IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION

In re:	)	
	)	Chapter 11
Curae Health, Inc.,	)	Case No. 18-05665
Amory Regional Medical Center, Inc.,	)	Case No. 18-05675
Batesville Regional Medical Center, Inc.,	)	Case No. 18-05676
Clarksdale Regional Medical Center, Inc.	)	Case No. 18-05678
Amory Regional Physicians, LLC	)	Case No. 18-05680
Batesville Regional Physicians, LLC	)	Case No. 18-05681
Clarksdale Regional Physicians, LLC	)	Case No. 18-05682
	)	
1721 Midpark Road, Suite B200	)	Judge Walker
Knoxville, TN 37921	)	
Debtors.	)	Joint Administration Pending

EXPEDITED MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS: (I) AUTHORIZING THE DEBTORS TO (A) OBTAIN POSTPETITION SECURED FINANCING AND (B) UTILIZE CASH COLLATERAL, (II) GRANTING LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS, (III) GRANTING ADEQUATE PROTECTION, (IV) MODIFYING THE AUTOMATIC STAY, AND (V) SCHEDULING A FINAL HEARING

The above-captioned debtors and debtors in possession (the "**Debtors**") hereby move the Court (the "**Motion**"), pursuant to sections 105, 361, 362, 363, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e) and 507 of title 11 of the United States Code (the "**Bankruptcy Code**"); Rules 2002, 4001, 6004 and 9014 of Federal Rules of Bankruptcy Procedure ("**Bankruptcy Rules**"); and Rules 2081-1 and 4001-1 of the Local Rules of Court for the United States Bankruptcy Court for the Middle District of Tennessee (the "**Local Rules**") for entry of an order, substantially in the form of Exhibit A attached hereto (the "**Interim Order**"), authorizing the Debtors to, among other things:

(i) Obtain senior secured post-petition financing (the "**DIP Financing**" or "**DIP Facility**") pursuant to the terms and conditions of the DIP Financing Documents (as defined herein), the Interim Order (as defined herein), and the Final Order (as defined herein),

pursuant to sections 364(c)(1), 364(d), and 364(e) of the Bankruptcy Code and Rule 4001(c) of the Bankruptcy Rules;

(ii) Enter into (a) a Debtor-in-Possession Credit Agreement (the "**DIP Credit Agreement**"), substantially in the form attached hereto as **Exhibit A**, by and among each of the Debtors and MidCap Financial Trust ("**MidCap**"), or one of its affiliates, in its capacity as agent ("**DIP Agent**") and in its capacity as lender ("**DIP Lender**")[1] under the DIP Credit Agreement and other related financing documents (the "**DIP Financing Documents**");

(iii) Borrow, on an interim basis, pursuant to the DIP Financing Documents, postpetition financing of up to $15,000,000.00 on a revolving basis (the "**Interim DIP Loan**") and seek other financial accommodations from the DIP Lender pursuant to the DIP Credit Agreement, the other DIP Financing Documents, and this Interim Order;

(iv) Borrow, on a final basis, pursuant to the DIP Financing Documents, post-petition financing of up to $15,000,000.00 on a revolving basis, which includes the Interim DIP Loan (the "**Final DIP Loan,**" and together with the Interim DIP Loan, the "**DIP Loan**") and seek other financial accommodations from the DIP Lender pursuant to the DIP Credit Agreement, the other DIP Financing Documents, and the Final Order (as defined herein);

(v) Execute and deliver the DIP Credit Agreement and the other DIP Financing Documents;

(vi) Grant the DIP Lender allowed super-priority administrative expense claims, pursuant to section 364(c)(1) of the Bankruptcy Code, in each of the Chapter 11 Cases and any Successor Cases (as defined herein) for the DIP Financing and all obligations of the Debtors owing under the DIP Financing Documents (collectively, and including all

[1] Unless otherwise indicated, all references herein to DIP Lender shall include MidCap in its capacity as DIP Agent and DIP Lender.

"Obligations" of the Debtors as defined and described in the DIP Credit Agreement, the "**DIP Obligations**") subject only to the Carve-Out (as defined herein);

(vii) Grant the DIP Lender automatically perfected first priority senior security interests in and liens on all of the DIP Collateral (as defined herein), including, without limitation, all property constituting "cash collateral," (as defined in section 363(a) of the Bankruptcy Code, "**Cash Collateral**"), pursuant to section 364(d)(1) of the Bankruptcy Code, which liens shall not be subject to any other liens, charges or security interests, with the exception of the Carve-Out (as defined herein) as set forth below, nor to surcharge under section 506(c) or any other section of the Bankruptcy Code;

(viii) Obtain authorization to use the proceeds of the DIP Financing in all cases in accordance with the Budget (as defined in the DIP Credit Agreement), a copy of which is attached hereto to the Proposed Order (defined herein) as **Exhibit B** (the "**Budget**") and as otherwise provided in the DIP Financing Documents, this Interim Order and the Final Order;

(ix) Obtain authorization to use Cash Collateral, including the Prepetition Secured Lenders' (as defined herein) Cash Collateral in accordance with the Budget;

(x) Provide adequate protection to the Prepetition Secured Lenders (as defined herein) pursuant to the terms of this Interim Order and the Final Order for any diminution in value of their respective interests in the Prepetition Collateral (as defined herein) of the Debtors, including any Cash Collateral;

(xi) Vacate and modify the automatic stay imposed by section 362 of the Bankruptcy Code solely to the extent necessary to implement and effectuate the terms of the DIP Financing Documents, this Interim Order, and the Final Order;

(xii) Schedule a final hearing (the "**Final Hearing**") to consider entry of an order (the "**Final Order**") granting the relief requested in the DIP Motion on a final basis and approving the form of notice with respect to the Final Hearing; and

(xiii) Waive any applicable stay as provided in the Bankruptcy Rules and provide for immediate effectiveness of this Interim Order.

In support of the Motion, the Debtors rely upon the *Declaration of Stephen N. Clapp, Chief Executive Officer of Curae Health, Inc., in Support of Chapter 11 Petitions and First Day Pleadings*, filed with the Court concurrently herewith (the "**First Day Declaration**"). In further support of the Motion, the Debtors, by and through their undersigned counsel, respectfully represent:

COMPLIANCE WITH LOCAL RULE 9075-1

1. Expedited Relief Requested. Local Rule 9075-1 allows the Court to grant emergency orders for expedited motions. Pursuant to Local Rule 9075-1(b), the Debtors request expedited relief to obtain the DIP Facility by way of entry into the DIP Credit Agreement (attached hereto as Exhibit B) and other DIP Financing Documents, consistent with the terms set forth in the Interim Order.

2. Basis for Urgency. The Debtors have urgent need to enter into the DIP Financing Document to access the DIP Facility. At this time, the Debtors are unable to sufficiently generate cash to operate their businesses in the ordinary course. Given the Debtors' current financial condition, financing arrangements, and capital structure, the Debtors have an immediate need to access these postpetition funds to, among other things, to fund payroll no later than August 29, 2018 and continue to provide quality patient care to the patients residing in the Hospitals operated by the Debtors. The DIP Facility is essential to the Debtors' ability to preserve the value of the estates during the initial stages of these Chapter 11 Cases (as defined below).

3. Notice. Concurrently with the filing of this Motion, the Debtors shall provide notice of this Motion to: (a) the Office of the United States Trustee for the Middle District of Tennessee (the "**U.S. Trustee**"); (b) counsel to prepetition lender, ServisFirst Bank ("**ServisFirst**" or the "**Prepetition Senior RE Lender**"); (c) counsel to prepetition lender, CHS/Community Health Systems, Inc. ("**CHS**" or the "**Prepetition Junior RE Lender**"); (d) counsel to prepetition and DIP lender, MidCap; (e) the Office of the United States Attorney for the Middle District of Tennessee; (f) the United States Department of Health and Human Services; (g) the Tennessee State Department of Health; (h) the Attorney General of the State of Tennessee; (i) the Tennessee Department of Revenue; (j) the Internal Revenue Service; (k) the parties included on the list of the Debtors list of twenty largest unsecured creditors; (l) any party who has requested notice pursuant to Bankruptcy Rule 2002; (m) all parties entitled to notice under Bankruptcy Rule 2002(j); and (n) all other known parties asserting a lien on the Debtors' assets. Service is being executed via the Court's CM/ECF system, email, hand delivery, and/or mail. The Debtors provided sufficient notice to the U.S. Trustee pursuant to Local Rule 2081-1(b).

4. Suggested Hearing. The Debtors request an interim hearing date on this Motion, along with the other First Day Motions, on or before **August 28, 2018** because Debtors must fund payroll on or before August 29, 2018.

5. Support. The Debtors support for this Motion is set forth below.

DISCLOSURES PURSUANT TO LOCAL RULE 2081-1

6. Local Rule 2081-1(f) requires that certain motions conspicuously highlight certain provisions, stating whether certain forms of relief are sought. Pursuant to Local Rule 2081-1, the Debtors make the following disclosures:

a. Postpetition Liens. Pursuant to §§ 3.26(d) and 9.1 of the DIP Credit Agreement and ¶ 2(d) of the Interim Order, the Debtors seek to grant postpetition liens, security interests, and superpriority administrative claims to the DIP Lender.

b. Prepetition Lien Validity. Pursuant to ¶ E of the Interim Order, the Debtors stipulate to the validity, priority, and amount of the Prepetition First Lien Revolving Facility Obligations (as defined herein).

c. Release, Waiver, or Abandonment of Claims. Pursuant ¶ E of the Interim Order, the Debtors seek releases, waivers, and/or abandonment of claims against MidCap with respect to the Prepetition First Lien Revolving Facility Collateral (as defined herein).

d. Roll-Up. Pursuant to §§ 2.1(b)(i) and 4.7(a) of the DIP Credit Agreement, the Debtors seek to roll-up approximately $10,188,139 of Prepetition First Lien Revolving Facility Obligations (as defined herein) outstanding to MidCap.

e. Carve-Out. Pursuant to ¶ 8 of the Interim Order, the Debtors propose a "carve-out" for professionals consisting of all professional fees set forth in the Budget.

JURISDICTION AND VENUE

7. This Court has jurisdiction to consider this Motion under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these Chapter 11 Cases and this Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

8. The statutory predicates for the relief requested in this Motion are Bankruptcy Code sections 105(a), 363, 364, 365, 503, and 507; Bankruptcy Rules 2002, 4001, and 9014; and Local Rule 2081-1.

BACKGROUND

A. General Background

9. On August 24, 2018 (the "**Petition Date**"), each of the Debtors filed a voluntary petition in this Court commencing a case for relief under chapter 11 of the Bankruptcy Code (the "**Chapter 11 Cases**"). The factual background regarding the Debtors, including their business operations and the events leading to the filing of these Chapter 11 Cases is set forth in the First Day Declaration and fully incorporated herein by reference.

10. Concurrently with the filing of this Motion, the Debtors have requested procedural consolidation and joint administration of the Chapter 11 Cases pursuant to Bankruptcy Rule 1015(b). The Debtors continue to manage and operate their business as debtors in possession pursuant to Bankruptcy Code sections 1107 and 1108. No trustee or examiner has been requested in the Chapter 11 Cases and no committees have yet been appointed.

B. Prepetition Indebtedness

(i) Prepetition First Lien Revolving Facility

11. Pursuant to that certain Credit and Security Agreement dated as of December 31, 2017, as amended, restated, supplemented, or otherwise modified from time to time, including without limitation, by that Joinder and Amendment No. 1 to Credit and Security Agreement, dated January 12, 2018 (collectively, the "**Prepetition First Lien Revolving Credit Agreement**") among Debtors Amery Regional Medical Center, Inc.; Amery Regional Physicians, LLC; Batesville Regional Medical Center, Inc.; Batesville Regional Physicians, LLC; Clarksville Regional Medical Center, Inc., and Clarksdale Regional Physicians, LLC (collectively, "**Borrowers**") and MidCap Funding IV Trust, as successor-by-assignment to MidCap, as Agent and Lender (the "**Prepetition First Lien Revolving Lender**"),[2] and that Payment Guaranty, dated as of December 13, 2017 executed by Debtor Curae in favor of Prepetition First Lien Revolving Lender (the "**Guaranty**," and together with all other loan and security documents executed in connection therewith, the "**Prepetition First Lien Revolving Credit Documents**"), the Prepetition First Lien Revolving Lender provided Debtors with a first lien secured revolving credit facility in the maximum principal amount of $13,000,000 (the "**Prepetition First Lien Revolving Facility**").

[2] Unless otherwise indicated, all references herein to Prepetition First Lien Revolving Lender shall include MidCap Funding IV Trust, as successor-by-assignment to MidCap, in its capacity as Agent and Lender under the Prepetition First Lien Revolving Credit Documents (as defined herein).

12. As of the Petition Date, the Debtors were indebted and liable to the Prepetition First Lien Revolving Lender, without objection, defense, counterclaim or offset of any kind under the Prepetition First Lien Revolving Credit Documents in the principal amount of no less than $[10,795,259], plus interest accrued and accruing, costs and any fees and expenses due and owing thereunder, including, without limitation, the Deferred Revolving Loan Origination Fee (collectively, the "**Prepetition First Lien Revolving Facility Obligations**").

13. Pursuant to the Prepetition First Lien Revolving Credit Documents, in order to secure the Debtors' Prepetition First Lien Revolving Facility Obligations, Borrowers granted Prepetition First Lien Revolving Lender a first lien and security interest in and on the Collateral (as defined in the Prepetition First Lien Revolving Credit Agreement) (the "**Prepetition Revolving Facility First Liens**"), including, without limitation, all of the Borrowers' right, title, and interest in and to all of the Borrowers' accounts, cash, money, deposit accounts, lockbox accounts, securities, securities accounts, contract rights, instruments, investment properties, goods, and general intangibles (except as provided in the Prepetition First Lien Revolving Credit Agreement), including the proceeds of same (collectively, the "**Prepetition First Lien Revolving Facility Collateral**").

(ii) The Prepetition Senior Term Loan Facility

14. Pursuant to that certain Loan Agreement, dated as of May 1, 2017, as amended, restated, supplemented, or otherwise modified from time to time (the "**Prepetition Senior Term Loan Agreement**" and, together with all other loan and security documents executed in connection therewith, the "**Prepetition Senior Term Loan Documents**") between Debtors ARMC, BRMC, and CRMC (collectively, the "**Prepetition Term Loan Borrowers**"), and ServisFirst Bank, ServisFirst provided a term loan to Term Loan Borrowers, and which is guaranteed by Debtor Curae (together with the Prepetition Term Loan Borrowers, the

"**Prepetition Term Loan Parties**"), in the aggregate principal amount of $18,783,000 (the "**Prepetition Senior Term Loan Facility**").

15. As of the Petition Date, the Prepetition Term Loan Parties were indebted and liable to ServisFirst, without objection, defense, counterclaim or offset of any kind under the Prepetition Senior Term Loan Documents in the principal amount of no less than $18,783,000 plus interest accrued and accruing, costs and any fees and expenses due and owing thereunder (collectively, the "**Prepetition Senior Term Loan Facility Obligations**".

16. Pursuant to the Prepetition Senior Term Loan Credit Documents, in order to secure the Prepetition Senior Term Loan Facility Obligations, Debtors granted security interests in and liens (the "**Prepetition Senior Term Loan Liens,**" on substantially all of their assets (collectively, the "**Prepetition Senior Term Loan Collateral**").

(iii) Prepetition Seller Financing

17. The Prepetition Term Loan Parties and are also party to: (A) that certain Loan Agreement dated as of May 1, 2017 (as amended by that certain First Amendment dated as of November 1, 2017, as further amended by that certain Second Amendment dated as of December 13, 2017) with CHS/Community Health Systems, Inc. ("**CHS**" and together with Prepetition First Lien Revolving Lender and ServisFirst, the "**Prepetition Secured Lenders**"), (B) that certain $14,200,000 Term Loan Note dated May 1, 2017, by ARMC and BRMC payable to the order of CHS, (C) that certain $13,133,839.64 Promissory Note dated November 1, 2017, by CRMC payable to the order of CHS, (D) that certain Mississippi Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of May 1, 2017 (as has been and may be further amended, supplemented, or modified from time to time in accordance with the Subordination Agreement), by ARMC for the benefit of CHS, (E) that certain Mississippi Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of May 1, 2017

(as has been and may be further amended, supplemented, or modified from time to time in accordance with the Subordination Agreement), by BRMC for the benefit of CHS, (F) that certain Mississippi Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of November 1, 2017 (as has been and may be further amended, supplemented, or modified from time to time in accordance with the Subordination Agreement), by CRMC for the benefit of CHS, (G) Guaranty, dated as of May 1, 2017 (as has been and may be further amended, supplemented, or modified from time to time in accordance with the Subordination Agreement) by Curae in favor of CHS, and (H) Guaranty Security Agreement, dated as of May 1, 2017 (as may be further amended, supplemented or modified from time to time in accordance with the Subordination Agreement) by Curae in favor of CHS ((A)-(H), collectively, the "**CHS Prepetition Loan Documents**"), pursuant to which CHS provided seller financing and other financial accommodations in connection the purchase and lease of certain of the Debtors' facilities from CHS.

18. Pursuant to the CHS Prepetition Loan Documents, in order to secure the CHS Prepetition Obligations, the Term Loan Borrowers and Curae granted security interests in and liens (the "**CHS Prepetition Liens**" and together with the Prepetition Revolving Facility First Liens and Prepetition Senior Term Loan Liens, the "**Prepetition Liens**") subordinate to the Prepetition Senior Term Loan Liens, as applicable, on certain of their assets, specifically excluding the Prepetition First Lien Revolving Facility Collateral (the "**CHS Prepetition Obligations Collateral**" and, together with the Prepetition First Lien Revolving Collateral and the Prepetition Senior Term Loan Collateral, the "**Prepetition Collateral**").

(iv) Intercreditor and Subordination Agreements

19. The Prepetition Revolving Facility First Liens are first priority security interests and liens with respect to the Prepetition First Lien Revolving Collateral. The Prepetition Senior

Term Loan Liens are subordinate to the Prepetition Revolving Facility First Liens on the Prepetition First Lien Revolving Facility Collateral and are subject to the terms of that certain Intercreditor and Lien Subordination Agreement, dated as of December 13, 2017 (as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "**Prepetition Intercreditor Agreement**"), between the Prepetition First Lien Revolving Lender and ServisFirst until the Discharge of Revolving Credit Obligations (as defined in the Prepetition Intercreditor Agreement).

20. Pursuant to the terms of the CHS Prepetition Loan Documents and that certain Subordination Agreement dated as of December 13, 2017 between CHS and Prepetition First Lien Revolving Lender (as may be amended, the "**Prepetition Subordination Agreement**"), the CHS Prepetition Liens do not extend to the Prepetition First Lien Revolving Facility Collateral. In addition, CHS consented in the Prepetition Subordination Agreement to the Prepetition First Lien Revolving Lender providing debtor in possession financing to Debtors in any bankruptcy case commenced by or against Debtors, pursuant to section 364 of the Bankruptcy Code, on terms and conditions and in such amounts as Prepetition First Lien Revolving Lender, in its sole discretion, may decide up to a maximum principal amount of $18 million, and CHS further consented to Debtors granting Prepetition First Lien Revolving Lender liens and security interests upon all of the Debtors' property to secure such debtor in possession financing, with such liens having priority over the liens and security interests of CHS on Debtors' property.

(v) Unsecured Debt

21. As of the Petition Date, the aggregate amount owed to the Debtors' prepetition unsecured creditors is approximately $24 million.

C. Terms of DIP Credit Agreement[3]

22. Pursuant to the DIP Credit Agreement, MidCap will provide the Debtors with a $15 million Revolving Credit Facility. The Revolving Credit Facility shall be secured by, among other things, a first priority lien on substantially all of the Debtor's assets and an allowed superpriority administrative claim with priority over all other administrative and unsecured claims, subject only to the Carve Out.

23. Under the DIP Facility, provided that certain conditions are met, the Debtors shall be entitled to new money "Overadvances" in an aggregate amount of up to $4 million. The Revolving Credit Facility shall be used to, among other things, repay the Prepetition First Lien Revolving Facility Obligations and fund the Debtors' operations during the Chapter 11 Cases.

24. As consideration for providing the DIP Facility, including the $4 million in new money "Overadvances", the Prepetition First Lien Revolving Facility Obligations will be "rolled-up" into the DIP Facility and secured by a first priority lien on substantially all of the Debtors' assets and superpriority administrative claim. As additional security for the DIP Facility, MidCap shall be granted liens in certain sales proceeds expected to be generated by the Debtors, all as described more fully in the DIP Credit Agreement.

D. The Debtors' Need for Postpetition Financing and the Use of Cash Collateral

25. At the present time, the Debtors are unable to sufficiently generate cash to operate their businesses and satisfy their obligations. Given the Debtors' current financial condition, financing arrangements, and capital structure, the Debtors have an immediate need to obtain the DIP Facility and to use Cash Collateral to permit the Debtors to, among other things, continue the orderly operation of their businesses, ensure continued quality patient care, maximize and

[3] The description of the DIP Facility set forth herein is qualified in its entirety by reference to the DIP Credit Agreement attached hereto as Exhibit A. In the event of any conflict between the description of the DIP Facility set forth herein and the terms of the DIP Credit Agreement, the DIP Credit Agreement shall control.

preserve their going concern value, make payroll and satisfy other working capital and general corporate purposes, and pay other costs, fees and expenses associated with administration of the Chapter 11 Cases. In the absence of the authority of this Court to borrow under the DIP Financing Documents and use Cash Collateral, the Debtors' estates would suffer immediate and irreparable harm because, among other reasons, the Debtors would be unable to make payroll.

26. The Debtors are unable to obtain financing from sources other than the DIP Lender on terms more favorable than the DIP Facility and are unable to obtain adequate unsecured credit allowable as an administrative expense under Bankruptcy Code section 503(b)(1). The Debtors are also unable to obtain unsecured credit with administrative priority under Bankruptcy Code sections 364(c)(1) or 364(d). The Debtors are unable to obtain the DIP Facility without granting the liens and claims as set forth below. After considering all alternatives, the Debtors have concluded, in the exercise of their sound business judgment, that the DIP Facility represents the best financing available to the Debtors at this time.

27. The DIP Lender and the Prepetition Senior RE Lender have consented to the DIP Facility and Debtors' proposed use of Cash Collateral on the terms and conditions set forth in the Interim Order. The Prepetition Junior RE Lender is deemed to consent to the Debtors' proposed use of Cash Collateral and DIP Financing pursuant to the Subordination Agreement.

28. The Debtors firmly believe that no other lender would provide financing to the Debtors on more favorable terms at this time.

RELIEF REQUESTED

29. The Debtors seek authority to obtain postpetition financing pursuant to Bankruptcy Code section 364 in the form of the DIP Facility by entering into the DIP Credit Agreement, including the authority to use Cash Collateral. As set forth in this Motion, the Debtors seek entry of the Interim and Final Orders which would provide much needed

postpetition financing. The Prepetition Senior RE Lender has consented to the terms of the DIP Facility and use of Cash Collateral. The Prepetition Junior RE Lender is deemed to have consented to the terms of the DIP Facility and use of Cash Collateral pursuant to the Subordination Agreement. The DIP Facility is necessary to maintain the value of the Debtors' estates and continue operations.

BASIS FOR RELIEF

A. The Debtors Should be Authorized to Obtain Postpetition Financing

30. The Debtors respectfully submit that they are unable to obtain postpetition financing on more favorable terms; postpetition financing is necessary to preserve the value of the Debtors' estates; the DIP Facility and its terms are reasonable under the circumstances; the Prepetition Secured Parties are adequately protected; and it is within the Debtors' sound and prudent business judgment to obtain postpetition financing in the form of the DIP Facility.

(i) No More Favorable Facility is Available and Postpetition Financing is Necessary to Preserve the Value of the Debtors' Estates

31. "Having recognized the natural reluctance of lenders to extend credit to a company in bankruptcy; Congress designed [section] 364 to provide 'incentives to the creditor to extend postpetition credit.'" *In re Defender Drug Stores, Inc.*, 126 B.R. 76, 81 (Bankr. D. Ariz. 1991). "Section 364 provides certain incentives that a trustee or debtor in possession may offer, with court approval, to induce potential lenders to undertake the risks involved in providing post-petition financing to a bankruptcy estate." *In re Cannonsburg Environmental Assocs., Ltd.*, 72 F.3d 1260, 1267 (6th Cir. 1996) (citing *In re Sun Runner Marine, Inc.*, 945 F.2d 1089 (9th Cir. 1991)).

32. Bankruptcy Code section 364 permits debtors to obtain secured or superpriority postpetition financing when unsecured credit is not available. Bankruptcy Code section 364(c) provides:

> (c) If the trustee is unable to obtain unsecured credit allowable under section 503(b)(1) of this title as an administrative expense, the court, after notice and a hearing, may authorize the obtaining of credit or the incurring of debt—
>
> > (1) with priority over any or all administrative expenses of the kind specified in section 503(b) or 507(b) of this title;
> >
> > (2) secured by a lien on property of the estate that is not otherwise subject to a lien; or
> >
> > (3) secured by a junior lien on property of the estate that is subject to a lien.

11 U.S.C. § 364(c). Courts typically consider three factors when determining whether a debtor is entitled to postpetition financing:

> (1) whether the debtor is unable to obtain unsecured postpetition credit pursuant to Bankruptcy Code section 364(b);
>
> (2) whether the credit transaction is necessary to preserve the value of the estate; and
>
> (3) whether "the terms of the transaction are fair, reasonable, and adequate, given the circumstances of the debtor-borrower and the proposed lender."

In re Aqua, Assocs., 123 B.R. 192, 195-96 (Bankr. E.D. Pa. 1991). *See also In re Ames Dep't Stores*, 115 B.R. 34, 37-40 (Bankr. S.D.N.Y. 1990).

33. With regard to so-called "priming liens," Bankruptcy Code section 364(d)(1) provides that:

> The court, after notice and a hearing, may authorize the obtaining of credit or the incurring of debt secured by a senior or equal lien on property of the estate that is subject to a lien only if—
>
> > (A) the trustee is unable to obtain such credit otherwise; and

> (B) there is adequate protection of the interest of the holder of the lien on the property of the estate on which such senior or equal lien is proposed to be granted.

11 U.S.C. § 364(d)(1). Debtors are not obligated and have "no duty to seek credit from every possible lender before concluding that such credit is unavailable." *Bray v. Shenandoah Fed. Say. & Loan Assn. (In re Snowshoe Co.)*, 789 F.2d 1085, 1088 (4th Cir. 1986) ("The statute imposes no duty to seek credit from every possible lender before concluding that such credit is unavailable."); *see also Pearl-Phil GMT (Far East) Ltd. v. Caldor Corp.*, 266 B.R. 575, 584 (S.D.N.Y. 2001); *In re 495 Cent. Park Ave. Corp.*, 136 B.R. 626, 630 (Bankr. S.D.N.Y. 1992). When there are few lenders likely, able, or willing to extend the necessary credit to the debtor, "it would be unrealistic and unnecessary to require [the debtor] to conduct such an exhaustive search for financing." *In re Sky Valley, Inc.*, 100 B.R. 107, 113 (Bankr. N.D. Ga. 1988), *aff'd sub nom., Anchor Say. Bank FSB v. Sky Valley, Inc.*, 99 B.R. 117,120 n.4 (N.D. Ga. 1989). *See also In re Mid-State Raceway, Inc.*, 323 B.R. 40, 58 (Bankr. N.D.N.Y. 2005); *Ames*, 115 B.R. at 37-39; *In re Stanley Hotel, Inc.*, 15 B.R. 660, 663 (D. Colo. 1981); *In re Garland Corp.*, 6 B.R. 456, 461 (B.A.P. 1st 1980); *In re Plabell Rubber Prods., Inc.*, 137 B.R. 897, 900 (Bankr. N.D. Ohio 1992).

34. Despite their best efforts, the Debtors were unable to find postpetition financing on more favorable terms than those proposed in the DIP Facility. The Debtors and their professionals have determined that the DIP Facility is the best source of funding and provides two benefits which no other source of funding could: (a) the DIP Facility minimizes the costs and expenses which would be incurred if there were a contesting priming fight,[4] and (b) the DIP Facility allows the Debtors to pursue their bankruptcy goals on a consensual basis with the Prepetition Secured Parties.

[4] *See, e.g., In re YL West 87th Holdings I, LLC*, 423 B.R. 421 (Bankr. S.D.N.Y. 2010).

35. While the Debtors are not obligated to seek credit from every potential source, the Debtors and their professionals nevertheless undertook an extensive process to evaluate other sources of postpetition financing. No parties were willing to provide postpetition financing on an unsecured, administrative priority basis. Thus, approval of the DIP Superpriority Lien is reasonable and appropriate under the circumstances. The Debtors were similarly unable to secure postpetition financing on a junior basis pursuant to Bankruptcy Code section 364(c)(2) or (3). The terms of the DIP Facility therefore meet the requirements imposed by Bankruptcy Code section 364(d)(1). No alternative funding was available on a junior basis, and as discussed below, the interests of the Prepetition Secured Parties are adequately protected.

36. Further, the DIP Facility is necessary to preserve the going-concern value of the Debtors' estates. Without postpetition financing, the Debtors would be unable to pursue a restructuring or a sale pursuant to Bankruptcy Code section 363. The Debtors would also be unable to meet ordinary course obligations, to continue to provide quality medical care to their patients, and continue to run their businesses. Thus, the DIP Facility provides the Debtors with an opportunity to continue operations and maximize the values of their estates. *See Burtch v. Ganz (In re Mushroom Transp. Co., Inc.*, 382 F.3d 325, 339 (3d Cir. 2004) (noting that debtors in possession have a duty to "protect and maximize" the values of their estates).

(ii) The Debtors Have Exercised Sound and Reasonable Business Judgment

37. When obtaining postpetition financing, debtors who utilize their sound business judgment are afforded considerable deference, so long as the postpetition financing does not conflict with the policies underlying the Bankruptcy Code. *See, e.g., Trans World Airlines, Inc. v. Travellers Int'l AG (In re Trans World Airlines, Inc.),* 163 B.R. 964, 974 (Bankr. D. Del. 1994) (approving postpetition loan and receivable facility because they "reflect[ed] sound and prudent business judgment"); *In re Ames Dep't Stores, Inc.*, 115 B.R. 34, 40 (Bankr. S.D.N.Y.

1990) ("cases consistently reflect that the court's discretion under section 364 is to be utilized on grounds that permit reasonable business judgment to be exercised so long as the financing agreement does not contain terms that leverage the bankruptcy process and powers or its purpose is not so much to benefit the estate as it is to benefit parties in interest."). *See also Richmond Leasing Co. v. Capital Bank N.A.*, 762 F.2d 1303, 1311 (5th Cir. 1985) ("[m]ore exacting scrutiny [of the debtor's business decisions] would slow the administration of the debtors' estate and increase its cost, interfere with the Bankruptcy Code's provision for private control of administration of the estate and threaten the court's ability to control a case impartially."). Further,

> *courts will almost always defer to the business judgment of a debtor in the selection of the lender.* The business judgment rule is a standard of judicial review designed to protect the wide latitude conferred on a board of directors in handling the affairs of the corporate enterprise. The rule refers to the judicial policy of deferring to the business judgment of corporate directors in the exercise of their broad discretion in making corporate decisions.
>
> *Under the rule, courts will not second-guess a business decision, so long as corporate management exercised a minimum level of care in arriving at the decision.* The business judgment rule under Delaware law and the law of numerous other jurisdictions establishes a presumption that in making a business decision, the directors of a corporation acted on an informed basis, in good faith, and in the honest belief that the action taken was in the best interests of the company. Under this formulation, the business judgment rule governs unless the opposing party can show one of four elements: (1) the directors did not in fact make a decision, (2) the directors' decision was uninformed; (3) the directors were not disinterested or independent; or (4) the directors were grossly negligent.

In re L.A. Dodgers LLC, 457 B.R. 308, 313 (Bankr. D. Del. 2011) (emphasis added). *See also In re Barbara K. Enters., Inc.*, Case No. 08-11474, 2008 WL 2439649, at * 14 (Bankr. S.D.N.Y. 2008) (noting that bankruptcy courts will defer to a debtor's business judgment "so long as a request for financing does not 'leverage the bankruptcy process' and unfairly cede control of the

reorganization to one party in interest") (quoting *In re Ames Dep't Stores, Inc.*, 115 B.R. at 40); *In re Farmland Indus., Inc.*, 294 B.R. 855, 881 (Bankr. W.D. Mo. 2003).

38. To determine whether a debtor has met the business judgment standard, a court need only "examine whether a reasonable business person would make a similar decision under similar circumstances." *In re Exide Techs.*, 340 B.R. 222, 239 (Bankr. D. Del. 2006), *rev'd on other grounds* 607 F.3d 957 (3d Cir. 2010). *See also In re Curlew Valley Assocs.*, 14 B.R. 506, 511-14 (Bankr. D. Utah 1981) (noting that courts generally will not second-guess a debtor in possession's business decisions when those decisions involve "a business judgment made in good faith, upon a reasonable basis, and within the scope of his authority under the Code."). This inquiry involves the consideration of whether the terms are fair when considering the terms in light of the relevant circumstances of the debtor and the potential lender. *In re Farmland Indus., Inc.*, 294 B.R. 855, 881 (Bankr. W.D. Mo. 2003). Courts may also look to noneconomic benefits of postpetition financing. *See, e.g., In re Ion Media Networks, Inc.*, No. 09-13125, 2009 WL 2902568, at *4 (Bankr. S.D.N.Y. July 6, 2009) ("Although all parties, including the Debtors and the Committee, are naturally motivated to obtain financing on the best possible terms, a business decision to obtain credit from a particular lender is almost never based purely on economic terms. Relevant features of the financing must be evaluated, including non-economic elements such as the timing and certainty of closing, the impact on creditor constituencies and the likelihood of a successful reorganization. This is particularly true in a bankruptcy setting where cooperation and established allegiances with creditor groups can be a vital part of building support for a restructuring that ultimately may lead to a confirmable reorganization plan. That which helps foster consensus may be preferable to a notionally better transaction that carries the risk of promoting unwanted conflict.").

39. Here, the Debtors and their advisors have determined that the terms and conditions set forth in the DIP Credit Agreement are fair and reasonable. The DIP Facility will allow the Debtors access to up to $15,000,000 in funds. These funds are needed to preserve the value of the Debtors' estates. The DIP Facility further benefits the Debtors by allowing the use of Cash Collateral, thereby reducing the total amount which must be borrowed.

40. The Debtors have determined, in their sound business judgment, based upon their own analysis and the recommendations of their professionals, that the DIP Credit Agreement provides the best opportunity for postpetition financing on the most favorable terms available. It is necessary to preserve the administration of the Chapter 11 Cases, and therefore, will benefit all creditors. The DIP Facility allows the Debtors to continue operations and maintain the value of the estates for an anticipated sale of all or substantially all of their assets under Bankruptcy Code section 363.

(iii) The Terms of the DIP Facility Are Reasonable

41. The DIP Lender was not willing to provide postpetition financing without certain terms, including a priming lien and a superpriority administrative expense claim. These terms are typical and neither the Debtors, nor any other party, are able to veto certain provisions which do not comport with their interests. *See In re Ellingsen MacLean Oil Co.*, 65 B.R. 358, 365 (W.D. Mich. 1986), *aff'd*, 834 F.2d 599 (6th Cir. 1987) ("Some of the terms of the bargain reached between debtor and creditor may reach beyond the usual terms of a loan agreement. However, such terms are perfectly normal considering the 'unusual' situation of a bankrupt firm. In such situations the bankruptcy court would rightfully be more interested by the requirements and provisions of section 364 of the Code, than it would be by a picayune examination of every legal argument that could be brought against separate provisions of the proposed agreement."). No term of the DIP Credit Agreement is so egregious as to deny this Motion. *See generally Adelphia*

Commc'ns Corp., 2004 WL 1634538, at *2 (Bankr. S.D.N.Y. June 22, 2004) ("Determining whether proceeding with a financing which is subject to conditions makes sense is likewise a classic business decision.").

42. Taken as a whole, the terms of the DIP Facility are fair and reasonable considering the circumstances of the Debtors and the DIP Lender. *See, e.g.*, *Farmland Indus.*, 294 B.R. at 886. *See also In re ION Media Networks, Inc.*, Case No. 09-13125, 2009 WL 2902568, at *4 (Bankr. S.D.N.Y. July 6, 2009) ("Although all parties, including the Debtors and the Committee, are naturally motivated to obtain financing on the best possible terms, a business decision to obtain credit from a particular lender is almost never based purely on economic terms. Relevant features of the financing must be evaluated, including non-economic elements such as the timing and certainty of closing, the impact on creditor constituencies and the likelihood of a successful reorganization. This is particularly true in a bankruptcy setting where cooperation and establishing alliances with creditor groups can be a vital part of building support for a restructuring that ultimately may lead to a confirmable reorganization plan. That which helps to foster consensus may be preferable to a notionally better transaction that carries the risk of promoting unwanted conflict."). The priming, roll-up, and cross-collateralization provisions have been agreed to by the Prepetition Senior RE Lender. The Prepetition Junior RE Lender has waived its right to object to the DIP Facility under the Subordination Agreement. Therefore, each provision of the DIP Credit Agreement is fully consensual.

43. The terms and conditions of the DIP Credit Agreement were negotiated by the parties in good faith and at arm's length. The Debtors will require a significant postpetition financing to support operations and restructuring. Only the DIP Lender was able to provide a facility which was adequate, reasonable, and fair under the circumstances. Therefore, the Court

should find that the DIP Lender to be a "good faith" lender within the meaning of Bankruptcy Code section 364(e).

(iv) The Prepetition Secured Parties Are Adequately Protected

44. The Debtors would note at the outset that when senior creditors consent to priming, the need for demonstrating adequate protection becomes superfluous. *See Anchor Savs. Bank FSB v. Sky Valley, Inc.*, 99 B.R. 117, 122 (N.D. Ga. 1989) ("[B]y tacitly consenting to the superpriority lien, those [undersecured] creditors relieved the debtor of having to demonstrate that they were adequately protected.").

45. Debtors may only obtain postpetition financing "secured by a senior or equal lien on property of the estate that is subject to a lien only if" adequate protection is provided to parties whose liens are primed. 11 U.SC. § 364(d)(1)(B). Bankruptcy Code section 361 delineates the forms of adequate protection, which include periodic cash payments, additional liens, replacement liens and other forms of relief. Adequate protection is determined on a case-by-case basis and may take various forms. *See, e.g., In re Continental Airlines, Inc.*, 154 B.R. 176, 180-81 (Bankr. D. Del. 1993); *MBank Dallas., N.A. v. O'Connor (In re O'Connor)*, 808 F.2d 1393, 1396-97 (10th Cir. 1987); *Martin v. U.S. (In re Martin)*, 761 F.2d 472, 474 (8th Cir. 1985); *In re Shaw Indus., Inc.*, 300 B.R. 861, 865 (Bankr. W.D. Pa. 2003). The focus of this requirement is to protect a secured creditor from diminution in the value of its interest in the particular collateral during the period of use. *See In re Swedeland Dev. Grp., Inc.*, 16 F.3d 552, 564 (3d Cir. 1994) ("The whole purpose of adequate protection for a creditor is to insure that the creditor receives the value for which he bargained prebankruptcy.").

46. The concept of adequate protection is designed to shield a secured creditor from diminution in the value of its interest in collateral during the period of a debtor's use. *See Coble Sys., Inc. v. Coors of the Cumberland, Inc. (In re Coors of the Cumberland, Inc.)*, 19 B.R. 313,

321 (Bankr. M.D. Tenn. 1982) ("Adequate protection is designed to preserve the secured creditor's position at the time of the bankruptcy."); *In re Carbone Cos.*, 395 B.R. 631, 635 (Bankr. N.D. Ohio 2008) ("The test is whether the secured party's interest is protected from diminution or decrease as a result of the proposed use of cash collateral); see also *In re Cont'l Airlines, Inc.*, 154 B.R. 176, 180-81 (Bankr. D. Del. 1993) (holding that adequate protection for use of collateral under section 363 is to use-based decline in value). Adequate protection may take the form necessary for the needs of the particular case. *In re O'Connor*, 808 F.2d 1393, 1396 (10th Cir. 1987). *See, e.g.*, *In re Hudson*, Case No. 208-094880, 2011 WL 1004630 (Bankr. M.D. Tenn. Mar. 16, 2011) (allowing debtor to finance construction of a shed which would increase the value of lender's collateral as such increase was adequate protection).

47. Here, the Prepetition Secured Lender has agreed to the Debtors' entry into the DIP Facility in consideration for the adequate protection in the amount of $105,000 per month. The Prepetition Junior RE Lender has agreed to the Debtors' entry into the DIP Credit Agreement by way of the Subordination Agreement.

B. <u>The Debtors' Proposed Use of Cash Collateral Should be Approved</u>

48. Bankruptcy Code section 363(c)(2) does not allow a debtor to use a secured creditor's cash collateral without consent or court approval. Bankruptcy Code section 363(e) provides that "on request of an entity that has an interest in property . . . proposed to be used, sold or leased, by the trustee, the court, with or without a hearing, shall prohibit or condition such use, sale, or lease as is necessary to provide adequate protection of such interest."

49. Bankruptcy Code section 510(a) provides that intercreditor agreements are "enforceable . . . to the same extent that such agreement is enforceable under nonbankruptcy law."). Bankruptcy courts have held that intercreditor agreements are enforceable generally, and specifically with regard to cash collateral. *See, e.g.*, *Aurelius Capital Master, Ltd. v. Tousa Inc.*,

2009 WL 6453077 (S.D. Fla. Feb. 6, 2009) (affirming the Bankruptcy Court's decision to overrule the objection of second lien agent and "finding that the Cash Collateral Order was a consensual one on the basis that under the Intercreditor Agreement, [the second lien agent] was deemed to have consented to the Cash Collateral Order."). *See also In re Ion Media Networks, Inc.*, 419 B.R. 585, 597 (Bankr. S.D.N.Y. 2009) (upholding intercreditor agreement provision that junior creditor did not have standing to objection to plan confirmation); *In re Erickson Retirement Communities, LLC*, 425 B.R. 309, 315-16 n.9 (Bankr. N. D. Tex. 2010) (enforcing intercreditor agreement against party wishing to assert rights it had contracted away in the intercreditor agreement); *In re Am. Roads LLC*, 496 B.R. 727, 729-32 (Bankr. S.D.N.Y. 2013) (same). This is particularly true when the parties are sophisticated and are fully aware of the ramifications of entering into such an agreement. *In re Ion Media Networks*, 419 B.R. at 593-97; *Blue Ridge Investors, II LP v. Wachovia Bank, N.A. and Aerosol Packaging, LLC (In re Aerosol Packaging)*, 362 B.R. 43, 47 (Bankr. N.D. Ga. 2006); *In re Am. Roads LLC*, 496 B.R. 727, 732 (Bankr. S.D.N.Y. 2013). *See generally* Edward R. Morrison, *Rules of Thumb for Intercreditor Agreements*, 2015 U. Ill. L. Rev. 721, 723-26.

50. Here, the Debtors respectfully submit that they be permitted to use the Cash Collateral on the terms set forth in the Interim Order and DIP Credit Agreement. Each entity has consented, or is deemed to have consented to the use of Cash Collateral. *See* 11 U.S.C. § 363(c)(2)(A). Further, without the use of Cash Collateral, the Debtors will not be able to continue operations postpetition, thus diminishing the value of the estates. *See* 11 U.S.C. § 363(c)(2)(B). Therefore, the Debtors should be authorized to use the Cash Collateral as set forth in the Interim Order.

C. Modification of the Automatic Stay is Warranted

51. The relief requested by this Motion contemplates a modification of the automatic stay. 11 U.S.C. § 362. The automatic stay should be modified on a limited basis to permit the DIP Lender to exercise, upon the occurrence and during the continuation of an Event of Default, and to take other remedies relating to the Collateral without further order or application to the Court. The DIP Lender is required to provide three (3) business days written notice on the Notice Parties prior to any enforcement right or remedy under the DIP Facility.

52. This type of modification of the automatic stay is ordinary and standard feature of postpetition debtor in possession financing facilities, and, in the Debtors' business judgment, reasonable and fair under the current circumstances.

D. Interim Approval and Scheduling of a Final Hearing

53. Interim relief may be granted on a motion to obtain financing and use cash collateral pursuant to Bankruptcy Code sections 363(c) or 364 where relief "is necessary to avoid immediate and irreparable harm to the estate pending a final hearing." Fed. R. Bankr. P. 4001(b)(2), (c)(2).

54. The Debtors will face immediate and irreparable harm without the entry of the Interim Order. Therefore, the Debtors respectfully request that the Court schedule a final hearing, no sooner than 14 days after the date of this Motion and no later than 25 days after the Petition Date, to consider entry of the Final DIP Order.

NOTICE

55. Interim Hearing Notice. No trustee, examiner, or creditors' committee has been appointed in these Chapter 11 Cases. The Debtors have provided notice of this Motion via email, overnight mail, and/or hand delivery to: (a) the U.S. Trustee; (b) counsel to ServisFirst; (c) CHS; (d) counsel to MidCap; (e) the Office of the United States Attorney for the Middle

District of Tennessee; (f) the United States Department of Health and Human Services; (g) the Tennessee State Department of Health; (h) the Attorney General of the State of Tennessee; (i) the Tennessee Department of Revenue; (j) the Internal Revenue Service; (k) the parties included on the list of the Debtors list of thirty largest unsecured creditors; (l) any party who has requested notice pursuant to Bankruptcy Rule 2002; and (m) all parties entitled to notice under Bankruptcy Rule 2002(j).

56. Final Hearing Notice. Pursuant to Bankruptcy Rule 4001, the Debtors respectfully request that the Court authorize the Debtors to provide notice of the Final Hearing by service notice of the Interim Order via email, overnight mail, hand delivery, and/or CM/ECF to: (a) the U.S. Trustee; (b) counsel to ServisFirst; (c) CHS; (d) counsel to MidCap; (e) the Office of the United States Attorney for the Middle District of Tennessee; (f) the United States Department of Health and Human Services; (g) the Tennessee State Department of Health; (h) the Attorney General of the State of Tennessee; (i) the Tennessee Department of Revenue; (j) the Internal Revenue Service; (k) the parties included on the list of the Debtors list of thirty largest unsecured creditors; (l) any party who has requested notice pursuant to Bankruptcy Rule 2002; and (m) all parties entitled to notice under Bankruptcy Rule 2002(j).

NO PRIOR REQUEST

57. No prior request for the relief sought in this Motion has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that this Court enter the Interim Order, the form of which is attached as Exhibit B hereto; and grant such other and further relief as is just and proper.

Dated: August 24, 2018
Nashville, Tennessee

POLSINELLI PC

/s/ Michael Malone

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-and-

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Proposed Counsel to the Debtors and Debtors in Possession

Exhibit A

DIP Credit Agreement

[Filed Separately Via ECF]

Exhibit B

Proposed Interim Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION

In re:	)	
	)	Chapter 11
Curae Health, Inc.,	)	Case No. 18-05665
Amory Regional Medical Center, Inc.,	)	Case No. 18-05675
Batesville Regional Medical Center, Inc.,	)	Case No. 18-05676
Clarksdale Regional Medical Center, Inc.	)	Case No. 18-05678
Amory Regional Physicians, LLC	)	Case No. 18-05680
Batesville Regional Physicians, LLC	)	Case No. 18-05681
Clarksdale Regional Physicians, LLC	)	Case No. 18-05682
	)	
1721 Midpark Road, Suite B200	)	Judge Walker
Knoxville, TN 37921	)	
Debtors.	)	Joint Administration Pending

INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO (A) OBTAIN POSTPETITION SECURED FINANCING AND (B) UTILIZE CASH COLLATERAL, (II) GRANTING LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS, (III) GRANTING ADEQUATE PROTECTION, (IV) MODIFYING THE AUTOMATIC STAY, AND (V) SCHEDULING A FINAL HEARING

Upon consideration of the motion (the "***DIP Motion***"),[1] dated August __, 2018, filed by Curae Health, Inc. ("***Curae***"), Amory Regional Medical Center, Inc. ("***ARMC***"), Amory Regional Physicians, LLC ("***ARP***"), Batesville Regional Medical Center, Inc. ("***BRMC***"), Batesville Regional Physicians, LLC ("***BRP***"), Clarksdale Regional Medical Center, Inc. ("***CRMC***"), and Clarksdale Regional Physicians, LLC ("***CRP***," and together with Curae, ARMC,

[1] Except as otherwise set forth herein, capitalized terms used herein, but not defined herein, shall have the meanings ascribed to them in the DIP Motion.

ARP, BRMC, BRP, and CRMC, the "***Debtors***"), as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "***Chapter 11 Cases***"), pursuant to sections 105, 361, 362, 363, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e) and 507 of title 11 of the United States Code (the "***Bankruptcy Code***"), Rules 2002, 4001, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (the "***Bankruptcy Rules***") and Rules 2081-1 and 4001-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Middle District of Tennessee (the "***Local Rules***"), for entry of an order (the "***Interim Order***") authorizing the Debtors to, among other things:

(i) Obtain senior secured post-petition financing (the "***DIP Financing***" or "***DIP Facility***") pursuant to the terms and conditions of the DIP Financing Documents (as defined herein), this Interim Order, and the Final Order (as defined herein), pursuant to sections 364(c)(1), 364(d), and 364(e) of the Bankruptcy Code and Rule 4001(c) of the Bankruptcy Rules;

(ii) Enter into (a) a Debtor-in-Possession Credit Agreement (the "***DIP Credit Agreement***"), substantially in the form attached as **Exhibit A** to the DIP Motion, by and among each of the Debtors and MidCap Financial Trust ("***MidCap***"), or one of its affiliates, in its capacity as agent ("***DIP Agent***") and in its capacity as lender ("***DIP Lender,***")[2] under the DIP Credit Agreement and other related financing documents (the "***DIP Financing Documents***");

(iii) Borrow, on an interim basis, pursuant to the DIP Financing Documents, postpetition financing of up to $15,000,000.00 on a revolving basis (the "***Interim DIP Loan***") and seek other financial accommodations from the DIP Lender pursuant to the DIP Credit Agreement, the other DIP Financing Documents, and this Interim Order;

[2] Unless otherwise indicated, all references herein to DIP Lender shall include MidCap in its capacity as DIP Agent and DIP Lender.

(iv) Borrow, on a final basis, pursuant to the DIP Financing Documents, post-petition financing of up to $15,000,000.00 on a revolving basis, which includes the Interim DIP Loan (the "***Final DIP Loan,***" and together with the Interim DIP Loan, the "***DIP Loan***") and seek other financial accommodations from the DIP Lender pursuant to the DIP Credit Agreement, the other DIP Financing Documents, and the Final Order (as defined herein);

(v) Execute and deliver the DIP Credit Agreement and the other DIP Financing Documents;

(vi) Grant the DIP Lender allowed super-priority administrative expense claims, pursuant to section 364(c)(1) of the Bankruptcy Code, in each of the Chapter 11 Cases and any Successor Cases (as defined herein) for the DIP Financing and all obligations of the Debtors owing under the DIP Financing Documents (collectively, and including all "Obligations" of the Debtors as defined and described in the DIP Credit Agreement, the "***DIP Obligations***") subject only to the Carve-Out (as defined herein);

(vii) Grant the DIP Lender automatically perfected first priority senior security interests in and liens on all of the DIP Collateral (as defined herein), including, without limitation, all property constituting "cash collateral," (as defined in section 363(a) of the Bankruptcy Code, "***Cash Collateral***"), pursuant to section 364(d)(1) of the Bankruptcy Code, which liens shall not be subject to any other liens, charges or security interests, with the exception of the Carve-Out (as defined herein) as set forth below, nor to surcharge under section 506(c) or any other section of the Bankruptcy Code;

(viii) Obtain authorization to use the proceeds of the DIP Financing in all cases in accordance with the Budget (as defined in the DIP Credit Agreement), a copy of which is

attached hereto as **Exhibit B**, and as otherwise provided in the DIP Financing Documents, this Interim Order and the Final Order;

(ix) Obtain authorization to use Cash Collateral, including the Prepetition Secured Lenders' (as defined herein) Cash Collateral in accordance with the Budget;

(x) Provide adequate protection to the Prepetition Secured Lenders pursuant to the terms of this Interim Order and the Final Order for any diminution in value of their respective interests in the Prepetition Collateral (as defined herein) of the Debtors, including any Cash Collateral;

(xi) Vacate and modify the automatic stay imposed by section 362 of the Bankruptcy Code solely to the extent necessary to implement and effectuate the terms of the DIP Financing Documents, this Interim Order, and the Final Order;

(xii) Schedule a final hearing (the "***Final Hearing***") to consider entry of an order (the "***Final Order***") granting the relief requested in the DIP Motion on a final basis and approving the form of notice with respect to the Final Hearing; and

(xiii) Waive any applicable stay as provided in the Bankruptcy Rules and provide for immediate effectiveness of this Interim Order.

The Court, having considered the DIP Motion, the *Declaration of Stephen Clapp, Chief Executive Officer of Curae Health, Inc., in Support of Chapter 11 Petitions and First Day Pleadings*, the DIP Credit Agreement, and the evidence submitted or adduced and the arguments of counsel made at the hearing on this Interim Order (the "***Interim Hearing***"); and due and proper notice of the DIP Motion and Interim Hearing having been provided in accordance with Bankruptcy Rules 2002, 4001(b) and (d), and 9014 and Local Rules 2081-1 and 4001-1, and no other or further notice being required under the circumstances; and the Interim Hearing having

been held and concluded; and it appearing that approval of the interim relief requested in the DIP Motion is necessary to avoid immediate and irreparable harm to the Debtors pending the Final Hearing and is otherwise fair and reasonable and in the best interests of the Debtors, their estates and their creditors, and is essential for the preservation of the value of the Debtors' assets; and all objections, if any, to the entry of this Interim Order having been withdrawn, resolved or overruled by the Court; and after due deliberation and consideration, and for good and sufficient cause appearing therefor:

IT IS HEREBY FOUND, DETERMINED, ORDERED AND ADJUDGED, that:

Petition Date. On August __, 2018 (the "***Petition Date***"), the Debtors each filed with this Court voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors are continuing to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

Jurisdiction and Venue. This Court has jurisdiction over these proceedings pursuant to 28 U.S.C. §§ 157(b) and 1334, and over the persons and property affected hereby. Consideration of the DIP Motion constitutes a core proceeding as defined in 28 U.S.C. § 157(b)(2). Venue for these Chapter 11 Cases and proceedings on the DIP Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

Committee Formation. A statutory committee of unsecured creditors (the "***Committee***") has not yet been appointed in these Chapter 11 Cases.

Notice. Notice of the Interim Hearing and notice of the DIP Motion has been provided by the Debtors to: (a) the Office of the United States Trustee for the Middle District of Tennessee (the "***U.S. Trustee***"); (b) counsel to prepetition lender, ServisFirst Bank ("***ServisFirst***"); (c) counsel to prepetition lender, CHS/Community Health Systems, Inc.

("***CHS***"); (d) counsel to Prepetition First Lien Revolving Lender (as defined herein) and DIP Lender; (e) the Office of the United States Attorney for the Middle District of Tennessee; (f) the United States Department of Health and Human Services; (g) the Tennessee State Department of Health; (h) the Attorney General of the State of Tennessee; (i) the Tennessee Department of Revenue; (j) the Internal Revenue Service; (k) the parties included on the list of the Debtors list of twenty largest unsecured creditors; (l) any party who has requested notice pursuant to Bankruptcy Rule 2002; (m) all parties entitled to notice under Bankruptcy Rule 2002(j); and (n) all other known parties asserting a lien on the Debtors' assets. Under the circumstances, such notice of the Interim Hearing and the DIP Motion constitute due, sufficient and appropriate notice and complies with sections 102(1) and 363 of the Bankruptcy Code, Bankruptcy Rules 2002 and 4001(b), and the Local Rules, and no other or further notice is required under the circumstances.

Stipulations as to the Prepetition Secured Credit Facilities. Without prejudice to the rights of parties in interest as set forth below, the Debtors admit, stipulate, acknowledge and agree that (collectively, paragraphs E(i) through E(xi) hereof shall be referred to herein as the "***Debtors' Stipulations***"):

(a) **Prepetition First Lien Revolving Facility**. Pursuant to that certain Credit and Security Agreement dated as of December 31, 2017, as amended, restated, supplemented, or otherwise modified from time to time, including without limitation, by that Joinder and Amendment No. 1 to Credit and Security Agreement, dated January 12, 2018 (collectively, the "***Prepetition First Lien Revolving Credit Agreement***") among Debtors ARMC, ARP, BRMC, BRP, CRMC, and CRP (collectively, "***Borrowers***") and MidCap Funding IV Trust, as successor-by-assignment to MidCap, as Agent and Lender (the "***Prepetition First Lien***

Revolving Lender"),[3] and that Payment Guaranty, dated as of December 13, 2017 executed by Debtor Curae in favor of Prepetition First Lien Revolving Lender (the "***Guaranty***," and together with all other loan and security documents executed in connection therewith, the "***Prepetition First Lien Revolving Credit Documents***"), the Prepetition First Lien Revolving Lender provided Debtors with a first lien secured revolving credit facility in the maximum principal amount of $13,000,000 (the "***Prepetition First Lien Revolving Facility***").

(b) **Prepetition First Lien Revolving Facility Obligations**. As of the Petition Date, the Debtors were indebted and liable to the Prepetition First Lien Revolving Lender, without objection, defense, counterclaim or offset of any kind under the Prepetition First Lien Revolving Credit Documents in the principal amount of no less than $[10,795,259], plus interest accrued and accruing, costs and any fees and expenses due and owing thereunder, including, without limitation, the Deferred Revolving Loan Origination Fee (collectively, the "***Prepetition First Lien Revolving Facility Obligations***").

(c) **Prepetition Senior Term Loan Facility**. Pursuant to that certain Loan Agreement, dated as of May 1, 2017, as amended, restated, supplemented, or otherwise modified from time to time (the "***Prepetition Senior Term Loan Agreement***" and, together with all other loan and security documents executed in connection therewith, the "***Prepetition Senior Term Loan Documents***") between Debtors ARMC, BRMC, and CRMC (collectively, the "***Prepetition Term Loan Borrowers***"), and ServisFirst, ServisFirst provided a term loan to Term Loan Borrowers, and which is guaranteed by Debtor Curae (together with the Prepetition Term Loan Borrowers, the "***Prepetition Term Loan Parties***"), in the aggregate principal amount of

[3] Unless otherwise indicated, all references herein to Prepetition First Lien Revolving Lender shall include MidCap Funding IV Trust, as successor-by-assignment to MidCap, in its capacity as Agent and Lender under the Prepetition First Lien Revolving Credit Documents (as defined herein).

$18,783,000 (the "***Prepetition Senior Term Loan Facility***"). The Prepetition Senior Term Loan Facility is fully secured by the Prepetition Senior Term Loan Collateral as defined herein.

(d) **Prepetition Senior Term Loan Facility Obligations**. As of the Petition Date, the Prepetition Term Loan Parties were indebted and liable to ServisFirst, without objection, defense, counterclaim or offset of any kind under the Prepetition Senior Term Loan Documents in the principal amount of no less than $18,783,000 plus interest accrued and accruing, costs and any fees and expenses due and owing thereunder (collectively, the "***Prepetition Senior Term Loan Facility Obligations***".

(e) **Prepetition Seller Financing**. The Prepetition Term Loan Parties and are also party to: (A) that certain Loan Agreement dated as of May 1, 2017 (as amended by that certain First Amendment dated as of November 1, 2017, as further amended by that certain Second Amendment dated as of December 13, 2017) with CHS/Community Health Systems, Inc. ("***CHS***" and together with Prepetition First Lien Revolving Lender and ServisFirst, the "***Prepetition Secured Lenders***"), (B) that certain $14,200,000 Term Loan Note dated May 1, 2017, by ARMC and BRMC payable to the order of CHS, (C) that certain $13,133,839.64 Promissory Note dated November 1, 2017, by CRMC payable to the order of CHS, (D) that certain Mississippi Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of May 1, 2017 (as has been and may be further amended, supplemented, or modified from time to time in accordance with the Subordination Agreement), by ARMC for the benefit of CHS, (E) that certain Mississippi Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of May 1, 2017 (as has been and may be further amended, supplemented, or modified from time to time in accordance with the Subordination Agreement), by BRMC for the benefit of CHS, (F) that certain Mississippi Leasehold Deed of Trust, Assignment of Rents,

Security Agreement and Fixture Filing dated as of November 1, 2017 (as has been and may be further amended, supplemented, or modified from time to time in accordance with the Subordination Agreement), by CRMC for the benefit of CHS, (G) Guaranty, dated as of May 1, 2017 (as has been and may be further amended, supplemented, or modified from time to time in accordance with the Subordination Agreement) by Curae in favor of CHS, and (H) Guaranty Security Agreement, dated as of May 1, 2017 (as may be further amended, supplemented or modified from time to time in accordance with the Subordination Agreement) by Curae in favor of CHS ((A)-(H), collectively, the "***CHS Prepetition Loan Documents***"), pursuant to which CHS provided seller financing and other financial accommodations in connection the purchase and lease of certain of the Debtors' facilities from CHS.

(f) **Prepetition First Lien Revolving Facility Collateral**. Pursuant to the Prepetition First Lien Revolving Credit Documents, in order to secure the Debtors' Prepetition First Lien Revolving Facility Obligations, Borrowers granted Prepetition First Lien Revolving Lender a first lien and security interest in and on the Collateral (as defined in the Prepetition First Lien Revolving Credit Agreement) (the "***Prepetition Revolving Facility First Liens***"), including, without limitation, all of the Borrowers' right, title, and interest in and to all of the Borrowers' accounts, cash, money, deposit accounts, lockbox accounts, securities, securities accounts, contract rights, instruments, investment properties, goods, and general intangibles (except as provided in the Prepetition First Lien Revolving Credit Agreement), including the proceeds of same (collectively, the "***Prepetition First Lien Revolving Facility Collateral*** ").

(g) **Prepetition Senior Term Loan Collateral.** Pursuant to the Prepetition Senior Term Loan Credit Documents, in order to secure the Prepetition Senior Term Loan Facility Obligations, Debtors granted security interests in and liens (the "***Prepetition Senior***

Term Loan Liens," on substantially all of their assets (collectively, the "***Prepetition Senior Term Loan Collateral***").

(h) **CHS Prepetition Obligations Collateral** Pursuant to the CHS Prepetition Loan Documents, in order to secure the CHS Prepetition Obligations, the Term Loan Borrowers and Curae granted security interests in and liens (the "***CHS Prepetition Liens***" and together with the Prepetition Revolving Facility First Liens and Prepetition Senior Term Loan Liens, the "***Prepetition Liens***") subordinate to the Prepetition Senior Term Loan Liens, as applicable, on certain of their assets, specifically excluding the Prepetition First Lien Revolving Facility Collateral (the "***CHS Prepetition Obligations Collateral***" and, together with the Prepetition First Lien Revolving Collateral and the Prepetition Senior Term Loan Collateral, the "***Prepetition Collateral***").

(i) **Priority of Prepetition Liens; Intercreditor Agreement and Subordination Agreement**. The Prepetition Revolving Facility First Liens are first priority security interests and liens with respect to the Prepetition First Lien Revolving Collateral. The Prepetition Senior Term Loan Liens are subordinate to the Prepetition Revolving Facility First Liens on the Prepetition First Lien Revolving Facility Collateral and are subject to the terms of that certain Intercreditor and Lien Subordination Agreement, dated as of December 13, 2017 (as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "***Prepetition Intercreditor Agreement***"), between the Prepetition First Lien Revolving Lender and ServisFirst until the Discharge of Revolving Credit Obligations (as defined in the Prepetition Intercreditor Agreement). Subject to the DIP Liens (as defined herein) which prime the Prepetition Senior Term Loan Liens as set forth in paragraphs H and 2(e) hereof, the Prepetition Senior Term Loan Liens are first priority security interests and liens with

respect to the Prepetition Senior Term Loan Collateral. Pursuant to the terms of the CHS Prepetition Loan Documents and that certain Subordination Agreement dated as of December 13, 2017 between CHS and Prepetition First Lien Revolving Lender (as may be amended, the "***Prepetition Subordination Agreement***"), the CHS Prepetition Liens do not extend to the Prepetition First Lien Revolving Facility Collateral. In addition, CHS consented in the Prepetition Subordination Agreement to the Prepetition First Lien Revolving Lender providing debtor in possession financing to Debtors in any bankruptcy case commenced by or against Debtors, pursuant to section 364 of the Bankruptcy Code, on terms and conditions and in such amounts as Prepetition First Lien Revolving Lender, in its sole discretion, may decide up to a maximum principal amount of $18 million, and CHS further consented to Debtors granting Prepetition First Lien Revolving Lender liens and security interests upon all of the Debtors' property to secure such debtor in possession financing, with such liens having priority over the liens and security interests of CHS on Debtors' property.

(j) **Enforceability of Prepetition First Lien Revolving Facility Obligations and Prepetition Senior Term Loan Facility Obligations.** The Prepetition First Lien Revolving Facility Obligations and Prepetition Senior Term Loan Facility Obligations are (i) legal, valid, binding and enforceable against each applicable Debtor and (ii) not subject to any contest, attack, objection, recoupment, defense, counterclaim, offset, subordination, re-characterization, avoidance or other claim, cause of action or other challenge of any nature under the Bankruptcy Code, under applicable non-bankruptcy law or otherwise. The Debtors do not have, hereby forever release, and are forever barred from bringing or asserting any claims, counterclaims, causes of action, defense or setoff rights relating to the Prepetition First Lien Revolving Facility Obligations and Prepetition Senior Term Loan Facility Obligations, whether arising under the

Bankruptcy Code, under applicable non-bankruptcy law or otherwise against either of the Prepetition First Lien Revolving Lender or ServisFirst and their respective officers, directors, agents, employees, attorneys, successors and assigns.

(k) **Enforceability of Prepetition Revolving Facility First Liens and Prepetition Senior Term Loan Liens**. The Prepetition Revolving Facility First Liens and Prepetition Senior Term Loan Liens on the Prepetition Collateral were legal, valid, enforceable, non-avoidable, and duly perfected as of the Petition Date, and remain so and are not subject to avoidance, attack, offset, re-characterization or subordination under the Bankruptcy Code, under applicable non-bankruptcy law or otherwise and, as of the Petition Date, and without giving effect to this Interim Order, the Debtors are not aware of any liens or security interests having priority over the Prepetition Revolving Facility First Liens and Prepetition Senior Term Loan Liens on the Prepetition Collateral. The respective Prepetition Revolving Facility First Liens and Prepetition Senior Term Loan Liens on the Prepetition Collateral were granted for fair consideration and reasonably equivalent value.

Findings Regarding the Postpetition Financing.

(i) **Good Cause; Need for Postpetition Financing**. Good cause has been shown for the entry of this Interim Order. An immediate need exists for the Debtors to obtain funds from the Interim DIP Loan in order to continue operations, serve patients and to administer and preserve the value of their estates. The ability of the Debtors to finance their operations, to preserve and maintain the value of the Debtors' assets and to maximize a return for all creditors requires the availability of working capital from the Interim DIP Loan, the absence of which would immediately and irreparably harm the Debtors, their

estates, their patients and their creditors and the possibility for a successful reorganization or sale of the Debtors' assets as a going concern or otherwise. The proposed Interim DIP Loan is in the best interests of the Debtors, their estates, their patients and their creditors.

(l) **No Credit Available on More Favorable Terms**. The Debtors have been unable to obtain (a) unsecured credit allowable under 503(b)(1) of the Bankruptcy Code section as an administrative expense, (b) credit for money borrowed secured solely by a lien on property of the estate that it not otherwise subject to a lien, (c) credit for money borrowed secured by a junior lien on property of the estate which is subject to a lien, (d) or credit otherwise on more favorable terms and conditions than those provided in the DIP Credit Agreement and this Interim Order. The Debtors are unable to obtain credit for borrowed money without granting to the DIP Lender the DIP Protections (as defined herein).

(m) Consent and Adequate Protection of Existing Lien Holders. The holders of prepetition liens on the DIP Collateral, including ServisFirst and CHS, have either consented to the DIP Financing as set forth in the DIP Financing Documents and/or their interests in the DIP Collateral are adequately protected as set forth herein.

Use of Proceeds of the DIP Facility. Proceeds of the DIP Facility (net of any amounts used to pay fees, costs and expenses under the DIP Financing Documents) shall be used in each case in accordance with the Budget and in a manner consistent with the terms and conditions of the DIP Credit Agreement, this Interim Order, and the Final Order, which will include payment in full of the Prepetition First Lien Revolving Facility Obligations under the Prepetition First Lien Revolving Credit Documents upon funding of the Interim DIP Loan; *provided*, that no more than $20,000 of the proceeds of the DIP Facility, DIP Collateral (as defined herein), or Cash

Collateral, in the aggregate, may be used by any Committee appointed in these Chapter 11 Cases to investigate the Prepetition Liens and/or claims of the Prepetition Secured Lenders.

Application of Sale Proceeds of DIP Collateral. The DIP Liens shall attach as first priority liens and security interests, pursuant to section 364(d) of the Bankruptcy Code, to all proceeds of any sale or other disposition of the DIP Collateral (as defined herein) (the "***Sale Proceeds***"). A portion of the Sale Proceeds in an amount equal to any Overadvance (as that term is defined in the DIP Credit Agreement) outstanding as of the date of such sale shall be paid to DIP Lender to be applied to and pay off any such Overadvance, and $2,000,000 of the remaining Sales Proceeds shall be held in escrow by Debtors in one or more designated deposit accounts subject to control agreements in favor of DIP Lender and shall not be disbursed except as otherwise provided in the DIP Financing Documents unless and until all of the DIP Obligations have been satisfied in full and the DIP Lender's commitments under the DIP Facility and DIP Financing Documents have been terminated, with the then remaining Sales Proceeds remitted to ServisFirst in accordance with its Prepetition Senior Term Loan Liens and Adequate Protection Liens.

Adequate Protection for Prepetition Secured Lenders. The priming of the Prepetition Secured Lenders' Prepetition Liens to the extent set forth below pursuant to section 364(d) of the Bankruptcy Code is necessary to obtain the DIP Financing. In exchange for the priming of the Prepetition Liens set forth below, the Prepetition Secured Lenders shall be entitled to receive adequate protection, as set forth in this Interim Order, pursuant to sections 361, 363 and 364 of the Bankruptcy Code, for any diminution in the value of their respective interests in the Prepetition Collateral resulting from, among other things, the subordination to the Carve-Out (as defined herein) and to the DIP Liens (as defined herein), the Debtors' use, sale or lease of such

Prepetition Collateral, and the imposition of the automatic stay from and after the Petition Date (collectively, and solely to the extent of such diminution in value, the "***Diminution in Value***"). The Prepetition Secured Lenders have negotiated in good faith regarding the Debtors' use of the Prepetition Collateral, including Cash Collateral, to help fund the administration of the Debtors' estates along with the proceeds of the DIP Financing. Based on the DIP Motion and the record presented to the Court at the Interim Hearing, the terms of the proposed adequate protection arrangements and the use of Cash Collateral are fair and reasonable, reflect the Debtors' prudent exercise of business judgment and constitute reasonably equivalent value and fair consideration for the consent of the Prepetition Secured Lenders; *provided, however*, that nothing herein shall limit the rights of any of the Prepetition Secured Lenders to hereafter seek new or different adequate protection.

Extension of Financing; Business Judgment and Good Faith Pursuant to Section 364(e).

(i) The DIP Lender has indicated a willingness to provide financing to the Debtors in accordance with the DIP Financing Documents. The terms and conditions of the DIP Facility and the DIP Financing Documents, and the fees paid and to be paid thereunder are fair, reasonable, and the best available under the circumstances, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and consideration;

(n) The DIP Financing Documents were negotiated in good faith and at arms' length between the Debtors and the DIP Lender;

(o) The proceeds to be extended under the DIP Facility will be so extended in good faith, and for valid business purposes and uses; and

(p) The DIP Lender is acting in good faith with respect to the DIP Facility and the terms and conditions of the DIP Financing Documents, and the DIP Lender's claims, superpriority claims, security interests and liens and other protections granted pursuant to this Interim Order and the DIP Financing Documents will not be affected or avoided by any subsequent reversal or modification of this Interim Order or the Final Order, as provided in section 364(e) of the Bankruptcy Code.

Relief Essential; Best Interest; Good Cause. The relief requested in the DIP Motion (and as provided in this Interim Order) is necessary, essential, and appropriate for the preservation of the Debtors' assets, business and property. It is in the best interest of the Debtors' estates to be allowed to establish the DIP Facility contemplated by the DIP Credit Agreement and other DIP Financing Documents. Good cause has been shown for the relief requested in the DIP Motion (and as provided in this Interim Order).

NOW, THEREFORE, on the DIP Motion and the record before this Court with respect to the DIP Motion, including the record created during the Interim Hearing, and with the consent of the Debtors, the Prepetition Secured Lenders and the DIP Lender to the form and entry of this Interim Order, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. **Motion Granted**. The DIP Motion is granted in accordance with the terms and conditions set forth in this Interim Order, the DIP Credit Agreement and the other DIP Financing Documents. Any objections to the DIP Motion with respect to entry of this Interim Order to the extent not withdrawn, waived or otherwise resolved, and all reservations of rights included therein, are hereby denied and overruled.

2. **DIP Financing Documents**.

(a) **Approval of Entry Into DIP Financing Documents**. The Debtors are authorized, empowered and directed to execute and deliver the DIP Financing Documents and to incur and to perform the DIP Obligations in accordance with, and subject to, the terms of this Interim Order and the DIP Financing Documents, and to execute and deliver all instruments and documents which may be required or necessary for the performance by the Debtors under the DIP Financing Documents and the creation and perfection of the DIP Liens described in and provided for by this Interim Order and the DIP Financing Documents. The Debtors are hereby authorized and directed to do and perform all acts, pay the principal, interest, fees, expenses, indemnities and other amounts described in the DIP Credit Agreement as such become due, including, without limitation, commitment fees and reasonable attorneys' fees and disbursements as provided for in the DIP Credit Agreement, which amounts shall not otherwise be subject to approval of this Court.

(b) **Authorization to Borrow/and or Guarantee**. To enable them to continue to preserve the value of their estates and dispose of their assets in an orderly fashion, during the period prior to entry of the Final Order (the "***Interim Period***") and subject to the terms and conditions of this Interim Order, upon the execution of the DIP Credit Agreement, the Debtors are hereby authorized to borrow the Interim DIP Loan up to a total committed amount of $15,000,000.00 under the DIP Financing Documents.

(c) **Conditions Precedent**. The DIP Lender shall have no obligation to make the Interim DIP Loan or any loan or advance under the DIP Credit Agreement during the Interim Period unless the conditions precedent to making such loan under the DIP Credit Agreement have been satisfied in full or waived by the DIP Lender in its sole discretion.

(d) **DIP Collateral; DIP Liens**. Effective immediately upon the entry of this Interim Order, on account of the Interim DIP Loan, the DIP Lender shall be and is hereby granted first-priority security interests and liens (which shall immediately be valid, binding, permanent, continuing, enforceable, perfected and non-avoidable) on all of the Debtors' real and personal property, including, without limitation, the Prepetition Collateral, including Cash Collateral, the property described on **Exhibit C** hereto, and the proceeds thereof, including, without limitation, the Sale Proceeds, accounts receivable, and all other rights to payment, whether arising before or after the Petition Date (collectively, the "***DIP Collateral***," and all such liens and security interests granted on or in the DIP Collateral pursuant to this Interim Order and the DIP Financing Documents, the "***DIP Liens***"). The DIP Collateral shall not be subject to any surcharge under section 506(c) or any other provision of the Bankruptcy Code or other applicable law, nor by order of this Court.

(e) **DIP Lien Priority**. Subject only to the Carve-Out (as defined herein), the DIP Liens shall, pursuant to section 364(c)(2) of the Bankruptcy Code, be perfected, first priority liens on all DIP Collateral that is unencumbered as of the Petition Date (other than the Debtors' claims and causes of action under sections 502(d), 544, 545, 547, 548, 549, 550 and 553 of the Bankruptcy Code, and any other avoidance or similar actions under the Bankruptcy Code or similar state law (the "***Avoidance Actions***"), whether received by judgment, settlement or otherwise). Subject only to the Carve-Out (as defined herein), the DIP Liens shall, pursuant to section 364(d)(1) of the Bankruptcy Code, be perfected first priority senior priming liens on all DIP Collateral that is subject to the Prepetition Liens (collectively, the "***Primed Liens***"), which DIP Liens shall also prime any liens granted after the Petition Date to provide adequate protection in respect of the Primed Liens. Subject only to the Carve-Out (as defined herein), the

DIP Liens shall, pursuant to section 364(d)(1) of the Bankruptcy Code, be perfected first priority senior liens on all DIP Collateral that is acquired after the Prepetition Date, which DIP Liens shall also prime any liens granted after the Petition Date to any other party, including any liens granted to provide adequate protection in respect of the Primed Liens. Notwithstanding the foregoing, with respect to DIP Collateral consisting of Term Loan Priority Collateral (as that term is defined in the Prepetition Intercreditor Agreement), the DIP Liens shall prime the Prepetition Liens and Replacement Liens (as defined herein) of ServisFirst with respect to such Term Loan Priority Collateral to secure the DIP Facility for an amount equal to any Overadvance outstanding at any time, plus $2,000,000.00. Without limiting the foregoing, the DIP Liens shall not be made subject to, subordinate to, or *pari passu* with any lien or security interest by any court order heretofore or hereafter granted in the Chapter 11 Cases. The DIP Liens shall be valid and enforceable against any trustee appointed in the Chapter 11 Cases, upon the conversion of any of the Chapter 11 Cases to a case under Chapter 7 of the Bankruptcy Code or in any other proceedings related to any of the foregoing (any "***Successor Cases***"), and/or upon the dismissal of any of the Chapter 11 Cases or Successor Cases.

(f) **Enforceable Obligations**. The DIP Financing Documents shall constitute and evidence the valid and binding obligations of the Debtors, which obligations shall be enforceable against the Debtors, their estates and any successors thereto and their creditors or representatives thereof, in accordance with their terms.

(g) **Protection of DIP Lender and Other Rights**. From and after the Petition Date, the Debtors shall use the proceeds of the extensions of credit under the DIP Facility only for the purposes specifically set forth in the DIP Credit Agreement and this Interim

Order and in strict compliance with the Budget (subject to any variances thereto permitted by the DIP Credit Agreement).

(h) **Additional Protections of DIP Lender: Superpriority Administrative Claim Status**. Subject to the Carve-Out (as defined herein), all DIP Obligations shall constitute an allowed superpriority administrative expense claim (the "***DIP Superpriority Claim***" and, together with the DIP Liens, the "***DIP Protections***") with priority in all of the Chapter 11 Cases and Successor Cases over all other administrative expense claims under sections 364(c)(1), 503(b) and 507(b) of the Bankruptcy Code and otherwise over all administrative expense claims and unsecured claims against the Debtors or their estates, now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 1113 and 1114 and any other provision of the Bankruptcy Code except as otherwise set forth herein, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment. The DIP Superpriority Claim shall be payable from and have recourse to all prepetition and post-petition property of the Debtors and all proceeds thereof. Without limiting the foregoing, the Superpriority Claim shall not be made subject to, subordinate to, or *pari passu* with any other administrative claim in the Chapter 11 Cases or Successor Cases, except for the Carve-Out (as defined herein).

3. **Authorization to Use Cash Collateral and Proceeds of DIP Facility**. Pursuant to the terms and conditions of this Interim Order, the DIP Credit Agreement and the other DIP Financing Documents, and in accordance with the Budget and the permitted variances thereto set forth in the DIP Credit Agreement, (a) the Debtors are authorized to use the advances under the

DIP Credit Agreement during the period commencing immediately after the entry of this Interim Order and terminating upon the occurrence of an Event of Default (as defined herein) and the termination of the DIP Credit Agreement in accordance with its terms and subject to the provisions hereof, and (b) the Debtors are authorized to use all Cash Collateral of the Prepetition Secured Lenders, *provided* that the Prepetition Secured Lenders are granted adequate protection as hereinafter set forth.

4. **Adequate Protection for Prepetition Secured Parties**. As adequate protection for the interests of the Prepetition Secured Lenders in the Prepetition Collateral (including Cash Collateral) on account of the granting of the DIP Liens, subordination to the Carve-Out (as defined herein), the Debtors' use of Cash Collateral and any other Diminution in Value arising out of the automatic stay or the Debtors' use, sale, or disposition or other depreciation of the Prepetition Collateral, the Prepetition Secured Parties shall receive adequate protection as follows:

(a) **Adequate Protection Replacement Liens.** To the extent of the Diminution in Value of the interests of the Prepetition Secured Lenders in the Prepetition Collateral of the Debtors, the Prepetition Secured Lenders shall be and are hereby granted continuing valid, binding, enforceable, non-avoidable and automatically perfected post-petition security interests in and liens on the DIP Collateral (the "***Replacement Liens***").

(i) **Priority of the Replacement Liens:**

(A) The Replacement Liens shall be junior only to (i) the Carve-Out (as defined herein) and (ii) the DIP Liens. The Replacement Liens shall otherwise be senior to all other security interests in, liens on, or claims against any of the DIP Collateral.

The Prepetition Secured Lenders' respective rights with respect to the property secured by the Replacement Liens shall continue to be governed by the Prepetition Intercreditor Agreement and Prepetition Subordination Agreement, as applicable.

(B) Except as provided herein, the Replacement Liens shall not be made subject to or *pari passu* with any lien or security interest by any court order heretofore or hereafter entered in the Chapter 11 Cases or any Successor Cases, and shall be valid and enforceable against any trustee appointed in any of the Chapter 11 Cases or any successor Cases, or upon the dismissal of any of the Chapter 11 Cases or Successor Cases. The Replacement Liens shall not be subject to sections 506(c), 510, 549, or 550 of the Bankruptcy Code.

(ii) **Adequate Protection Superpriority Claims**. To the extent of the Diminution in Value of the interests of the Prepetition Secured Lenders in the Prepetition Collateral of the Debtors, the Prepetition Secured Lenders are hereby granted allowed superpriority administrative expense claims, to the extent provided by sections 503(b) and 507(b) of the Bankruptcy Code, in each of the Chapter 11 Cases and any Successor Cases (the "***Adequate Protection Superpriority Claims***").

(iii) **Adequate Protection Superpriority Claims**: The Adequate Protection Superpriority Claims shall be junior only to the Carve-Out (as defined herein) and the DIP Superpriority Claim. Except as otherwise provided in this Interim Order, the Adequate Protection Superpriority Claims shall have priority over all administrative

expense claims and unsecured claims against the Debtors or their estates, now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 1113 and 1114 of the Bankruptcy Code. The Prepetition Secured Lenders' respective rights with respect to the payment of any Adequate Protection Superpriority Claims shall continue to be governed by the Prepetition Intercreditor Agreement and Prepetition Subordination Agreement, as applicable, and all payments on account of Adequate Protection Superpriority Claims shall constitute, as applicable, permitted Distributions (as defined in the Prepetition Intercreditor Agreement) and Permitted Subordinated Loan Payments (as defined in the Subordination Agreement).

(b) **Right to Credit Bid**. The DIP Lender and the Prepetition First Lien Revolving Lender shall each have the right, but not the obligation, to "*credit bid*" separately or in combination the allowed amounts of the Prepetition First Lien Revolving Facility Obligations and the DIP Obligations during any sale of the DIP Collateral, including without limitation, sales occurring pursuant to section 363 of the Bankruptcy Code or included as part of any reorganization plan subject to confirmation under section 1129(b)(2)(A)(iii) of the Bankruptcy Code.

(c) **Adequate Protection Payments and Protections**. To the extent any Prepetition First Lien Revolving Facility Obligations remain outstanding, the Debtors are authorized and directed to provide adequate protection payments to the Prepetition First Lien Revolving Lender in the form of ongoing (i) [weekly] payment of the reasonable and documented professional fees and expenses of the Prepetition First Lien Revolving Lender,

whether such fees and expenses are incurred prepetition or post-petition, with all professional fees and expenses accrued as of the Petition Date being paid within 7 days after the Petition Date and then weekly thereafter, and (ii) weekly payments of interest under the Prepetition First Lien Revolving Facility in accordance with the Budget. To the extent any Prepetition Senior Term Loan Facility Obligations remain outstanding, the Debtors are authorized and directed to provide adequate protection payments to ServisFirst in the form of ongoing monthly interest payments under the Prepetition Senior Term Loan Agreement as set forth in the Budget (collectively, the "***Prepetition Senior Term Loan Adequate Protection Payments***"). Notwithstanding the foregoing, to the extent the Court determines, pursuant to sections 506(a) or (b) of the Bankruptcy Code that the Prepetition Senior Term Loan Adequate Protection Payments are not properly allocable to interest on the Prepetition Senior Term Loan Obligations, Prepetition Senior Term Loan Adequate Protection Payments may be re-characterized as payment(s) applied to the principal amount of the Prepetition Senior Term Loan Obligations.

5. **Postpetition Lien Perfection**. This Interim Order shall be sufficient and conclusive evidence of the validity, perfection, and priority of the DIP Liens and the Replacement Liens without the necessity of filing or recording any financing statement, deeds of trust, mortgages, or other instruments or documents which may otherwise be required under the law of any jurisdiction or the taking of any other action (including, for the avoidance of doubt, entering into any deposit account control agreement or obtaining possession of any possessory collateral) to validate or perfect the DIP Liens and the Replacement Liens or to entitle the DIP Liens and the Replacement Liens to the priorities granted herein. Notwithstanding and without limiting the foregoing, the DIP Lender, in its capacity as DIP Lender and Prepetition First Lien Revolving Lender, ServisFirst and CHS may each file such financing statements, mortgages,

notices of liens and other similar documents as they deem appropriate, and they are hereby granted relief from the automatic stay of section 362 of the Bankruptcy Code in order to do so, and all such financing statements, mortgages, notices and other documents shall be deemed to have been filed or recorded at the time and on the date of the commencement of the Chapter 11 Cases. Notwithstanding and without limiting the foregoing provisions regarding the validity, perfection, and priority of the DIP Liens and the Replacement Liens The Debtors shall execute and deliver to the DIP Lender and the Prepetition First Lien Revolving Lender all such financing statements, mortgages, notices and other documents as the DIP Lender and the Prepetition First Lien Revolving Lender may reasonably request to evidence, confirm, validate or perfect, or to insure the contemplated priority of, the DIP Liens and the Replacement Liens granted pursuant hereto. The DIP Lender, in their discretion, may file a photocopy of this Interim Order as a financing statement with any recording officer designated to file financing statements or with any registry of deeds or similar office in any jurisdiction in which any Debtor has real or personal property, and in such event, the recording officer shall be authorized to file or record such copy of this Interim Order.

6. **Reservation of Certain Third Party Rights and Bar of Challenges and Claims**. Nothing in this Interim Order or the DIP Credit Agreement shall prejudice the rights the Official Committee of Unsecured Creditors Committee (the "***Committee***"), if formed, or any other party in interest to the extent it has requisite standing (other than the Debtors and their non-Debtor subsidiaries) ("***Party in Interest***") may have to object to or challenge the findings herein and the Debtors' stipulations regarding (i) the validity, extent, perfection or priority of the Prepetition Liens in and on the Prepetition Collateral, or (ii) the validity, allowability, priority, status or amount of the Prepetition Secured Obligations (a "***Challenge***"); *provided, however*, if a

Committee is formed, an adversary proceeding must be commenced by the Committee asserting the Challenge, including without limitation, asserting any claim against the Prepetition Secured Lenders in the nature of a setoff, counterclaim or defense to the Prepetition Secured Obligations (including but not limited to, those under sections 506, 544, 547, 548, 549 and 550 of the Bankruptcy Code or by way of suit against any of the Prepetition Secured Lenders) (also, a "***Challenge***") by the earlier of (a) forty-five (45) days from the date of the entry of order appointing counsel to the Committee, and (b) October 19, 2018. If no Committee is formed, any Party in Interest must commence an adversary proceeding asserting a Challenge by the earlier of forty-five (45) days from the date the U.S. Trustee provides notice that no Committee will be formed, and (c) on October 19, 2018 (the "***Challenge Period***"). Debtors must provide notice to all parties on the Debtors' mailing matrix that no Committee will be formed within five (5) days of Debtors' receipt of the U.S. Trustee's announcement of same. The date that is the next calendar day after the termination of the Challenge Period, in the event that no objection or challenge is raised during the Challenge Period, shall be referred to as the "***Challenge Period Termination Date***". Upon the Challenge Period Termination Date, any and all challenges, claims, causes of action and objections by any party (including, without limitation, the U.S. Trustee, any Committee, any Chapter 11 or Chapter 7 trustee appointed herein or in any Successor Case, and any other Party in Interest) shall be deemed to be forever waived and barred, and the Prepetition Secured Obligations shall be deemed to be allowed in full and shall be deemed to be allowed as secured claims within the meaning of section 506 of the Bankruptcy Code for all purposes in connection with the Chapter 11 Cases or any Successor Case, and the Debtors' Stipulations shall be binding on all creditors, interest holders and parties in interest. Notwithstanding anything herein to the contrary, if a Committee has been appointed, only the

Committee shall be entitled to bring a Challenge on behalf of the Debtors' estates against any of the Prepetition Secured Lenders.

7. **Fees and Expenses**. To the extent any Challenge is filed, the Prepetition Secured Lenders will be entitled to include such costs and expenses, including, but not limited to, reasonable attorneys' fees, incurred in defending the objection or complaint as part of their prepetition claims to the extent allowable under Section 506(b) of the Bankruptcy Code.

8. **Carve-Out**. The DIP Liens, DIP Superpriority Claims, Replacement Liens, and the Adequate Protection Superpriority Claims are subordinate only to the following: (i) quarterly fees required to be paid pursuant to 28 U.S.C. § 1930(a)(6) (the "***U.S. Trustee Fees***"), together with interest payable thereon pursuant to applicable law and any fees payable to the Clerk of the Bankruptcy Court; (ii) until the issuance of a notice from the DIP Lender that an Event of Default has occurred (the "***Carve-Out Notice***") (which the DIP Lender may issue upon an Event of Default), the allowed, accrued, and unpaid reasonable fees and expenses of professionals employed by the Debtors and any Committee pursuant to Sections 327 and 1103 of the Bankruptcy Code (the "***Case Professionals***") in the amounts set forth in the Budget ((i)-(ii), the "***Initial Carve-Out***"); and (iii) following delivery of a Carve-Out Notice, an aggregate amount not to exceed $105,000 (the "***Residual Carve-Out,***" and together with the Initial Carve-Out, the "***Carve-Out***"), provided that (a) any payments made to Case Professionals for services rendered prior to the delivery of the Carve-Out Notice and in accordance with the Budget and (b) any fees and expenses of Case Professionals accrued prior to the delivery of the Carve-Out Notice in the amounts set forth in the Budget and subsequently allowed, shall not reduce the Residual Carve-Out. The Debtors are authorized, in connection with the sale of all or substantially all of the assets of any Debtor pursuant to the Stalking Horse Agreement (as defined herein) or such other

asset sale agreement in form and substance acceptable to DIP Lender and Debtors and Sale Order (as defined herein), to establish an escrow into which will be deposited sufficient funds from the Carve-Out to pay the Debtors' unpaid and/or not-yet-allowed professional fees incurred in these cases through the date of the sale, to the extent such payments are consistent with the Budget. Payment from the escrow shall be made upon final Court approval of the Debtors' professional fees and any hold back of professional fees instituted in these cases. The DIP Liens shall attach to the escrow subject only to the Case Professionals' rights to payment therefrom as set forth above.

9. Notwithstanding anything set forth herein and except as provided in the following paragraph, the Carve-Out shall exclude any fees and expenses incurred in connection with initiating or prosecuting any claims, causes of action, adversary proceedings, or other litigation against any of the DIP Lender or the Prepetition Secured Lenders, including, without limitation, the assertion or joinder in any claim, counterclaim, action, proceeding, application, motion, objection, defenses or other contested matter, the purpose of which is to seek any order, judgment, determination or similar relief (i) invalidating, setting aside, disallowing, avoiding, challenging or subordinating, in whole or in part, (a) the DIP Obligations, (b) the Prepetition Secured Obligations, (c) the Prepetition Liens, or (d) the DIP Liens, or (ii) preventing, hindering or delaying, whether directly or indirectly, the DIP Lender's or Prepetition Secured Lenders' assertion or enforcement of their liens or security interests or realization upon any DIP Collateral or Prepetition Collateral, or (iii) prosecuting any Avoidance Actions against any DIP Lender or any Prepetition Secured Lender, or (iv) challenging the amount, validity, extent, perfection, priority, or enforceability of, or asserting any defense, counterclaim, or offset to, the Prepetition Secured Obligations, or the adequate protection granted herein.

10. Notwithstanding the preceding paragraph, the Committee, if appointed, shall be authorized to use up to $20,000.00 in the aggregate of the Initial Carve-Out to investigate the liens, claims and interests of the Prepetition Secured Lenders. Nothing herein shall be construed to obligate the Prepetition Secured Lenders or the DIP Lender, in any way, to pay any professional fees, or to assure that a Debtor has sufficient funds on hand to pay any professional fees.

11. **Payment of Compensation**. Nothing herein shall be construed as consent to the allowance of any professional fees or expenses of any of the Debtors or the Committee or shall affect the right of the DIP Lender or the Prepetition Secured Lenders to object to the allowance and payment of such fees and expenses or to permit the Debtors to pay any such amounts not set forth in the Budget.

12. **Section 506(c) Claims**. Nothing contained in this Interim Order shall be deemed a consent by the Prepetition Secured Lenders or the DIP Lenders to any charge, lien, assessment or claim against the DIP Collateral or the Prepetition Collateral under Section 506(c) of the Bankruptcy Code or otherwise.

13. **Collateral Rights**. Unless the DIP Lender has provided its prior written consent or all DIP Obligations and all Prepetition First Lien Revolving Facility Obligations have been paid in full in cash (or will be paid in full in cash upon entry of an order approving indebtedness described in subparagraph (a) below), and all commitments by Prepetition First Lien Revolving Lender and DIP Lender to lend have terminated:

(a) The Debtors shall not seek entry, in these proceedings, or in any Successor Case, of any order which authorizes the obtaining of credit or the incurring of indebtedness that is secured by a security, mortgage, or collateral interest or other lien on all or any portion of the

DIP Collateral or the Prepetition First Lien Revolving Facility Collateral and/or entitled to priority administrative status which is senior or *pari passu* to the liens granted to the DIP Lender pursuant to this Interim Order, or is senior or *pari passu* to the Replacement Liens granted to the Prepetition Secured Lenders pursuant to this Interim Order or otherwise;

(b) The Debtors shall not consent to relief from the automatic stay by any person other than the DIP Lender with respect to all or any portion of the DIP Collateral without the express written consent of the DIP Lender; and

(c) In the event that the Debtors seek entry of an order in violation of subsection (a) hereof, the DIP Lender and the Prepetition First Lien Revolving Lender shall be granted relief from the automatic stay with respect to the DIP Collateral and the Prepetition First Lien Revolving Facility Collateral pursuant to the notice procedures set forth in Section 23(b) of this Order.

14. **Commitment Termination Date**. All DIP Obligations of the Debtors to the DIP Lender shall be immediately due and payable, and the Debtors' authority to use the proceeds of the DIP Facility and to use Cash Collateral shall cease, both on the date that is the earliest to occur of: (i) the date that is two hundred seventy (270) days after the Closing Date (as defined herein) (unless extended by one optional 30-day extension at the request of the Debtors, and in the sole discretion of the DIP Lender, pursuant to the DIP Credit Agreement), (ii) the date on which the maturity of the DIP Obligations is accelerated and the commitments under the DIP Facility are irrevocably terminated in accordance with the DIP Credit Agreement, (iii) the date that is thirty (30) days after the Petition Date if the Debtors have not obtained entry of a Final Order on or before such date (the "***Commitment Termination Date***").

15. **Disposition of Collateral**. The Debtors shall not sell, transfer, lease, encumber or otherwise dispose of any portion of the DIP Collateral, without the prior written consent of the DIP Lender (and no such consent shall be implied, from any other action, inaction or acquiescence by the DIP Lender or an order of this Court), except as provided in the DIP Credit Agreement and this Interim Order and approved by the Bankruptcy Court to the extent required under applicable bankruptcy law. Nothing herein shall prevent the Debtors from making sales in the ordinary course of business to the extent consistent with the Budget.

16. **Events of Default**. The occurrence of an "Event of Default" pursuant to Section 10.1 the DIP Credit Agreement shall constitute an event of default under this Interim Order, unless expressly waived in writing in accordance with the consents required in the DIP Financing Documents (collectively, the "***Events of Default***"). Further, as set forth and/or enumerated in Section 10.1 the DIP Credit Agreement, the following events, among other things (the "***Bankruptcy Milestones***"), shall each constitute an Event of Default thereunder and under this Interim Order and shall be enforceable against the Debtors by the DIP Lender and/or the Prepetition First Lien Revolving Lender:

(a) Failure to provide DIP Lender with an executed copy of an asset sale agreement for the purchase of all or substantially all of the assets of ARMC (the "***Amory Assets***") (as described in the DIP Credit Agreement, the "***Stalking Horse Agreement***"), in form and substance acceptable to the DIP Lender and the Debtors, in each case in their respective sole discretion, by and among one or more of the Debtors and a qualified purchaser (the "***Stalking Horse***"), within seven (7) days of the Petition Date;

(b) Failure of the Debtors to file and properly serve a motion (the "***Amory Sale Motion***") within ten (10) days of the Petition Date, in form and substance acceptable to the

DIP Lender and Debtors, in each case in their respective sole discretion, seeking Court approval of: (A) the sale of the Amory Assets pursuant to the Stalking Horse Agreement, subject to higher or otherwise better offers under the Bidding Procedures (as defined herein); (B) bidding procedures in connection with the sale of the Amory Assets (the "***Bidding Procedures***") in form and substance acceptable to the DIP Lender and the Debtors, in each case in their respective sole discretion; and (C) the scheduling of an auction for the sale of the Amory Assets in accordance with the Bidding Procedures and a sale hearing with respect thereto (the "***Auction***" and "***Sale Hearing***", respectively), which Amory Sale Motion shall include copies of the Stalking Horse Agreement, the Bidding Procedures and the Bidding Procedures Order (as defined herein), and (ii) by no later than the date proscribed in the Bidding Procedures Order (as defined herein) properly serve each counterparty to a Designated Seller Contract (as defined in the Stalking Horse Agreement) a notice, in form and substance reasonably acceptable to the Stalking Horse, setting forth the amount necessary to satisfy any cure costs. The Amory Sale Motion shall be served on all parties that are required to receive notice in the Chapter 11 Cases;

(c) Failure of the Debtors to have the Court enter an order within thirty five (35) days of the Petition Date in form and substance acceptable to the Prepetition First Lien Revolving Lender, the DIP Lender and the Debtors, in each case in their respective sole discretion, (i) approving the Stalking Horse Agreement and the Bidding Procedures; and (ii) scheduling the Auction and Sale Hearing (together, the "***Bidding Procedures Order***");

(d) Failure of the Debtors to conduct the Auction for the Amory Assets within ninety (90) days of the Petition Date;

(e) Failure of the Debtors to have the Court enter an order not later than one hundred (100) days after the Petition Date in form and substance acceptable to the DIP Lender

and the Debtors, in each case in their respective sole discretion (the "***Amory Sale Order***") (i) approving the sale of the Amory Assets to the Stalking Horse pursuant to the Stalking Horse Agreement or to the party otherwise submitting the highest or otherwise best bid(s) for the Amory Assets at the Auction free and clear of all liens, claims and encumbrances; (ii) approving the assumption and assignment of certain contracts designated by the Stalking Horse or such higher bidder (the "***Assigned Contracts***"), without adequate assurance of future performance liability pursuant to section 365(f)(2) of the Bankruptcy Code; (iii) transferring and assigning the Assigned Contracts such that the Assigned Contracts will be in full force and effect from and after the closing of the Sale with non-debtor parties having an interest in such Assigned Contracts being barred and enjoined from asserting against the Stalking Horse or such higher bidder, among other things, defaults, breaches or claims of pecuniary losses existing as of the closing or by reason of the closing; (iv) finding that the Stalking Horse or such higher bidder is a good-faith purchasers entitled to the protections of section 363(m) of the Bankruptcy Code; (v) confirming that the Stalking Horse or such higher bidder is acquiring the Amory Assets free and clear of the "Excluded Assets" and "Excluded Liabilities" as defined and described in the Stalking Horse Agreement; (vi) confirming that to the extent the Stalking Horse is owed funds from the Debtors pursuant to the Stalking Horse Agreement, any liability of a Debtor to the Stalking Horse under the Stalking Horse Agreement shall, pursuant to section 364(c)(1) of the Bankruptcy Code, constitute a super-priority administrative expense in the Debtors' Chapter 11 Cases with priority over all administrative expenses of the kind specified in section 503(b) or 507(a) of the Bankruptcy Code; (vii) providing that the provisions of Bankruptcy Rules 6004(g) and 6006(d) are waived and there will be no stay of execution of the Sale Order under Rule 62(a) of the Federal Rules of Civil Procedure; (viii) retaining jurisdiction of the Court to interpret and

enforce the terms and provisions of the Stalking Horse Agreement; and (ix) authorizing and approving the results of the Auction;

(f) Failure of the Debtors to complete the sale of the Amory Assets and the assumption of the "Assumed Liabilities" as defined and described in the Stalking Horse Agreement on the terms described therein on or before the date that is one hundred and twenty (120) days following the Petition Date (the "***Closing Date***");

(g) Failure of the Debtors to provide DIP Lender with an executed copy of one or more Asset Purchase Agreements entered into for the sale of all or substantially all of the assets of BRMC and CRMC, in each case in form and substance satisfactory to DIP Lender, and the entry of an Asset Sale Bid Procedures Order approving the procedures for such sales, in each case satisfactory to DIP Lender and the Debtors, in each case in their respective sole discretion, on or before the date that is one hundred and eighty (180) days following the Petition Date;

(h) Failure of Debtors to file in the Bankruptcy Cases (i) a Plan of Reorganization or a Plan of Liquidation ("***Plan***") and accompanying disclosure statement with respect to such Plan, or (ii) a motion seeking dismissal of the Chapter 11 cases on terms acceptable to the DIP Lenders ("***Structured Dismissal Motion***"), on or before the date that is one hundred and twenty (120) days following the Petition Date that provides for payment of the DIP Obligations in full, in cash, on the effective date of the Plan and obtain entry of an order of the Court confirming the Plan or approving the Structured Dismissal Motion on or before the date that is one hundred and eighty (180) days following the Petition Date; and

(i) Failure of the Debtors to obtain (i) entry of this Interim Order by the Bankruptcy Court in form and substance acceptable to the DIP Lender and the Debtors, in each

case in their respective sole discretion, within two (2) business days of the Petition Date, and (ii) entry of the Final Order within thirty (30) days of the Petition Date.

17. **Rights and Remedies Upon Event of Default**.

(a) Any otherwise applicable automatic stay is hereby modified so that after the occurrence of any Event of Default and at any time thereafter during the continuance of such Event of Default, upon two (2) business day's prior written notice of such occurrence (the "***Remedies Notice Period***"), in each case given to each of the Debtors, counsel for the Committee, if any, counsel for ServisFirst and CHS, and the U.S. Trustee, the DIP Lender shall be entitled to exercise its rights and remedies with respect to the Debtors and the DIP Collateral in accordance with the DIP Financing Documents.

(b) Notwithstanding the preceding paragraph, immediately following the giving of notice by the DIP Lender of the occurrence of an Event of Default: (i) the Debtors shall continue to deliver and cause the delivery of the proceeds of DIP Collateral to the DIP Lender as provided in the DIP Credit Agreement and this Interim Order; (ii) the DIP Lender shall continue to apply such proceeds in accordance with the provisions of this Interim Order and of the DIP Credit Agreement; (iii) the Debtors shall have no right to use any of such proceeds, nor any other Cash Collateral other than towards the satisfaction of the DIP Obligations and the Carve-Out, as provided in the DIP Financing Documents; and (iv) any obligation otherwise imposed on the DIP Lender to provide any loan or advance to the Debtors pursuant to the DIP Financing Documents shall immediately be suspended. Following the giving of notice by the DIP Lender of the occurrence of an Event of Default, the Debtors shall be entitled to an emergency hearing before this Court for the sole purpose of contesting whether an Event of Default has occurred and/or is continuing. If the Debtors do not, within the Remedies Notice Period, contest the right of the

DIP Lender to exercise its remedies based upon whether an Event of Default has occurred, the automatic stay, as to the DIP Lender, shall automatically terminate at the end of the Remedies Notice Period.

(c) Nothing included herein shall prejudice, impair, or otherwise affect the DIP Lender's rights to seek any other or supplemental relief in respect of the DIP Lender's rights, as provided in the DIP Credit Agreement.

18. **Limitation on Lender Liability**. Nothing in this Interim Order or any of the DIP Financing Documents shall in any way be construed or interpreted to impose or allow the imposition of any liability on the DIP Lender or the Prepetition First Lien Revolving Lender for any claims arising from any prepetition or post-petition activities of the Debtors in the operation of their businesses or the administration of these Chapter 11 Cases. Neither DIP Lender nor Prepetition First Lien Revolving Lender shall be deemed to be in control of Debtors' operations or acting as a "responsible person," "owner," or "operator" of Debtors, as such terms are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601, *et seq*., as amended or modified, solely because they extended loans to the Debtors.

19. **Proofs of Claim**. The Prepetition Secured Lenders and the DIP Lender will not be required to file proofs of claim in the Chapter 11 Cases. Any proof of claim so filed shall be deemed to be in addition and not in lieu of any other proof of claim that may be filed by any of the Prepetition Secured Lenders.

20. **Other Rights and Obligations**.

(a) Good Faith Under Section 364(e) of the Bankruptcy Code. No Modification or Stay of this Interim Order. The DIP Lender has acted in good faith in

connection with negotiating the DIP Financing Documents, extending credit under the DIP Facility and allowing the use of Cash Collateral, and its reliance on this Interim Order is in good faith. Based on the findings set forth in this Interim Order and the record made during the Interim Hearing, and in accordance with section 364(e) of the Bankruptcy Code, in the event any or all of the provisions of this Interim Order are hereafter reversed, modified amended or vacated by a subsequent order of this or any other Court, the DIP Lender is entitled to the protections provided in section 364(e) of the Bankruptcy Code. Any such reversal, modification, amendment or vacatur shall not affect the validity and enforceability of any advances made pursuant to this Interim Order or the DIP Financing Documents, nor shall it affect the validity, priority, enforceability, or perfection of the DIP Liens. Any claims and DIP Protections granted to the DIP Lender hereunder arising prior to the effective date of such reversal, modification, amendment or vacatur shall be governed in all respects by the original provisions of this Interim Order, and the DIP Lender shall be entitled to all of the rights, remedies, privileges and benefits, including the DIP Protections granted herein, with respect to any such claim. Since the loans made pursuant to the DIP Credit Agreement are made in reliance on this Interim Order, the obligations owed to the DIP Lender prior to the effective date of any reversal or modification of this Interim Order cannot, as a result of any subsequent order in the Chapter 11 Cases or in any Successor Cases, be subordinated, lose their lien priority or superpriority administrative expense claim status, or be deprived of the benefit of the status of the liens and claims granted to the DIP Lender under this Interim Order and/or the DIP Financing Documents.

(b) Binding Effect. The provisions of this Interim Order shall be binding upon and inure to the benefit of the DIP Lender, the Prepetition Secured Lenders, the Debtors, the Committee, if appointed, all Parties in Interest, and all creditors, and each of their respective

successors and assigns (including any trustee or other fiduciary hereinafter appointed as a legal representative of the Debtors or with respect to the property of the estates of the Debtors) whether in the Chapter 11 Cases, in any Successor Cases, or upon dismissal of any such chapter 11 or chapter 7 case.

(c) No Waiver. The failure of the DIP Lender to seek relief or otherwise exercise its rights and remedies under the DIP Financing Documents, the DIP Facility, this Interim Order or otherwise, as applicable, shall not constitute a waiver of any of the Prepetition First Lien Revolving Lender's or the DIP Lender's rights hereunder, thereunder, or otherwise. Notwithstanding anything herein, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, or otherwise impair the Prepetition First Lien Revolving Lender or the DIP Lender under the Bankruptcy Code or under non-bankruptcy law, including without limitation, the rights of the Prepetition First Lien Revolving Lender and the DIP Lender to (i) request conversion of the Chapter 11 Cases to cases under Chapter 7, dismissal of the Chapter 11 Cases, or the appointment of a trustee in the Chapter 11 Cases, (ii) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a plan of reorganization, (iii) exercise any of the rights, claims or privileges (whether legal, equitable or otherwise) the DIP Lender or the Prepetition First Lien Revolving Lender may have pursuant to this Interim Order, the DIP Financing Documents, the Prepetition First Lien Revolving Credit Documents, or applicable law, or (iv) enforce the Prepetition Intercreditor Agreement and Subordination Agreement. Nothing in this Interim Order shall interfere with the rights of any party with respect to any non-Debtors.

(d) No Third Party Rights. Except as explicitly provided for herein, this Interim Order does not create any rights for the benefit of any third party, creditor, equity holder or any direct, indirect, or incidental beneficiary.

(e) No Marshaling. Neither the DIP Lender nor the Prepetition First Lien Revolving Lender shall be subject to the equitable doctrine of "marshaling" or any other similar doctrine with respect to any of the DIP Collateral or Prepetition Collateral, as applicable.

(f) Amendment. The Debtors and the DIP Lender may amend or waive any provision of the DIP Financing Documents, provided that, to the extent such amendment or waiver impairs the Debtors or DIP Collateral of the Debtors, such amendment must be on notice to the Office of the U.S. Trustee and any Committee (if appointed), and further provided that such amendment or waiver, in the reasonable judgment of the Debtors and the DIP Lender, is both non-prejudicial to the rights of third parties or is not material. Except as otherwise provided herein, no waiver, modification, or amendment of any of the provisions of the DIP Financing Documents shall be effective unless set forth in writing, signed on behalf of all the Debtors and the DIP Lender, and, if material, approved by the Bankruptcy Court. Nothing herein shall preclude the Debtors and the DIP Lender from implementing any amendment or waiver or any provision of the DIP Financing Documents that pertains solely to Curae.

21. **Survival of Interim Order and Other Matters**. The provisions of this Interim Order and any actions taken pursuant hereto shall survive entry of any order which may be entered (i) confirming any Plan in the Chapter 11 Cases, (ii) converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code or any Successor Cases, (iii) to the extent authorized by applicable law, dismissing any of the Chapter 11 Cases, (iv) withdrawing of the reference of any of the Chapter 11 Cases from this Court, or (v) providing for abstention

from handling or retaining of jurisdiction of any of the Chapter 11 Cases in this Court. The terms and provisions of this Interim Order including the DIP Protections granted pursuant to this Interim Order and the DIP Financing Documents and any protections granted to the Prepetition Secured Lenders, shall continue in full force and effect notwithstanding the entry of such order, and such DIP Protections and protections for the Prepetition Secured Lenders shall maintain their priority as provided by this Interim Order until all the obligations of the Debtors to the DIP Lender pursuant to the DIP Financing Documents and to the Prepetition First Lien Revolving Lender have been indefeasibly paid in full and in cash and discharged (such payment being without prejudice to any terms or provisions contained in the DIP Financing Documents which survive such discharge by their terms). The DIP Obligations shall not be discharged by the entry of an order confirming a plan of reorganization, the Debtors having waived such discharge pursuant to section 1141(d)(4) of the Bankruptcy Code.

(a) Inconsistency. In the event of any inconsistency between the terms and conditions of the DIP Financing Documents, the Stalking Horse Agreement and this Interim Order, the provisions of this Interim Order shall govern and control.

(b) Enforceability. This Interim Order shall constitute findings of fact and conclusions of law pursuant to the Bankruptcy Rule 7052 and shall take effect and be fully enforceable *nunc pro tunc* to the Petition Date immediately upon entry of this Interim Order. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062, 9024, or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Interim Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Interim Order. The rights of all Parties in Interest to object to the terms of

the Final Order, the DIP Credit Agreement and any other DIP Financing Documents at the Final Hearing are expressly reserved.

(c) Objections Overruled. All objections to the DIP Motion to the extent not withdrawn or resolved, are hereby overruled on an interim basis.

(d) No Waivers or Modification of Interim Order. The Debtors irrevocably waive any right to seek any modification or extension of this Interim Order without the prior written consent of the DIP Lender and no such consent shall be implied by any other action, inaction or acquiescence of the DIP Lender.

22. **No Effect on Non-Debtor Collateral**. Notwithstanding anything set forth herein, neither the liens nor claims granted in respect of the Carve-Out shall be senior to any liens or claims of the DIP Lender with respect to any non-Debtor or any of their assets.

23. **Final Hearing**.

(a) The Final Hearing to consider entry of the Final Order and final approval of the DIP Facility is scheduled for _____, 2018 at __:__ _.m. Central time at the United States Bankruptcy Court for the Middle District of Tennessee. If no objections to the relief sought in the Final Hearing are filed and served in accordance with this Interim Order, no Final Hearing may be held, and a separate Final Order may be presented by the Debtors and entered by this Court.

(b) On or before _____, 2018, the Debtors shall serve, by United States mail, first-class postage prepaid, notice of the entry of this Interim Order and of the Final Hearing (the "***Final Hearing Notice***"), together with copies of this Interim Order, the proposed Final Order and the DIP Motion, on: (a) the U.S. Trustee; (b) counsel to ServisFirst (c) counsel to CHS; (d) counsel to the Prepetition First Lien Revolving Lender and DIP Lender; (e) the

Office of the United States Attorney for the Middle District of Tennessee; (f) the United States Department of Health and Human Services; (g) the Tennessee State Department of Health; (h) the Attorney General of the State of Tennessee; (i) the Tennessee Department of Revenue; (j) the Internal Revenue Service; (k) the parties included on the list of the Debtors list of twenty largest unsecured creditors; (l) any party who has requested notice pursuant to Bankruptcy Rule 2002; (m) all parties entitled to notice under Bankruptcy Rule 2002(j); and (n) all other known parties asserting a lien on the Debtors' assets. The Final Hearing Notice shall state that any party objecting to the entry of the proposed Final Order shall file written objections with the Clerk of the Bankruptcy Court no later than _____, 2018 at __:__ _.m. Central time which objections shall be served so that the same are received on or before such date by: (a) bankruptcy counsel for the Debtors, Polsinelli PC, 1201 West Peachtree Street, Suite 1100, Atlanta, GA 30306, Attn: David E. Gordon, Esq.; (b) counsel for the DIP Lender, Waller Lansden Dortch & Davis, LLP, 511 Union Street, Suite 2700, Nashville, TN 37219, Attn: David E. Lemke, Esq.; (c) counsel to the Committee, if any; and (d) the Office of the United States Trustee for the Middle District of Tennessee, 318 Customs house, 701 Broadway, Nashville, TN 37203, Attn: _____, and shall be filed with the Clerk of the United States Bankruptcy Court for the Middle District of Tennessee, in each case to allow actual receipt of the foregoing no later than _____, 2018, at __:__ _.m. Central time. Notwithstanding the terms of this Interim Order, this Court is not precluded from entering a Final Order containing provisions that are inconsistent with, or contrary to any of the terms in this Interim Order, subject to the protections under Section 364(e) and the rights of the DIP Lender to terminate the DIP Credit Agreement if such Final Order is not acceptable to them. In the event this Court modifies any of the provisions of this Interim Order or the DIP Financing Documents following such further hearing, such modifications shall

not affect the rights and priorities of DIP Lender pursuant to this Interim Order with respect to the DIP Collateral, and any portion of the DIP Obligations which arises or is incurred, advanced or paid prior to such modifications (or otherwise arising prior to such modifications), and this Interim Order shall remain in full force and effect except as specifically amended or modified at such Final Hearing.

THIS ORDER WAS SIGNED AND ENTERED ELECTRONICALLY AS INDICATED AT THE TOP OF THE FIRST PAGE.

Approved for Entry by:

Proposed Attorneys for the Debtors and Debtors in Possession

Attorneys for DIP Lender

Attorneys for ServisFirst

Exhibit 1

Budget

Curae Health

Consolidated

13 Week Cash Flow Forecast - Period Ended 11/23/2018

Week Ending	*Footnotes*	08/31/18	09/07/18	09/14/18	09/21/18	09/28/18	10/05/18	10/12/18	10/19/18	10/26/18	11/02/18	11/09/18	11/16/18	11/23/18	Total		
Receipts																	15295038
Hospital Operations	*1*	$ 1,882,589	$ 1,882,589	$ 1,882,589	$ 1,882,589	$ 1,882,589	$ 1,882,589	$ 1,882,589	$ 1,882,589	$ 1,882,589	$ 1,882,589	$ 1,882,589	$ 1,882,589	$ 1,882,589	24,473,662		13500000
Practice Groups	*2*	240,745	240,745	240,745	240,745	240,745	240,745	240,745	240,745	240,745	240,745	240,745	240,745	240,745	3,129,679		
Supplemental Income	*3*	-	-	-	1,694,578	-	-	-	1,695,724	-	-	-	1,689,467	-	5,079,769		
Total receipts		**2,123,334**	**2,123,334**	**2,123,334**	**3,817,912**	**2,123,334**	**2,123,334**	**2,123,334**	**3,819,058**	**2,123,334**	**2,123,334**	**2,123,334**	**3,812,801**	**2,123,334**	**32,683,110**		###########
Disbursements																	
Other disbursements																	
Salaries & Contract Labor	*4*	2,214,594	150,000	2,214,594	150,000	2,214,594	150,000	2,214,594	150,000	2,214,594	150,000	2,214,594	150,000	2,214,594	16,402,155		10,433,656
Corporate Overhead	*5*	-	170,135	-	122,807	-	170,135	-	122,807	-	170,135	-	122,807	-	878,825		(2,592,847)
Employee Benefits	*6*	266,339	206,339	266,339	206,339	266,339	206,339	266,339	206,339	266,339	206,339	266,339	206,339	266,339	3,102,411		(13,180,064)
Physician Services	*7,8*	412,567	412,567	-	-	206,284	206,284	206,284	206,284	206,284	206,284	206,284	206,284	206,284	2,681,687		
Contract Services	*7,8*	585,790	585,790	-	-	292,895	292,895	292,895	292,895	292,895	292,895	292,895	292,895	292,895	3,807,634		128,935
Supplies and Other	*7,9*	1,295,007	-	-	-	323,752	323,752	323,752	323,752	323,752	323,752	323,752	323,752	323,752	4,208,773		
Repairs and Maintenance	*7*	-	-	83,310	83,310	83,310	83,310	83,310	83,310	83,310	83,310	83,310	83,310	83,310	916,412		(133,588)
Rents & Leases	*10*	-	230,175	-	-	-	231,790	-	-	-	225,693	-	-	-	687,657		(5,671,813)
Telephone & Utilities	*7*	299,579	-	-	-	-	299,579	-	-	-	299,579	-	-	-	898,738		(3,665,965)
Insurance	*11*	-	295,880	-	-	-	190,880	-	-	-	190,880	-	-	-	677,640		(8,736,982)
Taxes & Assessments	*12*	-	-	-	1,449,843	-	-	-	-	-	-	-	-	-	1,449,843		
Other operating	*7*	29,733	29,733	29,733	29,733	29,733	29,733	29,733	29,733	29,733	29,733	29,733	29,733	29,733	386,527		
ServisFirst AP		-	105,000	-	-	-	105,000	-	-	-	105,000	-	-	-	315,000		
Case Costs	*13*	-	-	-	-	-	225,000	-	-	-	225,000	-	-	-	450,000		
Subtotal other disbursements		**5,103,609**	**2,185,619**	**2,593,976**	**2,042,032**	**3,416,906**	**2,514,696**	**3,416,906**	**1,415,119**	**3,416,906**	**2,508,599**	**3,416,906**	**1,415,119**	**3,416,906**	**36,863,301**		
MidCap Facility Interest		-	90,000	-	-	-	90,000	-	-	-	90,000	-	-	-	270,000		83,333
Total Disbursements		**$ 5,103,609**	**$ 2,275,619**	**$ 2,593,976**	**$ 2,042,032**	**$ 3,416,906**	**$ 2,604,696**	**$ 3,416,906**	**$ 1,415,119**	**$ 3,416,906**	**$ 2,598,599**	**$ 3,416,906**	**$ 1,415,119**	**$ 3,416,906**	**$ 37,133,301**		(167,640,950)
Net Cash Flow		**(2,980,275)**	**(152,285)**	**(470,642)**	**1,775,880**	**(1,293,572)**	**(481,362)**	**(1,293,572)**	**2,403,938**	**(1,293,572)**	**(475,265)**	**(1,293,572)**	**2,397,681**	**(1,293,572)**	**(4,450,191)**		9,732,386
Beginning cash		$ -	$ (2,053,609)	$ (2,229,228)	$ (2,673,203)	$ (915,236)	$ (2,232,142)	$ (2,636,838)	$ (3,953,744)	$ (1,568,864)	$ (2,885,770)	$ (3,334,369)	$ (4,651,275)	$ (2,266,394)	$ -		
Less:																	
Disbursements		(5,103,609)	(2,275,619)	(2,593,976)	(2,042,032)	(3,416,906)	(2,604,696)	(3,416,906)	(1,415,119)	(3,416,906)	(2,598,599)	(3,416,906)	(1,415,119)	(3,416,906)	(37,133,301)		
Plus:																	
MidCap Advance		3,050,000	2,100,000	2,150,000	3,800,000	2,100,000	2,200,000	2,100,000	3,800,000	2,100,000	2,150,000	2,100,000	3,800,000	2,200,000	33,650,000		
-		-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Ending cash		**$ (2,053,609)**	**$ (2,229,228)**	**$ (2,673,203)**	**$ (915,236)**	**$ (2,232,142)**	**$ (2,636,838)**	**$ (3,953,744)**	**$ (1,568,864)**	**$ (2,885,770)**	**$ (3,334,369)**	**$ (4,651,275)**	**$ (2,266,394)**	**$ (3,483,301)**	**$ (3,483,301)**		
Remaining Availability		$ 43,168	$ 66,502	$ 39,835	$ 57,747	$ 81,081	$ 4,415	$ 27,749	$ 46,807	$ 70,141	$ 43,475	$ 66,809	$ 79,609	$ 2,943			

[1] Average monthly cash collections from December 2018 - July 2018 straightlined over 4 weeks. We have applied a factor of 1.04x to the cash collections to more accurately estimate the collections over the past 2 months.
[2] Average monthly Physician group cash collections form December 2018 - July 2018 straightlined over 4 weeks.
[3] See MHAP detail schedule
[4] Salaries and Contract Labor disbursements based on June 2018 expense from the income statement and occur every two weeks, per the payroll schedule. Adjusted to show 150k every other week starting the week ending 9/7/2018.
[5] Corporate Overhead (Salaries) per June 2018 Income statement allocated across 4 debtor entities.
[6] Average monthly expenses April 2018 - June 2018 straightlined over 4 weeks and adjusted to account for weekly payment of medical self insurance claims.
[7] Average monthly expenses April 2018 - June 2018 straightlined over 4 weeks.
[8] Assumes payment for 1 full month split evenly in first 2 weeks upon bankruptcy filing.
[9] Assumes payment for 1 full month of expenses upon bankruptcy filing. Estimated by averaging monthly expenses from April 2018 - June 2018.
[10] Per Lease Schedule
[11] Per Insurance Schedule
[12] Represents quarterly MHAP payment required to be paid to State of Mississippi in order to receive the $1.6MM monthly Supplemental Income.
[13] Case Costs as defined below:

First Month				
BANKRUPTCY PROFESSIONAL FEES				
Debtor Counsel - Polsinelli	41,667	41,667	41,667	125,000
Special Counsel - McSween	8,333	8,333	8,333	25,000
FA Debtor - GlassRatner	25,000	25,000	25,000	75,000
Total Bankruptcy Professional Fees	**75,000**	**75,000**	**75,000**	**225,000**
Subsequent Months				
BANKRUPTCY PROFESSIONAL FEES				
Debtor Counsel - Polsinelli	41,667	41,667	41,667	125,000
Special Counsel - McSween	8,333	8,333	8,333	25,000
FA Debtor - GlassRatner	16,667	16,667	16,667	50,000
UCC	8,333	8,333	8,333	25,000
Total Bankruptcy Professional Fees	**75,000**	**75,000**	**75,000**	**225,000**