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*Proposed Counsel for the Debtors and
Debtors-in-Possession*

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

In re:)	
)	Chapter 11
)	
INSPIRED HEALTHCARE CAPITAL)	Case No. 26-90004 (MXM)
HOLDINGS, LLC, <i>et al.</i> ¹)	
)	(Jointly Administered)
Debtors.)	
)	

**DEBTORS' OBJECTION TO THE
HPI FAIRMOUNT LENDER, LP'S MOTION FOR RELIEF FROM STAY
PURSUANT TO §362(D)(1)-(2), AND REQUEST FOR HEARING IN DALLAS, TEXAS**

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' claims and noticing agent at <https://dm.epiq11.com/InspiredHealthcare>. The Debtors' mailing address is 7033 East Greenway Parkway, Suite 250, Scottsdale, AZ 85254.

Inspired Healthcare Capital Holdings, LLC (“Holdings”) and certain of its affiliates and subsidiaries, as debtors and debtors-in-possession in the above-captioned chapter 11 cases (collectively, the “Debtors”), hereby file this objection (this “Objection”) to the *HPI Fairmount Lender, LP’s Motion for Relief from Stay Pursuant to 11 U.S.C. § 362(d)(1)-(2)* [Docket No. 310] (the “Motion”), filed by HPI Fairmount Lender, LP (the “Movant”). In further support of the Objection, the Debtors submit the *Declaration of M. Benjamin Jones in Support of Debtors’ Objection to HPI Fairmount Lender, LP’s Motion for Relief from Stay Pursuant to 11 U.S.C. § 362(d)(1)-(2)*, which is filed contemporaneously herewith, and respectfully state as follows:

PRELIMINARY STATEMENT

1. These Chapter 11 Cases are in their earliest stages, and the breathing spell afforded by the automatic stay is critical at this juncture to allow the Debtors to conduct their marketing process for substantially all their assets with the goal of achieving a value-maximizing sale for the benefit of all stakeholders, including Movant. On this record, Movant has not carried its burden under section 362(d). Movant cannot credibly complain of inadequate protection in light of the Final DIP Order (defined below), which provides Movant with substantial protections, including replacement liens, supplemental liens, and superpriority claims, among other protections. Movant is also already receiving adequate assurance in the form of the ability to draw from the \$800,000 Trust Reserve for non-default interest. Although the Motion was filed before entry of the Final DIP Order, the Debtors contacted Movant after entry of that order to address those protections in the context of the Motion, and Movant nevertheless elected to proceed here.

2. The record is clear that the Debtors have equity in the Grapevine Facility. The Debtors recently received an indication of interest valuing the Grapevine Facility at [REDACTED] demonstrating the market’s valuation of the property well in excess of Movant’s liens. The party

providing the indication of interest has full access to all diligence related to the Grapevine Facility, including historical and current performance metrics, all of which are considered in their valuation of the property. Further, the February 2026 appraisal Movant offered as evidence shows substantial equity in the Grapevine Facility. Movant provides nothing except conclusory statements in support of its contention that the Debtors lack equity in the Grapevine Facility. Conclusory statements are insufficient to support the relief Movant requests, however, as Movant has not made a competent showing that the automatic stay has caused any present diminution in value. Rather, on this record, Movant has not met its burden to establish a present lack of equity. And because these Chapter 11 Cases remain in their infancy, any determination that the Grapevine Facility is not necessary to an effective reorganization is at best premature, particularly while the Debtors remain within their exclusive period to file a plan and are actively pursuing a sale process designed to maximize value.

3. The Motion also miscasts these chapter 11 cases as a bad-faith, two-party, single-asset real-estate dispute. They are not. The Grapevine Facility is a licensed assisted-living and memory-care community, not bare land or a passive rent-collection vehicle. The governing management documents reflect an operating business with staffing, resident services, payroll, billing, collections, marketing, licensure, regulatory compliance, and day-to-day operations conducted by an on-site workforce. To the extent Movant invokes section 362(d)(3), that theory is misplaced. Section 101(51B) excludes from the definition of “single asset real estate” property on which substantial business is being conducted other than the mere operation of the real property, and that exclusion applies here.

4. Movant’s request also undercuts the Debtors’ ongoing effort to market and sell substantially all of their assets through an orderly, value-maximizing process. The Grapevine

Facility is part of that process. By seeking to carve it out for Movant's unilateral benefit, the Motion seeks to diminish estate flexibility, interfere with the Debtors' sale efforts, and risk reducing value to the detriment of the Debtors' estates and stakeholders, and to the detriment of the DST Investors who seek to benefit from the sale of the Grapevine Facility in an amount well above Movant's security interests. Movant sought to credit bid its secured interest for the Grapevine Facility, and upon other indications of interest being received far and above Movant's credit bid, the Motion was the only avenue to secure recovery of the Grapevine Facility without competing in the Debtors' marketing and sale process. Removing Grapevine from the Debtors' marketing package at this stage would likely increase professional costs, complicate the sale process, and chill bidder interest. It is imperative that the Debtors be allowed to pursue the sale of substantially all of their assets without unwarranted interference from Movant, particularly when no grounds exist for such interference and Movant's interests are adequately protected not only by replacement liens and the like, but also a substantial equity cushion. Accordingly, the Debtors respectfully request the Court deny the relief requested in the Motion in its entirety.

BACKGROUND

I. The Chapter 11 Cases

5. Beginning on February 2, 2026 (the "Petition Date"), each Debtor commenced a case by filing a petition for relief under chapter 11 of the Bankruptcy Code (collectively, the "Chapter 11 Cases") in this Court. The Debtors continue to operate their businesses and manage their properties as debtors and debtors-in-possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

6. On February 25, 2026, the Office of the United States Trustee for Region 6 (the "U.S. Trustee") appointed an official committee of unsecured creditors in these Chapter 11 Cases. *See* Docket No. 161.

7. On March 19, 2026, Movant filed the Motion.

8. On March 24, 2026, the Court entered the *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 Secured Parties; (IV) Modifying the Automatic Stay; and (V) Granting Related Relief* [Docket No. 339] (the “Final DIP Order”).

9. Additional information regarding the Debtors and these Chapter 11 Cases, including the Debtors’ business operations, capital structure, financial condition, and the reasons for and objectives of these Chapter 11 Cases, is set forth in the *Declaration of M. Benjamin Jones in Support of Chapter 11 Petitions and First Day Pleadings* [Docket No. 33] (the “First Day Declaration”).

OBJECTION

I. The Movant Has Failed to Show Cause for Relief from the Automatic Stay.

10. The automatic stay under Bankruptcy Code section 362 stays the commencement or continuation of prepetition actions or proceedings against a debtor or against property of the estate. *See* 11 U.S.C. § 362. In particular, the automatic stay protects against, among other things, (a) “the commencement or continuation ... of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case,” (b) “any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate,” and (c) “any act to collect, assess, or recover a claim against the debtor that arose before the commencement of the case[.]” *Id.*, at § 362(a)(1), (3), (6).

11. The automatic stay provides “one of the fundamental debtor protections provided by the bankruptcy laws.” *S.I. Acquisition, Inc. v. Eastway Delivery Serv., Inc. (In re S.I.*

Acquisition, Inc.), 817 F.2d 1142, 1146 (5th Cir. 1987). It is intended to “give[] the debtor a breathing spell from his creditors.” *Id.* (the automatic stay “prohibits the proliferation of numerous claims in different forums against the debtor.”); *see also In re Nw. Timberline Enters., Inc.*, 348 B.R. 412, 429 (Bankr. N.D. Tex. 2006) (“The purpose of the automatic stay is to give the debtor a “breathing spell” from his creditors, and also, to protect creditors by preventing a race for the debtor’s assets.”). The automatic stay is “particularly important in maintaining the *status quo* and permitting the debtor in possession or trustee to attempt to formulate a plan of reorganization.” 3 Collier on Bankruptcy ¶ 362.03 (16th ed. 2019) (“[W]ithout the stay, the debtor’s assets might well be dismembered, and its business destroyed, before the debtor has an opportunity to put forward a plan for future operations.”).

12. Although Bankruptcy Code section 362(d) authorizes a court to lift an automatic stay for “cause,” the Bankruptcy Code does not offer guidance as to what constitutes “cause,” and the reviewing court must determine whether cause exists on a case-by-case basis. *See, e.g., In re Reitnauer*, 152 F.3d 341, 343 n.4 (5th Cir. 1998); *In re Mosher*, 578 B.R. 765, 772 (Bankr. S.D. Tex. 2017) (explaining that whether “cause” exists is a fact-intensive inquiry “committed to the discretion of the bankruptcy judge...that must be determined on a case-by-case basis.”).

13. Critically, the party seeking relief from the stay carries the initial burden to establish that cause exists to lift the stay, and only if the movant makes a prima facie case does the debtor need to respond. *See In re Kowalsky*, 235 B.R. 590, 594 (Bankr. E.D. Tex. 1999). “If a movant fails to make a prima facie showing, the court should deny the relief requested.” *Id.* (citing *In re Keene Corp.*, 171 B.R. 180, 182 (Bankr. S.D.N.Y. 1994)). As is particularly relevant to the Motion, pursuant to section 362(g) of the Bankruptcy Code, “In any hearing under subsection (d) or (e) of this section concerning relief from the stay of any act under subsection (a) of this section

— the party requesting such relief has the burden of proof on the issue of the debtor’s equity in property;” *See* 11 U.S.C. § 362(g)(1).

14. Pursuant to section 362(d)(1) of the Bankruptcy Code, cause may be established by demonstrating a lack of adequate protection of an interest in property of such party in interest, here, the Grapevine Facility. *See* 11 U.S.C. §362(d)(1). “To establish a prima facie case for cause due to a lack of adequate protection, a movant must initially demonstrate that it holds a claim, secured by a valid, perfected lien upon estate property and that a decline in the value of its collateral is either occurring or is threatened.” *In re Box*, 324 B.R. 290, 292 (Bankr. S.D. Tex. 2005) (*citing In re Kowalsky*, 235 B.R. at 596); *see also In re Elmira Litho, Inc.*, 174 B.R. 892, 902 (Bankr. S.D.N.Y. 1994).

15. Movant attempts to establish cause by stating that the Debtors have not and cannot adequately protect Movant. Movant fails to carry this burden. “To establish a prima facie case of cause due to a lack of adequate protection, the creditor seeking relief must provide evidence that the value of the collateralized property is declining or is threatened to decline in value as a result of the automatic stay. Typically, a creditor will show a property’s decline in value by comparing the value of that property at the time of the bankruptcy petition against the value of the property at the time of the lift stay hearing.” *In re JCP Props., Ltd.*, 540 B.R. 596, 613 (Bankr. S.D. Tex. 2015); *see also In re Rosado*, No. 24- 11851(JLG), 2025 WL 1520515 at *4 (Bankr. S.D.N.Y. May 28, 2025) (“The most persuasive proof of declining value comes from appraisal or similar evidence showing that the value of the collateral was higher at the beginning of the case.”) (internal quotation marks and citation omitted).

16. Foremost, the Debtors have provided adequate assurance to Movant with respect to its interests in the Grapevine Facility. In accordance with paragraph 14 of the Final DIP Order,

the Debtors have provided Movant replacement liens, supplemental liens, superpriority claims, and express acknowledgement that the DST Debt Reserve Accounts are designated solely for payment of post-petition non-default interest. In fact, Movant is already receiving adequate protection in the form of the ability to draw non-default interest from the \$800,000 held in the Trust Reserve.

17. Furthermore, the Supreme Court has made clear that an undersecured creditor is not entitled to compensation under section 362(d)(1) for the delay caused by the automatic stay in foreclosing on its collateral. *United Sav. Ass'n of Tex. v. Timbers of Inwood Forest Assocs., Ltd.*, 484 U.S. 365, 370–73 (1988). Adequate protection guards against a decline in collateral value, not a creditor's frustration that foreclosure has been paused. Here, Movant relies principally on prepetition operating issues and its preference to foreclose now. That is not enough.

18. Movant cannot meet its burden of proving that the Grapevine Facility is decreasing in value due to the Debtors' chapter 11 filing or imposition of the automatic stay. Movant offers no competing appraisal showing that the Grapevine Facility is presently worth less than its debt. To the contrary, Movant itself attached a February 10, 2026, appraisal valuing the Grapevine Facility at [REDACTED]. Criticism of that appraisal does not substitute for evidence of present decline in value caused by the stay. Movant's statements are further diminished by the value ascribed to the Grapevine Facility as set forth in the [REDACTED], a copy of which is annexed to the Jones Declaration as Exhibit A. As of March 20, 2026, the Debtors received an [REDACTED] [REDACTED] which ascribes a value of [REDACTED] to the Grapevine Facility. What Movant fails to mention is that it submitted a credit bid for the Grapevine Facility, which was clearly exceeded by the bid in the Bid package. Movant's Motion is an attempt to end-run the sale process because Movant does not wish to engage in a competitive bidding process, it simply wishes to take the

Grapevine Facility, along with the Debtors' equity which Movant is not entitled to, for its own benefit and to the detriment of the Debtors' estates. Accordingly, Movant's attempt to discredit the February appraisal must fail because the Bid Package demonstrates the market's valuation of the Grapevine Facility, which aligns with the appraisal and is far in excess of Movant's lien on the property.

19. The Supreme Court has held that valuation must be determined in light of the purpose of the valuation and the proposed disposition or use of the property. *Associates Commercial Corp. v. Rash*, 520 U.S. 953, 961–63 (1997). The Fifth Circuit has likewise made clear that “The Bankruptcy Code does not prescribe any particular method of valuing collateral, but instead leaves valuation questions to the bankruptcy court on a case-by-case basis.” *Fin. Sec. Assurance Inc. v. T-H New Orleans Ltd. P’ship*, 116 F.3d 790, 799 (5th Cir. 1997). Here, the Grapevine Facility is valued to determine whether the Debtors have equity in the property, which in turn determines if Movant's interests are adequately protected, and such valuation is readily discernible by the marketing process undertaken by the Debtors.

20. The Grapevine Facility is a complex asset comprising tangible and intangible value. In *In re Diamond*, the bankruptcy court described its methodology for valuing such an asset, stating that, “To do so, the Bankruptcy Court ‘first determined the likely sales price of the to-be-constructed units . . . then determined the forecast cost of the building, financing, and marketing . . .’” and subtracted the forecast costs to determine the value of the property. *See In re Diamond Beach VP, LP*, 551 B.R. 590 (S.D. Tex. 2016). Here, there is obviously no need to subtract forecast costs, but the court's methodology is relevant as it demonstrates the sale price is a reliable metric for valuing a complex asset. The price a good-faith purchaser would pay for the property is the most reliable valuation method, especially when the property is being actively marketed for sale

and potential purchasers are vigorously performing diligence on the assets, including review of the Grapevine Facility's historical and current performance which they almost certainly incorporate into the proposed purchase price. To diminish the value of the Grapevine Facility on account of Movant's assertions would be to the detriment of the ongoing marketing and sale process, which directly impacts the Debtors' estates and stakeholders' potential recovery through the sale. On this record, Movant has not carried its burden under section 362(d)(1).

II. Movant Cannot Satisfy Section 362(d)(2).

21. Section 362(d)(2) requires a showing that (a) the debtor lacks equity in the property **and** (b) the property is not necessary to an effective reorganization. *See* 11 U.S.C. § 362(d)(2). Both elements must be shown and Movant bears the burden on the first element. *See* 11 U.S.C. § 362(g)(1). In the Fifth Circuit, "equity" for purposes of section 362(d)(2) means the difference between the value of the property and the encumbrances against it. *Matter of Sutton*, 904 F.2d 327, 329 (5th Cir. 1990).

22. Movant has not shown the absence of equity. Movant asserts a secured claim of approximately \$15,062,165.96, *see* Motion Exhibit A-25, and references but fails to rebut a value of [REDACTED] ascribed by the appraisal attached as Motion Exhibit A-24. As stated above, the Debtors have received a recent non-binding indication of interest valuing the Grapevine Facility at [REDACTED]. A current market offer for the subject asset is probative of present fair market value. The Debtors do not contend that the indication of interest conclusively establishes fair market value, but it is current market evidence generated in the very sale process now testing value, and it corroborates the appraisal, both of which undermine Movant's attempt to prove, on this early record, that the Debtors lack equity in the Grapevine Facility.

23. Movant also cannot establish that the Grapevine Facility is unnecessary to an effective reorganization. The Supreme Court has explained that, especially at the outset of a

chapter 11 case, the question is whether there is “a reasonable possibility of a successful reorganization within a reasonable time.” *Timbers*, 484 U.S. at 376 (“ . . . the bankruptcy courts demand less detailed showings during the four months in which the debtor is given the exclusive right to put together a plan . . .”) At such an early stage in the bankruptcy, the burden of proof under § 362(d)(2)(B) is satisfied if the debtor offers sufficient evidence to indicate that a successful reorganization within a reasonable time is ‘plausible.’” *Matter of Holly's, Inc.*, 140 B.R. 643, 701 (Bankr. W.D. Mich. 1992). That standard is readily satisfied here. The Court has entered the Final DIP Order and approved bidding procedures for a sale of substantially all assets, and the Grapevine Facility is part of that process. A property can be necessary to an effective reorganization because it is integral to an orderly, value-maximizing sale process. Any contrary determination now—while these cases are still in their opening chapter and while the Debtors remain within their exclusive period to file a chapter 11 plan—would be premature at best.

III. These Chapter 11 Cases Are Not a Bad-Faith, Two-Party, Single Asset Real Estate Filing.

24. Movant’s bad-faith framing is misplaced. *Little Creek* involved undeveloped real estate and classic bad-faith indicia that are not present here. *See In re Little Creek Dev. Co.*, 779 F.2d 1068, 1072–73 (5th Cir. 1986). Here, the Debtors are operating a licensed assisted-living and memory-care business in chapter 11, an official committee of unsecured creditors has been appointed, the Debtors have obtained entry of the Final DIP Order, and the Court has approved an orderly sale process. This is not a case of vacant dirt parked in bankruptcy to frustrate a foreclosure.

25. Nor is the Grapevine Facility “single asset real estate.” The Fifth Circuit applies an active-versus-passive inquiry that looks to whether revenue is generated by entrepreneurial labor and ongoing operations or merely by passive ownership of real property. *See In re Scotia*

Pac. Co., LLC, 508 F.3d 214 (5th Cir. 2007). The Grapevine Facility is plainly active. It operates through on-site staff, resident care services, billing and collections, marketing, licensure, and regulatory compliance. That is substantial business other than the mere operation of real property, so section 362(d)(3) does not apply. Further, to allege that the Debtors filed 161 complex chapter 11 cases, with fully fleshed out first day relief and plans for a fulsome sale process, just to protect the Grapevine Facility from foreclosure is unfounded and plainly incorrect. To the contrary, Movant seeks to lift the automatic stay to remove the Grapevine Facility from the Debtors' estates for its own benefit. If allowed to be sold through the Debtors' sale process, and given the value already offered for the Grapevine Facility, Movant would likely receive full payment of its secured claim **and** the DST Investors, individuals who invested their hard earned money in the Debtors, would also receive a return on their investment. To lift the stay here would allow only Movant to benefit, siphoning off the excess value demonstrated by the Debtors' equity in the Grapevine Facility, which Movant is not entitled to. Whereas if the stay remains in place, Movant and the DST Investors stand to benefit. That is in line with the equities the Bankruptcy Code seeks to administer and denying the relief requested in the Motion would inure to the benefit of all of the Debtors' stakeholders, not solely this secured lender.

RESERVATION OF RIGHTS

26. The Debtors reserve all rights to supplement or add to the legal and factual arguments raised in this Objection on any basis whatsoever, at a future date. Nothing herein is or shall be interpreted as an admission that any claim asserted by the Movant is valid, and the Debtors reserve all rights with respect to any such assertion.

[Remainder of page intentionally left blank]

WHEREFORE, for the foregoing reasons, the Debtors respectfully request that this Court deny the relief sought in the Motion in its entirety.

Dated: April 2, 2026
Dallas, Texas

MCDERMOTT WILL & SCHULTE LLP

/s/ Marcus A. Helt

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*Proposed Counsel for the Debtors and
Debtors-in-Possession*

CERTIFICATE OF SERVICE

I hereby certify that on this date a true and correct copy of the foregoing Objection was served by the Court's CM/ECF system on all counsel of record registered in these Chapter 11 Cases through CM/ECF.

Dated: April 2, 2026
Dallas, Texas

MCDERMOTT WILL & SCHULTE LLP

/s/ Marcus A. Helt

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*Proposed Counsel for the Debtors and
Debtors-in-Possession*

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

In re:)
) Chapter 11
)
INSPIRED HEALTHCARE CAPITAL)
HOLDINGS, LLC, *et al.*¹) Case No. 26-90004 (MXM)
)
) (Jointly Administered)
)
Debtors.)

**DECLARATION OF M. BENJAMIN JONES
IN SUPPORT OF DEBTORS’ OBJECTION TO
HPI FAIRMOUNT LENDER, LP’S MOTION FOR RELIEF FROM STAY
PURSUANT TO §362(D)(1)-(2), AND REQUEST FOR HEARING IN DALLAS, TX**

I, M. Benjamin Jones, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

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’ claims and noticing agent at <https://dm.epiq11.com/InspiredHealthcare>. The Debtors’ mailing address is 7033 East Greenway Parkway, Suite 250, Scottsdale, AZ 85254.

1. I submit this declaration (this “Declaration”) in support of the *Debtors’ Objection to the HPI Fairmount Lender, LP’s Motion for Relief from the Automatic Stay Pursuant to §362(d)(1)-(2), and Request for Hearing in Dallas, TX* (the “Objection”)².

2. I am the Debtors’ CRO. I am also a Senior Managing Director at Ankura Consulting Group, LLC (“Ankura”) and the Global Co-Head of Ankura’s Turnaround & Restructuring Practice. I have more than 25 years of financial-restructuring, interim-management, turnaround, and financial-advisory experience, with a significant emphasis on the U.S. healthcare industry. During that time, I have advised and assisted distressed companies with numerous complex financial, operational, and strategic situations, including serving as interim management, chief restructuring officer, and strategic restructuring advisor of such entities and assisting with, among other things, financial-statement analysis, expert-witness services, financial-projection development, liquidity and cash management, M&A support, stakeholder negotiations, balance sheet recapitalization and restructurings, postpetition financing and sourcing, and bankruptcy preparation and administration. I also have extensive healthcare-sector experience and have advised hospitals, outpatient-rehabilitation facilities, skilled-nursing facilities, continuing-care-retirement communities, and other healthcare-service providers.

3. I have served as president, chief restructuring officer, and chief financial officer for private and public companies. In addition, I have played key roles in dozens of other high-profile restructurings, mergers, and acquisitions, assisting clients both in and outside of chapter 11, including, among others, *In re Azzur Group Holdings LLC*, Case No. 25-10342 (KBO) (Bankr. D. Del. Mar. 2, 2025); *In re LaVie Care Centers, LLC*, Case No. 24-55507 (PMB) (Bankr. N.D. Ga. June 2, 2024); *In re Gulf Coast Health Care, LLC*, Case No. 21-11336 (KBO) (Bankr. D. Del. Oct.

² Capitalized terms used but not defined herein have the meanings given to such terms in the Objection.

14, 2021); *In re KB US Holdings, Inc.*, Case No. 20-22962 (SHL) (Bankr. S.D.N.Y. Aug. 23, 2020); *In re High Ridge Brands Co.*, Case No. 19-12689 (BLS) (Bankr. D. Del. Dec. 18, 2019); *In re Trident Holding Company, LLC*, Case No. 19-10384 (SHL) (Bankr. S.D.N.Y. Feb. 10, 2019); *In re Penn Traffic Co.*, Case No. 09-14078 (BLS) (Bankr. D. Del. Nov. 18, 2009); *In re Carastar Industries, Inc.*, Case No. 09-73830 (MGD) (Bankr. N.D. Ga. May 31, 2009); *In re Milacron*, Case No. 09-11235 (JVA) (Bankr. S.D. Ohio Mar. 9, 2009); *In re World Health Alternatives, Inc.*, Case No. 06-10166 (PJW) (Bankr. D. Del. Feb. 21, 2006); *In re Lionel L.L.C.*, Case No. 04-17324 (BRL) (Bankr. S.D.N.Y. Nov. 15, 2004); *In re Centennial HealthCare Corporation*, Case No. 02-74974 (JEM) (Bankr. N.D. Ga. Dec. 20, 2002); *In re Golden Books Family Entertainment, Inc.*, Case No. 01-1920 (RRM) (Bankr. D. Del. June 4, 2001); *In re Mariner Post-Acute Network, Inc.*, Case No. 00-00113 (KG) (Bankr. D. Del. Jan. 18, 2000). Prior to joining Ankura, I began my career at Ernst & Young, focusing on valuations and middle-market corporate-finance transactions and later joined CDG Group to focus on restructurings and reorganizations. I hold a Bachelor of Science in Accounting, with distinction, from Wake Forest University.

4. Ankura was retained to provide the Company with chief restructuring officer services under an engagement letter dated as of November 3, 2025, which contemplated Ankura assisting the Company with, among other things, (a) the creation and review of various financial analyses and forecasts, (b) the evaluation of future cash flows and development of a restructuring plan, (c) preparation for a chapter 11 bankruptcy, if necessary, and (d) transaction and reorganization support. On November 21, 2025, I was appointed as the Debtors' CRO. As CRO, I report to James Calandra of Capstone, in his capacity as independent manager of the Debtor Sponsor and Holdings and its direct and indirect subsidiaries for actions related to reorganization.

5. In my capacity as CRO, I am generally familiar with the Debtors' facilities, operations, and the ongoing marketing and sale process of the Debtors' assets, including the Grapevine Facility.

6. Except as otherwise indicated herein, all facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents of the Debtors, other information prepared or collected by the Debtors' employees, information supplied to me by other members of the Debtors' management and third-party advisors, or my opinion based on my experience with the Debtors' operations. In making my statements based on documents and other information prepared or collected by the Debtors' employees or my conversations with the Debtors' counsel or other advisors, I have relied upon the accuracy of such documentation and other information. If called upon to testify, I would testify competently to the facts set forth in this Declaration.

7. I have reviewed the *HPI Fairmount Lender, LP's Motion for Relief from the Automatic Stay Pursuant to §362(d)(1)-(2), and Request for Hearing in Dallas, TX* [Docket No. 310] (the "Motion"), along with the accompanying declaration and exhibits, which seeks a determination pursuant to section 362(d)(1)-(2) that the automatic stay should be lifted with respect to the Debtors' facility located at 3735 Ira E Woods Avenue, Grapevine, Texas 76051 (the "Grapevine Facility")

THE GRAPEVINE FACILITY AND THE SALE

8. On February 2, 2026, the Debtors commenced these Chapter 11 Cases in this Court and have continued since that date to operate their businesses and manage their properties as debtors in possession.

9. The Grapevine Facility is a licensed assisted-living and memory-care community located at 3735 Ira E. Woods Avenue, Grapevine, Texas 76051.

10. The Grapevine Facility is an operating senior-living business with day-to-day responsibilities that include resident care and services, staffing, scheduling, payroll, billing and collections, marketing, licensure, regulatory compliance, food service, housekeeping, maintenance, and other ordinary-course operational activities. Those operations are carried out through on-site personnel and management.

11. The Grapevine Facility is actively operating during these Chapter 11 Cases and continues to be a robust senior-living facility that provides meaningful care to its residents.

12. The Debtors are conducting a court-approved marketing process for substantially all of their assets, and the Grapevine Facility is included in that process. In connection with that effort, I have worked with the Debtors' investment banker and other advisors regarding bidder outreach, diligence materials, indications of interest, and evaluation of potential transactions.

13. Based on my involvement in that process, parties have expressed meaningful interest in acquiring the Debtors' assets, including the Grapevine Facility.

14. On or about March 20, 2026, HPI indicated to the Debtors' investment banker that

[REDACTED]

15. On or about March 20, 2026, the Debtors received a [REDACTED]

[REDACTED], a copy of which is attached hereto as **Exhibit A** [REDACTED]

16. Based on my communications with the Debtors' investment banker and my review of the sale process, the party submitting that indication of interest had access to diligence concerning the Grapevine Facility, including historical and current performance information, and

submitted its indication of interest in the context of the Debtors' broader court-approved marketing process.

17. Based on my review of the Debtors' sale materials, bidder communications, and the ongoing marketing process, removing the Grapevine Facility from the Debtors' sale process at this stage would likely increase professional fees, complicate the sale process, and risk chilling or reducing bidder interest in the broader transaction process.

THE MOTION

18. I have read and reviewed the Motion, its exhibits, and the accompanying *Declaration of John Gonzalez in Support of HPI Fairmount Lender, LP's for Relief from the Automatic Stay Pursuant to §362(d)(1)-(2), and Request for Hearing in Dallas, TX* [Docket No. 310-1] (the "Stay Relief Declaration").

19. I have reviewed the February 10, 2026 appraisal of the Grapevine Facility, which is attached to the Motion as Exhibit A-24, and can confirm it is a true and correct copy of the most recent appraisal of the Grapevine Facility. That appraisal states an as-is value of [REDACTED] for the Grapevine Facility.

20. I have also reviewed the amount-due calculation attached to the Motion as Exhibit A-25, which reflects that Movant asserts a debt of approximately \$15,062,165.96.

21. The value of the Grapevine Facility, whether drawn from the Appraisal or the Bid Package, is in excess of the debt held by Movant with respect to the Grapevine Facility. It is my opinion that the Debtors have equity in the Grapevine Facility.

22. If the Grapevine Facility is sold through the Debtors' sale process, I believe HPI's secured claim would be paid in full, and the additional value beyond HPI's secured claim would

flow to the DST Investors who stand to benefit from the Debtors' sale process. If the Motion is granted, HPI would be the only party who benefits.

23. The Motion states that the Debtors cannot and have not provided adequate protection to Movant. Pursuant to paragraph 14 of the *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 Secured Parties; (IV) Modifying the Automatic Stay; and (V) Granting Related Relief* [Docket No. 339] (the "Final DIP Order"), the Debtors have provided Movant with adequate protection in the form of replacement liens, supplemental liens, superpriority claims, and express acknowledgement that the DST Debt Reserve Accounts are designated solely for payment of post-petition non-default interest.

24. Furthermore, HPI is receiving adequate protection in the form of the ability to draw from the \$800,000 Trust Reserve for non-default interest payments.

25. Given the Debtors' equity in the Grapevine Facility, the value of the Grapevine Facility exceeding Movant's interests in the property by more than [REDACTED] and the adequate protection provided by the Debtors pursuant to the Final DIP Order, Movant's interests are adequately protected.

26. Accordingly, I submit that approval of the Motion would be detrimental to the Debtors' estates and other creditors, and based on my understanding of section 362(d) of the Bankruptcy Code, there is no basis to lift the automatic stay under these circumstances.

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Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Dated: April 2, 2016

By: /s/ M. Benjamin Jones
Name: M. Benjamin Jones
Title: Chief Restructuring Officer
Inspired Healthcare Capital, LLC
Inspired Healthcare Capital Holdings, LLC

EXHIBIT A

Bid Package

[Filed Under Seal]