

Eric L. Johnson (*Pro Hac Vice* Pending)
Brian Devling (*Pro Hac Vice* Pending)
Andrea Chase (*Pro Hac Vice* Pending)
SPENCER FANE LLP
1000 Walnut Street, Suite 1400
Kansas City, MO 64106
(816) 474-8100 – Telephone
(816) 474-3216 – Facsimile
Email: ejohnson@spencerfane.com
Email: bdevling@spencerfane.com
Email: achase@spencerfane.com

Jason P. Kathman (Texas Bar No. 24070036)
SPENCER FANE LLP
5700 Granite Parkway, Suite 650
Plano, TX 75024
(972) 324-0300 – Telephone
(972) 324-0301 – Facsimile
Email: jkathman@spencerfane.com

COUNSEL FOR UMB BANK

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

In re: § **Chapter 11**
§
INSPIRED HEALTHCARE CAPITAL § **Case No. 26-90004 (MXM)**
HOLDINGS, LLC, et al¹ §
§ **(Joint Administration Requested)**
Debtors. §

**UMB BANK’S LIMITED OBJECTION AND
RESERVATION OF RIGHTS TO DEBTORS’ DIP MOTION**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

UMB Bank, N.A., as successor by merger to HTLF Bank (“UMB”), creditor and party in interest in the above jointly administered case, hereby files this its limited objection and reservation of rights (the “**Limited Objection**”) to entry of an interim order (the “Proposed Interim Order”) granting *Debtors’ Emergency Motion for Entry for Interim and Final Order (I) Authorizing (A) Postpetition Financing and (B) the Use of Cash Collateral, (II) Granting Liens and Providing Superpriority Administrative Expense Claims, (III) Granting Adequate Protection to Prepetition*

¹ The last four digits of Inspired Healthcare Capital Holdings, LLC’s federal tax identification number are 6696. There are 161 Debtors in these chapter 11 cases, which are being jointly administered for procedural purposes only. A complete list of the Debtors and the last four digits of their federal tax identification numbers are not provided herein. A complete list of such information may be obtained on the website of the Debtors’ propose claims and noticing agent at <https://dm.epiq11.com/InspiredHealthcare>. The Debtors’ mailing address is 7033 East Greenway Parkway, Suite 250, Scottsdale, AZ 85254.

*Secured Parties, (IV) Modifying the Automatic Stay, (V) Scheduling a Final Hearing, and (VI) Granting Related Relief (the “DIP Motion”)*² and in support thereof would respectfully show the Court the following:

BACKGROUND

1. Debtors filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the “Code”) on February 2, 2026 (the “Petition Date”).
2. The DIP Motion was filed just after midnight on February 4, 2026.
3. UMB’s borrower is debtor Inspired Senior Living of Eugene DST (“Eugene DST”). On account of such loan, UMB asserts various lien and security interests with respect to, among others, Eugene DST and debtor Inspired Senior Living of Eugene MT, LLC (“Eugene Master Tenant”, together with Eugent DST, the “Eugene Debtors”). Certain obligations owed to UMB are guaranteed by debtor Inspired Healthcare Capital, LLC, and Luke Lee (collectively, the “Eugene Gurantors”). UMB’s primary collateral is the facility located 2951 Coburg Road, Eugene, Oregon (the “Eugene Facility”) along with the income generated from such facility. UMB is owed approximately \$14,300,000.

LIMITED OBJECTION

1. During the interim period, the Court can only “authorize the use of the amount of cash collateral as is necessary to avoid immediate and irreparable harm to the bankruptcy estate pending a final hearing.” *See* Fed. R. Bankr. P. 4001(b)(2). Likewise, the Court can only “authorize the obtaining of credit only to the extent necessary to avoid immediate and irreparable harm to the estate pending a final hearing.” Given the circumstances of the case, UMB holds Debtors to strict proof that these standards have been met and that UMB is adequately protected.

² Capitalized terms not specifically defined herein shall have the meanings ascribed to them in the DIP Motion or the First Day Declaration, as applicable.

2. Further, pursuant to Code § 363(c)(2), Debtors may not use Cash Collateral unless each entity with an interest in such Cash Collateral consents, or the Court, after notice and hearing, authorizes the use of the same. “This prohibition is both absolute and automatic. . . . The prohibition springs into being by operation of law. Unless and until the [c]reditor consents to the use of [cash collateral], or this Court enters an order permitting their use, they are not available for use.” *In re Trujillo*, 485 B.R. 238, 251 (Bankr. D. Colo. 2012); *see also In re Williams*, 61 B.R. 567, 572 (Bankr. N.D. Tex. 1986) (“The Debtor’s use of this cash collateral is *absolutely prohibited* by the term of Section 363 unless the creditor affirmatively consents to the use of the cash collateral; or the Court, after notice and a hearing, authorizes such use in accordance with Section 363(c).”).

3. While UMB intends to negotiate with the Debtors about Cash Collateral during the interim period, such negotiations are in their infancy, and UMB has not come to terms regarding use of Cash Collateral. Accordingly, UMB does not consent to the use of its Cash Collateral on a final basis. In order for this Court to grant the DIP Motion and allow Debtors to use UMB’s Cash Collateral, the Court must determine that UMB’s interest therein is adequately protected so as not to detrimentally affect the “benefit of the bargain” that UMB made with the Debtors. Code §§ 361, 363(e); *In re Energy Partners, Ltd.*, 409 B.R. 211, 236 (Bankr. S.D. Tex. 2009) (“The focus of the requirement is to protect a secured creditor . . . from diminution in the value of its interest in collateral during the reorganization process.”). It is the Debtors’ burden to prove that UMB is adequately protected. *See* Code § 363(p)(1).

4. Clarification of Prepetition Secured Parties. In paragraph 17 of the DIP Motion, Debtors define the parties who make up “Prepetition Secured Parties”. With respect to Eugene DST, Debtors identify the lender as “HPI Fairmount Lender, LP”. This is not accurate and UMB should be identified as such Lender and that should be clarified in the Interim Order.

5. Carve Out. UMB has several concerns related to the proposed Carve Out. First, there is no indication how the Carve Out will be allocated across the various bankruptcy estates. Second, Debtors are proposing that the Carve Out prime senior existing liens on their respective collateral. *See* Interim Order ¶ 25.a. This is essentially a 506(c) surcharge without having to make the required showing to establish such a right. Further, the Debtors appear to be expressly preserving their surcharge rights related to the Prepetition Secured Lenders. *See* DIP Motion ¶ 28.3.

6. Given concerns about the scope and priority of the Carve Out, and to allow the impacted creditors to further review, UMB submits that any approval of the Carve Out be reserved for the Final Hearing on the DIP Motion. Pursuant to the budget, the amount being advanced by the DIP Lender appears to cover the budgeted professional fees. To the extent the Debtors are attempting to impose the Carve Out on Prepetition Secured Parties at this early stage of the proceedings, they should be held to the strict standards under 11 U.S.C. § 506(c) and also demonstrate that such impacted creditors are adequately protected.

7. Enterprise Allocation Protocol, Budget, Reporting. Debtors propose to allocate Reallocation Fees based upon revenue. Based upon the information to date, it is not apparent that such protocol is fair and equitable in this case. At the time of drafting this Objection, UMB had only received a general budget for the overall operation and not an individual budget for the various communities or review of their various financials. UMB submits that the Enterprise Allocation Protocol should not be approved until the Final Hearing, that the Prepetition Secured Parties should be entitled to receive the same reporting as the DIP Lender, and that detailed budgets on a community by community basis should be provided to the Prepetition Secured Parties.

8. Inspection and Access to Information. The Debtors should be required to cooperate with UMB with respect to such inspection of the Eugene Facility including, without limitation, allowing any required appraisals or other inspections.

9. Cash Collateral Adequate Proteciton. The proposed adequate protection offered in the Interim Order should remain subject to modification at Final Hearing and should not restrict any rights that a Prepeittion Secured Party may have under the Bankruptcy Code. Further, to the extent that any such adequate protection requires marshaling on behalf of a PrePetition Secured Party, any such requirement should be reserved to the Final Hearing.

10. Priming Liens. UMB believes its liens with respect to the Eugene Debtors and its collateral fall under the category of Permitted Liens. However, UMB objects to the DIP Motion to the extent there is any priming effect of its collateral from the DIP Facility.

RESERVATION OF RIGHTS

11. Any Order granting the DIP Motion on an interim basis should be without prejudice to UMB (or any other party) seeking further and other adequate protection, including adequate protection payments, to the extent it deems the same is necessary based upon obtaining additional information and fuller assessment of this case. Further, such Order should be without prejudice to (i) UMB seeking the early termination of the Debtors' use of Cash Collateral prior to the expiration/termination of the Order for cause; or (ii) seeking immediate relief from the automatic stay to pursue state-law remedies with respect to its collateral.

12. In light of having less than 24 hours to review the DIP Motion, and given the evolving circumstances, UMB reserves the right to supplement this Objection, join with any other objection, and to seek additional adequate protection at the interim and final hearing on the DIP Motion.

WHEREFORE, PREMISES CONSIDERED, UMB respectfully requests that (i) the Court deny the Motion to an extent the concerns set forth above cannot be addressed; (ii) alternatively, that the relief sought in the DIP Motion be conditioned on adequate protection of UMB's interest in its collateral; and (iii) for such other and alternative relief as the Court deems just and proper.

Dated: February 4, 2026.

Respectfully submitted,

/s/ Jason P. Kathman
Jason P. Kathman (Texas Bar No. 24070036)
SPENCER FANE LLP
5700 Granite Parkway, Suite 650
Plano, TX 75024
(972) 324-0300 – Telephone
(972) 324-0301 – Facsimile
Email: jkathman@spencerfane.com

-and-

Eric L. Johnson (*Pro Hac Vice* Pending)
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SPENCER FANE LLP
1000 Walnut Street, Suite 1400
Kansas City, MO 64106
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Email: ejohnson@spencerfane.com
Email: bdevling@spencerfane.com
Email: achase@spencerfane.com

COUNSEL FOR UMB BANK

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that, on February 4, 2026, I caused to be served the foregoing pleading upon the United States Trustee, and the parties on the attached Creditor Matrix via electronic mail and/or United States mail, first class delivery, and also via the Court's electronic transmission facilities upon all parties accepting such service.

/s/ Jason P. Kathman
Jason P. Kathman