,000
****Income****									
Rental Income (Includes Rent, NSF Fees, Late Chgs, Propane Sales Water Recovery, Lodge Rental, Misc. Income)	\$10,000	\$10,000	\$10,000	\$120,000	\$45,000	\$30,000	\$15,000	\$120,000	\$360,000
Ground Lease Income	\$0	\$0		\$4,800				\$4,800	\$9,600
Total Net Rental Revenue	\$10,000	\$10,000	\$10,000	\$124,800	\$45,000	\$30,000	\$15,000	\$124,800	\$369,600
Total Income	\$10,000	\$10,000	\$10,000	\$124,800	\$45,000	\$30,000	\$15,000	\$124,800	\$369,600
****Expenses****									
Operating Expenses									
Payroll Expenses (Reimburse to Capital First Realty)									
Salaries, Propane	\$330	\$0	\$330	\$0	\$330		\$330		\$1,320
Salaries, Manager	1,114	0	1,114	0	1,114		1,114		\$4,456
Salaries, Office	1,613	0	1,613	0	1,613		1,613		\$6,452
Sales Security	1,750		1,750		1,750		1,750		\$7,000
Salaries, Maintenance	4,700	0	4,700	0	4,700		4,700		\$18,800
Salaries, Sales/Leasing	1,385	0	1,385	0	1,385		1,385		\$5,538
ADP Processing Expense	27	0	27	0	27		27		\$108
Payroll Tax Expense	1,350	0	1,350	0	1,350		1,350		\$5,400
Insurance Expense	143	0	143	0	143		143		\$570
Total Payroll Expenses	\$12,411	\$0	\$12,411	\$0	\$12,411	\$0	\$12,411	\$0	\$49,644
Other Operating Expenses									
Propane	\$1,800	\$0	\$0	\$1,800		\$0	\$0	\$1,800	\$5,400
R&M Expense	350	175	175	350		175	175	350	\$1,750
Gasoline	150	100	100	150		100	100	150	\$900
Snow Removal					300	300	300	300	\$1,200
Utilities - Gas	500	0	0	500		0	0	900	\$1,900
Utilities - Electric	819	0	0	4,600		0	0	4,600	\$10,019
Water Testing	0	0	75	0		0	75	0	\$150
Scavenger	1,534	0	0	4,600		0	0	4,600	\$10,734
Telephone	425	0	425	425		0	425	425	\$2,125
Office Expense	400	250	250	400	100	250	250	400	\$2,300
Postage	0	0	40	0		0	40	0	\$80
Ground Lease Expense	0	0	0	22,077		0	0	22,077	\$44,154
Advertising	0	0	0	5,000		0	0	5,000	\$10,000
Insurance (Reimburse to Capital First Realty)	2,787	0	0	2,787		0	0	2,787	\$8,361
Real Estate Tax	0	0	0	28,542		0	0	28,542	\$57,084
Misc. Taxes & Licenses	450	0	0	450		0	0	450	\$1,350
Tenant Relations	0	0	150	0		0	150	0	\$300
Bank Charges		0	0	500		0	0	500	\$1,000
Total Other Operating Expense	\$9,215	\$525	\$1,215	\$72,181	\$450	\$825	\$1,515	\$72,861	\$158,807
Total Operating Expense	\$21,626	\$525	\$13,626	\$72,181	\$12,861	\$825	\$13,926	\$72,861	\$208,451
Net Operating Income	-\$11,626	\$9,475	-\$3,626	\$52,619	\$32,139	\$29,175	\$1,074	\$51,919	\$161,149
Other Expenses									
Landscaping & Other Land Improvements	\$1,000	\$1,000	\$1,000	\$2,000	\$1,000	\$1,000	\$1,000	\$2,000	\$10,000
Durable Paving Co - Window Repair	\$4,450		\$11,285						\$11,285
Miscellaneous Expenses	\$300	\$300	\$300	\$600	\$300	\$300	\$300	\$600	\$3,000
Management Fees (Reimburse to Capital First Realty)								\$26,000	\$26,000
SET Environmental - remove oil drums		2,232							\$2,232
Required Business License to Village of Glenview	5,775								\$5,775
Total Other Expenses	\$11,525	\$3,532	\$12,585	\$2,600	\$1,300	\$1,300	\$1,300	\$28,600	\$58,292
Net Cash Flow	-\$23,151	\$5,943	-\$16,211	\$50,019	\$30,839	\$27,875	-\$226	\$23,319	\$260,857
Ending Cash Balance	\$134,849	\$140,792	\$124,581	\$174,600	\$205,439	\$233,314	\$233,088	\$256,407	

See attached for Village of Glenview Business License.
Durable Paving necessary for pothole repair prior to Winter.