

Fill in this information to identify the case:

Debtor 1 Curae Health Inc.
Debtor 2 _____
(Spouse, if filing)
United States Bankruptcy Court MIDDLE DISTRICT OF TENNESSEE
Case number: 18-05665

FILED

U.S. Bankruptcy Court
MIDDLE DISTRICT OF TENNESSEE

4/29/2019

TERESA C. AZAN, Acting Clerk

**Official Form 410
Proof of Claim**

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents**; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>USDARural Development</u> Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent? <u>USDARural Development</u> Name 3322 West End Avenue, Suite 300 Nashville, TN 37203 Contact phone <u>615-783-1349</u> Contact email <u>Terence.McGhee@usda.gov</u> Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	Where should payments to the creditor be sent? (if different) _____ Name Contact phone _____ Contact email _____
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	

Official Form 410

Proof of Claim

page 1

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?	<div style="display: flex; justify-content: space-between;"><div><input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:</div><div style="border-bottom: 1px solid black; width: 150px; text-align: right;">4638</div></div>
7. How much is the claim?	<div style="display: flex; justify-content: space-between;"><div style="width: 40%;">\$ 16438280.15</div><div>Does this amount include interest or other charges? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).</div></div>
8. What is the basis of the claim?	<p>Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as healthcare information.</p> <p>Prom Notes, Security Agreement, UCC Filings</p>
9. Is all or part of the claim secured?	<div><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property.</div> <div>Nature of property: <input type="checkbox"/> Real estate. If the claim is secured by the debtor's principal residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i>. <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____</div> <div>Basis for perfection: _____</div> <div>Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)</div> <div style="margin-top: 20px;"><div>Value of property:</div><div style="text-align: right;">\$ _____</div><div>Amount of the claim that is secured:</div><div style="text-align: right;">\$ _____</div><div>Amount of the claim that is unsecured:</div><div style="display: flex; justify-content: space-between;"><div style="text-align: right;">\$ _____</div><div>(The sum of the secured and unsecured amounts should match the amount in line 7.)</div></div></div> <div style="margin-top: 20px;"><div>Amount necessary to cure any default as of the date of the petition:</div><div style="text-align: right;">\$ _____</div><div>Annual Interest Rate (when case was filed)</div><div style="display: flex; justify-content: space-between;"><div>_____</div><div>%</div></div><div><input type="checkbox"/> Fixed <input type="checkbox"/> Variable</div></div>
10. Is this claim based on a lease?	<div><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____</div>
11. Is this claim subject to a right of setoff?	<div><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____</div>

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. <i>Check all that apply.</i>	Amount entitled to priority
A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.	<input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Up to \$3,025* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Wages, salaries, or commissions (up to \$13,650*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). <input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). <input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). <input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)(<u> </u>) that applies	\$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____
* Amounts are subject to adjustment on 4/1/22 and every 3 years after that for cases begun on or after the date of adjustment.		

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157 and 3571.

Check the appropriate box:

- ☒ I am the creditor.
☐ I am the creditor's attorney or authorized agent.
☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this Proof of Claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this Proof of Claim and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 4/29/2019
MM / DD / YYYY

/s/ Terence McGhee
Signature

Print the name of the person who is completing and signing this claim:

Name	<u>Terence McGhee</u>		
	First name	Middle name	Last name
Title	<u>Community Programs Director</u>		
Company	<u>U.S. Dept. of Agriculture, Rural Development</u>		
	<small>Identify the corporate servicer as the company if the authorized agent is a servicer</small>		
Address	<u>3322 West End Avenue, Suite 300</u>		
	Number	Street	
	<u>Nashville, TN 37203</u>		
	City	State	ZIP Code
Contact phone	<u>(615) 783-1349</u>	Email	<u>Terence.McGhee@usda.gov</u>

PROMISSORY NOTE
(ASSOCIATION OR ORGANIZATION)

State Tennessee			
County Anderson			
Case No. 48-001-*****4638			
FINANCE OFFICE USE ONLY			
F	LN	LC	IA

KIND OF LOAN:

- ☐ ASSOCIATION- ORGANIZATION
☐ HOUSING-ORGANIZATION
☐ PUBLIC BODY
☒ OTHER

COPY

Date 12-14-2015

FOR VALUE RECEIVED, Curae Health, Inc.
(herein called "Borrower") promises to pay to the order of the United States of America, acting through the Rural Housing Service, Rural Business-Cooperative Service, or Rural Utilities Service within the Rural Development Mission Area, the Farm Service Agency, or their successor Agencies, United States Department of Agriculture, (herein called the "Government") at its office in _____

Knoxville, TN 37918, or at such other place as the Government may hereafter designate in

writing, the principal amount of Eight Million Seven Hundred Ninety Four Thousand & 00/100 dollars

(\$ 8,794,000), plus interest on the unpaid principal balance at the rate of Three & one quarter percent

(3.250 %) per annum. The said principal and interest shall be paid in the following installments on or before the following dates:

\$ 38,342 on 01-14-2016,
\$ _____ on _____,
\$ _____ on _____,
\$ _____ on _____, and
\$ 38,342 thereafter on the 14th of each MONTH

until the principal and interest are fully paid except that the final installment of the entire indebtedness evidenced hereby,

if not sooner paid, shall be due and payable THIRTY (30) years from the date of this note, and except that prepayments may be made as provided below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this note shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this note and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder. No assignment of this note shall be effective unless the Borrower is notified in writing of the name and address of the assignee. The Borrower shall thereupon duly note in its records the occurrence of such assignment, together with the name and address of the assignee.

While this note is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment of Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Position 2

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security hereto, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

Default hereunder shall constitute default under any other instrument evidencing a debt or other obligation of Borrower to the Government or securing such a debt or other obligation and default under any such other instrument shall constitute default hereunder. Upon any such default, the Government at its option may declare all or any part of any such indebtedness immediately due and payable.

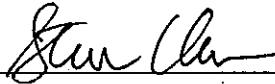
This note is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act if the box opposite "Association" is checked under the heading "KIND OF LOAN," or pursuant to Title V of the Housing Act of 1949 if the box opposite "HOUSING-ORGANIZATION" is checked. This note shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

Presentment, protest, and notice are hereby waived.

Curae Health, Inc., Russellville Hospital, Inc.,
Northwest Medical Center, Inc., and Lakeland
Community Hospital, Inc.

(Name of Borrower)

(CORPORATE SEAL)



(Signature of Executive Official)

ATTEST:

Steve Clapp, CEO

(Title of Executive Official)


(Signature of Attesting Official)

121 Leinart Street

(Post Office Box No. or Street Address)

Sarah Moore, Corporate Sec.
(Title of Attesting Official)

Clinton, TN 37716

(City, State, and Zip Code)

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1)\$		(6)\$	
(2)\$		(7)\$	
(3)\$		(8)\$	
(4)\$		(9)\$	
(5)\$		(10)\$	
TOTAL		\$0.00	

PAY TO THE ORDER OF _____

UNITED STATES OF AMERICA
USDA Rural Development
(Name of Agency)

BY _____

PROMISSORY NOTE
(ASSOCIATION OR ORGANIZATION)

KIND OF LOAN:

- ☐ ASSOCIATION- ORGANIZATION
☐ HOUSING-ORGANIZATION
☐ PUBLIC BODY
☒ OTHER

COPY

State Tennessee			
County Anderson			
Case No. 48-001-*****4638			
FINANCE OFFICE USE ONLY			
F	LN	LC	IA

Date 12-14-2015

FOR VALUE RECEIVED, Curae Health, Inc.

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successor Agencies, United States Department of Agriculture, (herein called the "Government") at its office in _____

Knoxville, TN 37918, or at such other place as the Government may hereafter designate in

writing, the principal amount of Five Million Eight Hundred Six Thousand & 00/100 dollars

(\$ 5,806,000), plus interest on the unpaid principal balance at the rate of Three & one quarter percent

(3.250 %) per annum. The said principal and interest shall be paid in the following installments on or before the following dates:

\$ 25,315 on 01-14-2016,
\$ _____ on _____,
\$ _____ on _____,
\$ _____ on _____, and
\$ 25,315 thereafter on the 14th of each month

until the principal and interest are fully paid except that the final installment of the entire indebtedness evidenced hereby,

if not sooner paid, shall be due and payable Thirty (30) years from the date of this note, and except that prepayments may be made as provided below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this note shall be applied first to interest computed to the effective date of the payment and then to principal.

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Position 2

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security hereto, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

Default hereunder shall constitute default under any other instrument evidencing a debt or other obligation of Borrower to the Government or securing such a debt or other obligation and default under any such other instrument shall constitute default hereunder. Upon any such default, the Government at its option may declare all or any part of any such indebtedness immediately due and payable.

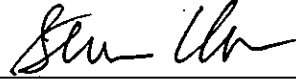
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Presentment, protest, and notice are hereby waived.

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Community Hospital, Inc.

(Name of Borrower)

(CORPORATE SEAL)

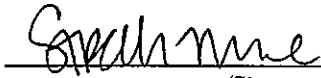


(Signature of Executive Official)

ATTEST:

Steve Clapp, CEO

(Title of Executive Official)



(Signature of Attesting Official)

121 Leinart Street

(Post Office Box No. or Street Address)

Sarah Moore, Corporate Sec.

(Title of Attesting Official)

Clinton, TN 37716

(City, State, and Zip Code)

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AMOUNT	DATE	AMOUNT	DATE
(1)\$		(6)\$	
(2)\$		(7)\$	
(3)\$		(8)\$	
(4)\$		(9)\$	
(5)\$		(10)\$	
		TOTAL	\$0.00

PAY TO THE ORDER OF _____

UNITED STATES OF AMERICA
USDA Rural Development

(Name of Agency)

BY _____

PROMISSORY NOTE
(ASSOCIATION OR ORGANIZATION)

KIND OF LOAN:

- ☐ ASSOCIATION- ORGANIZATION
☐ HOUSING-ORGANIZATION
☐ PUBLIC BODY
☒ OTHER

State Tennessee			
County Anderson			
Case No. 48-001-*****4638			
FINANCE OFFICE USE ONLY			
F	LN	LC	IA

COPY

Date 12-14-2015

FOR VALUE RECEIVED, Curae Health, Inc.

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successor Agencies, United States Department of Agriculture, (herein called the "Government") at its office in _____

Knoxville, TN 37819, or at such other place as the Government may hereafter designate in

writing, the principal amount of Five Million Two Hundred Thirty-Five Thousand & 00/100 dollars

(\$ 5,235,000), plus interest on the unpaid principal balance at the rate of Three & one quarter percent

(3.250 %) per annum. The said principal and interest shall be paid in the following installments on or before the following dates:

\$ 69,783 on 01-14-2016,
\$ _____ on _____,
\$ _____ on _____,
\$ _____ on _____, and
\$ 69,783 thereafter on the 14th of each MONTH

until the principal and interest are fully paid except that the final installment of the entire indebtedness evidenced hereby,

if not sooner paid, shall be due and payable SEVEN (7) years from the date of this note, and except that prepayments may be made as provided below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this note shall be applied first to interest computed to the effective date of the payment and then to principal.

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Position 2

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security hereto, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

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Default hereunder shall constitute default under any other instrument evidencing a debt or other obligation of Borrower to the Government or securing such a debt or other obligation and default under any such other instrument shall constitute default hereunder. Upon any such default, the Government at its option may declare all or any part of any such indebtedness immediately due and payable.

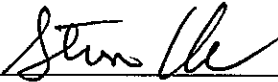
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Presentment, protest, and notice are hereby waived.

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Northwest Medical Center, Inc., and Lakeland
Community Hospital, Inc.

(Name of Borrower)

(CORPORATE SEAL)

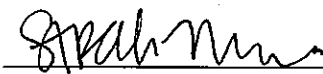


(Signature of Executive Official)

ATTEST:

Steve Clapp, CEO

(Title of Executive Official)



(Signature of Attesting Official)

121 Leinart Street

(Post Office Box No. or Street Address)

Sarah Moore, Corporate Sec.

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Clinton, TN 37716

(City, State, and Zip Code)

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AMOUNT	DATE	AMOUNT	DATE
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(2)\$		(7)\$	
(3)\$		(8)\$	
(4)\$		(9)\$	
(5)\$		(10)\$	
TOTAL		\$0.00	

PAY TO THE ORDER OF

UNITED STATES OF AMERICA
USDA Rural Development

(Name of Agency)

BY

UNITED STATES DEPARTMENT OF AGRICULTURE

RURAL DEVELOPMENT

SECURITY AGREEMENT
(Loans For Community Facilities)

COPY

I. THIS SECURITY AGREEMENT is made this 14th day of December 14, 2015, between the United States of America acting through USDA Rural Development (herein called Secured Party) and CURAE HEALTH, INC., RUSSELLVILLE HOSPITAL, INC., NORTHWEST MEDICAL CENTER, INC. AND LAKELAND COMMUNITY HOSPITAL, INC. a corporation organized and existing under the laws of the State of Tennessee, whose mailing address is 121 LEINART STREET, CLINTON, TN 37716 County of ANDERSON, State of Tennessee (herein called Debtor).

I. WHEREAS, Debtor is justly indebted to Secured Party as evidenced by a certain promissory note, herein called the note, dated December 14, 2015, for the principal sum of NINETEEN MILLION EIGHT HUNDRED THIRTY FIVE THOUSAND AND NO/100 Dollars (\$19,835,000), with interest at the rate of THREE & ONE QUARTER per cent (3.250%) per annum, executed by Debtor and payable to the order of Secured Party; and

WHEREAS, the note evidences a loan to Debtor in the principal amount specified therein, made with the purpose and intention that Secured Party, at any time, may assign the note and insure the payment thereof pursuant to the Consolidated Farmers Home Administration Act of 1961, as amended; and

WHEREAS, when payment of the note is insured by Secured Party, it may be assigned from time to time and each holder of the insured note, in turn, will be the insured lender; and

WHEREAS, when payment of the note is insured by Secured Party, Secured Party will execute and deliver to the insured lender along with the note an insurance endorsement insuring the payment of the note fully as to principal and interest; and

WHEREAS, at all times when payment of the note is insured by Secured Party, Secured Party by agreement with the insured lender set forth in the insurance endorsement will be entitled to a specified portion of the interest payments on the note, to be designated the "annual charge"; and

WHEREAS, a condition of the insurance of payment of the note will be that the holder will forego its rights and remedies against Debtor and any others in connection with said loan, as well as any benefit of this instrument, and it will accept the benefits of such insurance in lieu thereof, and upon Secured Party's request will assign the note to Secured Party; and

WHEREAS, it is the purpose and intent of this instrument that, among other things, at all times when the note is held by Secured Party, or in the event Secured Party should assign this instrument without insurance of the note, this instrument shall secure payment of the note, but when the note is held by an insured lender, this instrument shall not secure payment of the note or attach to the debt evidenced thereby, but as to the note and such debt shall constitute an indemnity security agreement to secure Secured Party against loss under its insurance endorsement by reason of any default by Debtor;

NOW, THEREFORE, in consideration of said loan and (a) at all times when the note is held by Secured Party, or in the event Secured Party should assign this instrument without insurance of the payment of the note, to secure prompt payment of the note and any renewals and extensions thereof and any agreements contained therein, (b) at all times when the note is held by an insured lender, to secure performance of Debtor's agreement herein to indemnify and save harmless Secured Party against loss under its insurance endorsement by reason of any default by Debtor, and (c) in any event and at all times to secure the prompt payment of all advances and expenditures made by Secured Party, with interest, as hereinafter described, and the performance of every covenant and agreement of Debtor contained herein or in any supplementary agreement;

DEBTOR HEREBY GRANTS to Secured Party a security interest in its interest in the following collateral, including the proceeds thereof, located or to be located in the Counties of WINSTON, FRANKLIN, AND MARION, State of Alabama:

Facility and all of equipment to be purchased with Rural Housing Service funds and all of the rents, revenues, fees, charges, membership subscriptions, assessments, all income from whatever source derived, with the exception of accounts receivable, other choses in action of whatever the nature and service charges in connection with the operation of the facilities of the Debtor.

III. DEBTOR WARRANTS, COVENANTS, AND AGREES THAT:

A. Debtor is the absolute and exclusive owner of the above-described collateral, and such collateral is free from all liens, encumbrances, security and other interests except (1) any existing liens, encumbrances, security or other interests in favor of Secured Party which shall remain in full force and effect, and (2) other liens, encumbrances, security or other interests, as follows:

ServisFirst Bank has a first lien on accounts receivable.

and Debtor will defend the collateral against the claims and demands of all other persons. Reference to the above liens, encumbrances, security and other interests is for warranty purposes only and does not indicate their priority.

B. Statements contained in Debtor's loan application(s) are true and correct; and Debtor will (1) use the loan funds for the purpose for which they are advanced, (2) care for and maintain the collateral in a good and husbandlike manner, (3) insure the collateral in such amounts and manner as may be required by Secured Party, and if Debtor fails to do so, Secured Party, at its option, may procure such insurance, (4) permit Secured Party to inspect the collateral at any reasonable time, (5) not abandon the collateral or encumber, conceal, remove, sell or otherwise dispose of it or of any interest therein, or permit others to do so, without the prior written consent of Secured Party, and (6) not permit the collateral to be levied upon, injured or destroyed, or its value to be impaired.

C. Debtor will pay promptly when due all (1) indebtedness to Secured Party secured hereby, (2) rents, taxes, insurance premiums, levies, assessments, liens, and other encumbrances, and costs of lien searches and maintenance and other charges now or hereafter attaching to, levied on, or otherwise pertaining to the collateral or this security interest, (3) filing or recording fees for instruments necessary to perfect, continue, service, or terminate this security interest, and (4) fees for inspection and appraisal and delinquency charges now or hereafter required by regulations of USDA Rural Development. At all times when the note is held by an insured lender, Debtor shall continue to make payments on the note to Secured Party, as collection agent for the holder of the note.

D. Debtor will indemnify and save harmless Secured Party against any loss under its insurance of payment of the note by reason of any default by Debtor.

E. At all times when the note is held by an insured lender, any amount due and unpaid under the terms of the note, less the amount of the annual charge, may be paid by Secured Party to the holder of the note as provided in the note and insurance endorsement for the account of Debtor. Any amount due and unpaid under the terms of the note, whether it is held by Secured Party or by an insured lender, may be credited by Secured Party on the note and thereupon shall constitute an advance by Secured Party for the account of Debtor. Any advance by Secured Party as described in this paragraph shall bear interest at the note rate from the date on which the amount of the advance was due to the date of payment to Secured Party.

F. Whether or not the note is insured by Secured Party, Secured Party may at any time pay any other amounts required herein to be paid by Debtor and not paid by it when due, including any costs and expenses for the preservation or protection of the collateral or this security interest, as advances for the account of Debtor. All such advances shall bear interest at the note rate until paid to Secured Party.

G. All advances by Secured Party as described in this instrument, with interest, shall be immediately due and payable by Debtor to Secured Party without demand at the place designated in the note and shall be secured hereby. No such advance by Secured Party shall relieve Debtor from breach of its covenant to pay. Such advances, with interest, shall be repaid from the first available collections received from Debtor. Otherwise, any payment made by Debtor may be applied on the note or any indebtedness to Secured Party secured hereby, in any order Secured Party determines.

H. In order to secure or better secure the aforesaid obligations or indebtedness, Debtor will execute and deliver to Secured Party at any time, upon demand, such additional security instruments on such real and personal property as Secured Party may require.

IV. IT IS FURTHER AGREED THAT:

A. Until default Debtor may retain possession of the collateral.

B. Default shall exist hereunder if Debtor fails to perform or discharge any obligation or to pay promptly any indebtedness hereby secured or to observe or perform any covenants or agreements herein contained, or if any of Debtor's representations or warranties herein prove false or misleading, or upon the dissolution, bankruptcy, insolvency or incompetency of Debtor. Upon any such default:

1. Secured Party, at its option, may (a) declare the unpaid balance on the note and any indebtedness secured hereby immediately due and payable, (b) enter upon the premises and take possession of, repair, improve, use, and operate the collateral or make equipment unusable, for the purpose of protecting or preserving the collateral or this lien, or preparing or processing the collateral for sale, and (c) exercise any sale or other rights accorded by law.

2. Debtor hereby (a) agrees to assemble the collateral and make it available to Secured Party at such time(s) and place(s) as designated by Secured Party, and (b) waives all notices, exemptions, compulsory disposition and redemption rights.

3. A default shall exist under any other security instrument held or insured by Secured Party and executed or assumed by Debtor on real or personal property. Likewise, default under any such other security instrument shall constitute default hereunder.

C. Proceeds from disposition of collateral shall be applied first to expenses of retaking, holding, preparing for sale, selling and the like and for payment of reasonable attorneys' fees and legal expenses incurred by Secured Party, second to the satisfaction of indebtedness secured hereby, third to the satisfaction of subordinate security interests to the extent required by law, fourth to any other obligations of Debtor owing to or insured by Secured Party, and fifth to Debtor. Any proceeds collected under insurance policies shall be applied first on advances and expenditures made by Secured Party, with interest, as hereinabove provided, second on the debt evidenced by the note, unless Secured Party consents in writing to their use by Debtor under Secured Party's direction for repair or replacement of collateral, third to any other obligation of Debtor owing to or insured by Secured Party, and any balance shall be paid to Debtor unless otherwise provided in the insurance contract. Debtor will be liable for any deficiency owed to Secured Party after such disposition of proceeds of collateral and insurance.

D. It is the intent of Debtor and Secured party that to the extent permitted by law and for the purpose of this Agreement, no collateral covered hereby is or shall become realty or accessioned to other goods.

E. This Agreement is subject to the present regulations of USDA Rural Development, and to its future regulations not inconsistent with the express provisions hereof.

F. If any provisions of this Agreement is held invalid or unenforceable, it shall not affect any other provisions hereof, but this Agreement shall be construed as if it had never contained such invalid or unenforceable provision.

G. The rights and privileges of Secured Party under this Agreement shall inure to the benefit of its successors and assigns. All covenants, warranties, representations, and agreements of Debtor contained in this Agreement are joint and several and shall bind its representatives, successors, and assigns.

H. If at any time it shall appear to Secured Party that Debtor may be able to obtain a loan from responsible cooperative or private credit sources, at reasonable rates and terms for loans for similar purposes and periods of time, Debtor will, upon Secured Party's request, apply for and accept such loan in sufficient amount to pay the note and any indebtedness secured hereby.

I. Secured Party shall have the sole and exclusive rights as the secured party hereunder, including but not limited to the power to grant or issue any consent, release, subordination, continuation statement or termination statement, and no insured lender shall have any right, title, or interest in or to the security interest created by this Agreement or any benefits hereof.

UNITED STATES OF AMERICA

By: 
Name: KIRK MORRIS
Title: AREA SPECIALIST

Curae Health, Inc., Russellville Hospital, Inc.,
Northwest Medical Center, Inc. and Lakeland
Community Hospital, Inc.

(SEAL)

By: 
Name: STEVE CLAPP
Title: CEO

ATTEST: 
Name: SARAH MOORE
Title: CORPORATE SECRETARY



JAN - 4 2016

01, 02, 403
STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

COPY

USDA RURAL DEVELOPMENT
STE 300
4730 NEW HARVEST LN
KNOXVILLE, TN 37918-7052

December 29, 2015 10:01 AM

Financing Statement Doc #: 424316081
DLN #: B0176-3479

UCC Financing Statement Acknowledgment

This acknowledges the filing of the attached UCC1 document. Please review the data to ensure database information corresponds with information on the submitted UCC form. In the event a discrepancy is found, please note the error and return the entire package to our office. If we may be of any further service to you, please contact us at the number noted below.

Tre Hargett
Tre Hargett
Secretary of State

Enclosures: Original Documents

DEBTOR INFORMATION

CURAE HEALTH, INC. 121 LEINART ST
CLINTON, TN 37716-3682

SECURED PARTY INFORMATION

RURAL DEVELOPMENT, USDA 4730 NEW HARVEST LN
STE 300
KNOXVILLE, TN 37918-7052

RECORDING TAX

Maximum principal indebtedness for Tennessee recording tax purposes is: \$0.00

FILING INFORMATION

Financing Statement Doc #: 424316081
Filing Date: 12/28/2015 10:47 AM
Lapse Date: 12/28/2020 11:59 PM

Document Receipt

Receipt #: 2361951	Fees Paid:	\$15.00
	Taxes Paid:	\$0.00
Payment-Check/MO - RURAL DEVELOPMENT, USDA, KNOXVILLE, TN		\$15.00



P400967

FINANCING STATEMENT

This is a representation of a document created electronically at the Tennessee Secretary of State's web site.

UCC Pending Doc #: P400967
Filing Date: SUBMISSION PENDINGAmount Due: \$15.00
Please File By: 01/21/2016

A. NAME & PHONE OF CONTACT AT FILER (Optional) EVETTA U. FRANKLIN (865) 523-3338
B. EMAIL OF CONTACT AT FILER (Optional) evetta.franklin@tn.usda.gov
C. SEND ACKNOWLEDGMENT TO: (Name and Address) USDA RURAL DEVELOPMENT STE 300 4730 NEW HARVEST LN KNOXVILLE, TN 37918-7052

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

DEBTORS

1. DEBTOR'S NAME				
OR	a. ORGANIZATION'S NAME CURAE HEALTH, INC.			
	b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S) INITIAL(S)	SUFFIX
c. MAILING ADDRESS 121 LEINART ST				
d. CITY	STATE	POSTAL CODE	COUNTRY	
CLINTON	TN	37716-3682	USA	

SECURED PARTIES

1. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY)				
OR	a. ORGANIZATION'S NAME RURAL DEVELOPMENT, USDA			
	b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S) INITIAL(S)	SUFFIX
c. MAILING ADDRESS STE 300, 4730 NEW HARVEST LN				
d. CITY	STATE	POSTAL CODE	COUNTRY	
KNOXVILLE	TN	37918-7052	USA	

COLLATERAL: This financing statement covers the following collateral:

Facility financed with USDA funds and all of the rents, revenues, fees, charges, assessments, all income from whatever source derived, with the exception of accounts receivable, other choses in action of whatever nature, chattels and equipment, plus income and revenue from the borrower corporation(s) and service charges in connection with the operation of the facilities of the debtor described as:

1. Curae Health, Inc., 121 Leinart St, Clinton, TN 37716
2. Russellville Hospital, Inc., 15155 Highway 43, Russellville, Al 35653
3. Northwest Medical Center, Inc., 1530 U.S. Highway 43, WinField, Al 35594
4. Lakeland Community Hospital, Inc., 42024 Highway 195, Haleyville, Al 35565

EXPIRATION DATE: 5 YEARS FROM THE DATE OF FILING OF THIS FINANCING STATEMENT.
DISPOSITION OF SUCH COLLATERAL IS NOT HEREBY AUTHORIZED.

Maximum principal indebtedness for Tennessee recording tax purposes is:

\$0.00



FINANCING STATEMENT

A. NAME & PHONE OF CONTACT AT FILER (Optional) EVETTA U. FRANKLIN (865) 523-3338
B. EMAIL OF CONTACT AT FILER (Optional) evetta.franklin@tn.usda.gov
C. SEND ACKNOWLEDGMENT TO: (Name and Address) USDA RURAL DEVELOPMENT STE 300 4730 NEW HARVEST LN KNOXVILLE, TN 37918-7052

This is a representation of a document created electronically at the Tennessee Secretary of State's web site.

UCC Pending Doc #: P400967

Filing Date: SUBMISSION PENDING

Please File By: 01/21/2016

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

Check only if applicable and check only one box: Collateral is ☐ held in a Trust
☐ being administered by a Decedent's Personal Representative

Check only if applicable and check only one box:

☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

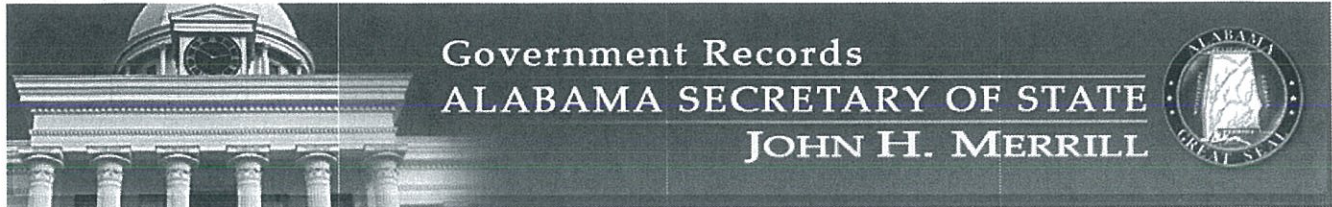
Check only if applicable and check only one box:

☐ Agricultural Lien ☐ Non-UCC Filing

ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

OPTIONAL FILER REFERENCE DATA:

NOTE: All information on this form is public record.

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UCC Filing 15-0675381	
Filing Type	Business
Total Pages	1
Original Filing Date/Time	12-28-2015 5:00 PM
Status	Active
Expiration Date	12-28-2020

Financing Statement	
Filing Date/Time	12-28-2015 5:00 PM
Pages Filed	1
Debtor Information	CURAE HEALTH, INC. 121 LEINART STREET CLINTON, TN 37716
Secured Party Information	RURAL DEVELOPMENT, USDA 4730 NEW HARVEST LANE, SUITE 300 KNOXVILLE, TN 37918

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P.O. Box 5616
Montgomery, AL 36103-5616

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Phone: (334) 242-7200
Fax: (334) 242-4993

TERM	NBR	004	OPR	ID	004	ACCOUNT INFORMATION	STDT	013119	ACDT	013119
CNUM	48-001-		4638		NAME CURRAE HEALTH INC					
FCOD	9720	LNUM	01	KCOD	01	DUED	00	FMCD	0	FLAG
DEFL		DEXD		DECL		DFLA		DFCA		SPCL
DSED		DSXD		DSCD		LSAA		DSLO		FPCD
DOLN	121415	AMED	000000	APDT	092515	DCCA		FYLN	45	ICRC
ZDLP	051418	ZDLR	011419	RGT2	1	LRDT	062718	RGT1	02	CCCD
XAON	8,794,000.00	XAOA		RCCT						EPMT
PTC1	1,905,292.80	PTC3		QPCR	1,905,292.80					CICR
ICRT	668,283.20	INCR		QICR	668,283.20					QNIC
SSTS	306,736.00B	SSC3		QSST	306,736.00B					MICE
UNPN	6,888,707.20	UNPA		QUPR	6,888,707.20					YICE
UNIN	165,154.48	UNIA		QUIN	165,154.48					YNIC
DACN	613.3780	DACA		QDIN	613.3780					MOIN
UPAM		UPUN		FC10	1,713,934.05					QMTI
UIAM		UIUN		FCIN						QMTI
STAM		ZADI		ZAAI						ZEDI
XAIC		PTC2		CYIC						AVIR
XANI	460,104.00	ZDNI	121419	JTOI	2					PNSR
STAN	345,078.00B	STAA		QSTA	345,078.00B					ICDF
TPOF	7,053,861.68	ZSST		QMDU	766,840.00					ICGR

CASE NUMBER: 48 001 0472274638 STATUS TYPE: AI LOAN: 01 ACDT: 013119

TERM NBR	004	OPR ID	004	ACCOUNT INFORMATION	STDT	013119	ACDT	013119	
CNUM	48-001-	74638	NAME	CURAE HEALTH INC					
FCOD	9720	LNUM	03	KCOD	01	DUED	00	FMCD	0
				FLAG					
DEFI	DEXD	DECL	DECL	DFLA	DFCA	DSLO	SPCL	0	
DSED	DSXD	DSCD	LSAA						
DOLN	121415	AMED	000000	APDT	092515	DCCA	FYLN	22	
ZDLP	041418	ZDLR	011419	RGT2	1	LRDT	062718	RGT1	
								02	
								CCCD	
								0	
								PAYC	
								5	
								INR2	
								3.2500	
XAON	5,235,000.00	XAOA		RCCT		.00	EPMT	.00	
PTC1	1,615,469.14	PTC3		QPCR	1,615,469.14		CICR		
ICRT	338,454.86	INCR		QICR	338,454.86		QNIC		
SSTS	558,264.00B	SSC3		QSST	558,264.00B		MICE		
UNPN	3,619,530.86	UNPA		QUPR	3,619,530.86		YICE		
				QUIN	94,107.80		YNIC		
UNIN	94,107.80	UNIA		QDIN	322.2870		MOIN		
DACN	322.2870	DACA		FC10	907,882.47		QMTI		
UPAM		UPUN		FCIN			QMTI		
UIAM		UIUN		ZAAI			ZEDI		
STAM		ZADI		CYIC			AVIR		
XAIC		PTC2		STIN			PNSR		
XANI	837,396.00	ZDNI	121419	JTOI	2				
STAN	628,047.00B	STAA							
TPOF	3,713,638.66	ZSST		QSTA	628,047.00B		ICDF		
				QMDU	1,395,660.00		ICGR		

CASE NUMBER: 48 001 0472274638 STATUS TYPE: AI LOAN: 03 ACDT: 013119

MIDDLE DISTRICT OF TENNESSEE

Claims Register

[3:18-bk-05665 Curae Health Inc.](#)

Judge: Charles M Walker **Chapter:** 11
Office: Nashville **Last Date to file claims:** 01/21/2019
Trustee: **Last Date to file (Govt):**
Creditor: (6899086) **Claim No:** 272 *Status:*
USDARural Development *Original Filed* *Filed by:* CR
3322 West End Avenue, Suite *Date:* 04/29/2019 *Entered by:* admin
300 *Original Entered* *Modified:*
Nashville, TN 37203 *Date:* 04/29/2019

Amount claimed: \$16438280.15

History:

[Details](#) [272-](#) 04/29/2019 Claim #272 filed by USDARural Development, Amount claimed: \$16438280.15
1 (admin)

Description:

Remarks: (272-1) Account Number (last 4 digits):4638

Claims Register Summary

Case Name: Curae Health Inc.
Case Number: 3:18-bk-05665
Chapter: 11
Date Filed: 08/24/2018
Total Number Of Claims: 1

Total Amount Claimed*	\$16438280.15
Total Amount Allowed*	

*Includes general unsecured claims

The values are reflective of the data entered. Always refer to claim documents for actual amounts.

	Claimed	Allowed
Secured		
Priority		
Administrative		