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11 UNITED STATES BANKRUPTCY COURT
 12 IN AND FOR THE EASTERN DISTRICT OF CALIFORNIA
 13 SACRAMENTO DIVISION

14 In re:

Case No. 2024-22206-B-11

Chapter 11

DCN: P&A-4

15 **VILLAGE OAKS SENIOR CARE, LLC,**

**ORDER GRANTING MOTION FOR
 CONTINUED USE OF CASH
 COLLATERAL**

16 Debtor.

Date: February 10, 2026
 Time: 11:00 A.M.
 Dpt.: B
 Ct. Rm.: 32
 Location: Robert T. Matsui United
 States Courthouse,
 501 I Street, Sixth Floor
 Sacramento, CA 95814

Judge: Christopher D. Jaime

17 On February 10, 2026, the Court held a hearing on the Motion for Continued Use of Cash
 18 Collateral (the "Motion") (ECF 513), filed on January 27, 2026, by Lisa Holder, the Chapter 11 Trustee
 19 ("Trustee Holder").

20 Estela O. Pino of Pino and Associates appeared in person, on behalf of Trustee Holder. Russell
 21 Cunningham of Desmond Nolan Livaich & Cunningham also appeared in person, on behalf of
 22 Kimberly J. Husted, Chapter 11 Trustee of the bankruptcy estate of Benjamin Foulk ("Trustee
 23 Husted"). The following appeared at and attended the hearing via remote means: Trustee Holder;
 24 Trustee Husted; Jason E. Rios of Felderstein Fitzgerald Willoughby Pascuzzi & Rios LLP, on behalf
 25 of creditor, Gina (Foulk) MacDonald; and Martha Warriner, on behalf of Benjamin Foulk. No other
 26

1 appearances were made.

2 No written opposition was filed to the Motion. No opposition to the Motion was made during
3 the hearing on February 10, 2026.

4 Having reviewed the Motion, the documents filed in support of the Motion, and having listened
5 to the statements made during the hearing, the Court made its findings of facts and conclusions of law,
6 orally on the record, in open Court, after the close of the evidence, as authorized by as authorized by
7 Rule 52(a) of the Federal Rules of Civil Procedure, as incorporated by Rule 7052 of the Federal Rules
8 of Bankruptcy Procedure, which Rule is made applicable to this contested matter by Rule 9014(c) of
9 the Federal Rules of Bankruptcy Procedure. Based on said Findings of Facts and Conclusions of Law
10 and good cause appearing therefor;

11 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** as follows:

12 1. The Motion is granted as set forth herein; and

13 2. The Budget, which is attached hereto as **Exhibit 1**, is approved; and

14 3. Trustee Holder is authorized, but not required, to use cash collateral from February 1,
15 2026, through August 31, 2026, in a manner consistent with the Budget, attached hereto as **Exhibit 1**;
16 and

17 4. Trustee Holder will be deemed in compliance with this Order so long as Trustee Holder
18 does not exceed the Budget, attached hereto as **Exhibit 1**, by up to ten percent (10%) on average across
19 all expenditures; and

20 5. Trustee Holder is authorized and directed to make monthly lease payments to Trustee
21 Husted in the amount of \$14,910; and

22 6. Trustee Holder shall file regular Monthly Operating Reports, which shall include as
23 an attachment a report reflecting the variances between the budget approved herein and the actual
24 income and expenses (the "Report") and the Report shall be in an easily comprehensible spreadsheet
25 with columns showing: budgeted expenditures; the actual expenditures; and the variances between
26 the budgeted expenditures and the actual expenditures. The Monthly Operating Reports or
27 attachment thereto shall also reflect the beginning cash balances and ending cash balances in all
28 accounts maintained by the Estate; and

1 7. In addition to the existing rights and interests of First-Citizens Bank & Trust Company
2 and Gina (Foulk) MacDonald (collectively the “Secured Creditors”) in the cash collateral and for the
3 purpose of attempting to provide adequate protection for the interests of the Secured Creditors, to the
4 extent of any diminution in Secured Creditor’s interest, if any, in the Debtor’s collateral, including
5 cash collateral, caused by Trustee Holder’s post-petition use of cash collateral, the Secured Creditors
6 are granted upon entry of this Order valid, binding, enforceable, non-avoidable, and automatically
7 perfected, effective as of the Petition Date, replacement liens under Sections 105, 361(2), and 363(e)
8 of the Bankruptcy Code in the Debtor’ post-petition assets, including cash, deposits, monies, rents,
9 income, revenues, receivables and/or other cash collateral, and proceeds thereof, to the same extent
10 and with the same priority that Secured Creditors’ held on the Debtor’s pre-petition collateral,
11 including cash collateral, as of the Petition Date (“Cash Collateral Replacement Lien”); and

12 8. The Cash Collateral Replacement Liens shall be deemed to have and hold the same
13 extent, priority, and validity that the Secured Creditor’s lien, if any, attached to such cash collateral.
14 The Cash Collateral Replacement Liens are effective immediately without the requirement for any
15 additional action by the Secured Creditors, including the recordation of any new or amended UCC-1
16 Financing Statements; and

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1 9. The Cash Collateral Replacement Liens granted: (i) are and shall be in addition to all
 2 security interests, liens and rights of set-off existing in favor of the Secured Creditors on the Petition
 3 Date; and (ii) shall secure the payment of indebtedness to the Secured Creditors in an amount equal
 4 to the actual diminution in value of the cash collateral on and after the Petition Date resulting from
 5 the use of cash collateral; and


6 10. The Debtor's and Trustee Holder's right to contest the validity of the lien asserted by
 7 the Secured Creditors is reserved, in full.

8 **IT IS SO ORDERED.**

9 Approved as to Form:


10 Dated: February 12, 2026

11 **FELDERSTEIN FITZGERALD**
 12 **WILLOUGHBY PASCUZZI & RIOS LLP**

13
 14 By: 
 15 **JASON E. RIOS**
 16 **MIKAYLA KUTSURI**
 Attorneys for Creditor,
GINA MACDONALD

17 Electronic signature of the Court to follow:
 18

19 **Dated:** February 12, 2026
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21 
 22 **Christopher D. Jaime, Chief Judge**
 23 **United States Bankruptcy Court**
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Village Oaks Senior Care LLC
 Budget
 February through August 2026

Description	Monthly average	February 2026	March 2026	April 2026	May 2026	June 2026	July 2026	August 2026	Total
Revenues	85,170.00	85,170.00	85,170.00	85,170.00	85,170.00	85,170.00	85,170.00	85,170.00	596,190.00
Cost of Goods Sold:									
Food & patient supplies	2,960.00	2,960.00	2,960.00	2,960.00	2,960.00	2,960.00	2,960.00	2,960.00	20,720.00
Gross Profit	82,210.00	82,210.00	82,210.00	82,210.00	82,210.00	82,210.00	82,210.00	82,210.00	575,470.00
Expenses:									
Advertising	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	350.00
Auto & Van	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	420.00
Insurance - General	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	2,450.00
Insurance - Workers Comp	3,380.00	3,380.00	3,380.00	3,380.00	3,380.00	3,380.00	3,380.00	3,380.00	23,660.00
Office Expenses	1,050.00	1,050.00	1,050.00	1,050.00	1,050.00	1,050.00	1,050.00	1,050.00	7,350.00
Payroll Processing	1,270.00	1,270.00	1,270.00	1,270.00	1,270.00	1,270.00	1,270.00	1,270.00	8,890.00
Payroll - Wages	39,850.00	39,850.00	39,850.00	39,850.00	39,850.00	39,850.00	39,850.00	39,850.00	278,950.00
Payroll - Wages - Insiders	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	33,600.00
Professional fees	1,670.00								0.00
Rent	14,910.00	14,910.00	14,910.00	14,910.00	14,910.00	14,910.00	14,910.00	14,910.00	104,370.00
Repairs & maintenance	470.00	470.00	470.00	470.00	470.00	470.00	470.00	470.00	3,290.00
State tax	70.00		800.00						800.00
Payroll Tax Expense	3,810.00	3,810.00	3,810.00	3,810.00	3,810.00	3,810.00	3,810.00	3,810.00	26,670.00
USTO fees	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	1,400.00
Property marketing expenses									
Utilities	4,480.00	4,480.00	4,480.00	4,480.00	4,480.00	4,480.00	4,480.00	4,480.00	31,360.00
Total for Expenses	\$76,420.00	\$74,680.00	\$75,480.00	\$74,680.00	\$74,680.00	\$74,680.00	\$74,680.00	\$74,680.00	\$523,560.00
Net Operating Income	\$5,790.00	\$7,530.00	\$6,730.00	\$7,530.00	\$7,530.00	\$7,530.00	\$7,530.00	\$7,530.00	\$51,910.00