



Charles M. Walker
U.S. Bankruptcy Judge
Dated: 11/14/2018



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

In re:)	
)	Chapter 11
Curae Health, Inc., <i>et al.</i> ¹)	Case No. 18-05665
)	
1721 Midpark Road, Suite B200)	Judge Walker
Knoxville, TN 37921)	
Debtors.)	Jointly Administered

FINAL 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, AND (IV) MODIFYING THE AUTOMATIC STAY

Upon consideration of the motion (the “*DIP Motion*”),² dated August 24, 2018, filed by Curae Health, Inc. (“*Curae*”), Amory Regional Medical Center, Inc. (“*ARMC*”), Amory Regional Physicians, LLC (“*ARP*”), Batesville Regional Medical Center, Inc. (“*BRMC*”),

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are Curae Health, Inc. (5638); Amory Regional Medical Center, Inc. (2640); Batesville Regional Medical Center, Inc. (7929); and Clarksdale Regional Medical Center, Inc. (4755); Amory Regional Physicians, LLC (5044); Batesville Regional Physicians, LLC (4952); Clarksdale Regional Physicians, LLC (5311).

² 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.

Batesville Regional Physicians, LLC (“**BRP**”), Clarksdale Regional Medical Center, Inc. (“**CRMC**”), and Clarksdale Regional Physicians, LLC (“**CRP**,” and together with Curae, ARMC, 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 (this “**Final 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, and the Final Order, 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**,”)³ 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**”)

³ Unless otherwise indicated, all references herein to DIP Lender shall include MidCap in its capacity as DIP Agent and DIP Lender.

and seek other financial accommodations from the DIP Lender pursuant to the DIP Credit Agreement, the other DIP Financing Documents, and the 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 “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) and as otherwise provided in the DIP Financing Documents and this 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 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, the Interim Order, and the Final Order;

(xii) Schedule a final hearing (the "***Final Hearing***") to consider entry of 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 Final 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 Final Order (the "***Final Hearing***"); and due and proper notice of the DIP Motion and Final 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 Final Hearing having

been held and concluded; and it appearing that approval of the final relief requested in the DIP Motion is necessary to avoid immediate and irreparable harm to the Debtors 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 Final 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:

A. **Petition Date**. On August 24, 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.

B. **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.

C. **Committee Formation**. A statutory committee of unsecured creditors (the "***Committee***") has been appointed in these Chapter 11 Cases.

D. **Notice**. Notice of the Final 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 Final 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.

E. **Stipulations as to the Prepetition Secured Credit Facilities.** The following Stipulations (collectively, paragraphs E(i) through E(xi) hereof shall be referred to herein as the "***Stipulations***") shall apply with respect to the Prepetition Secured Lenders (defined herein) and the Prepetition Secured Obligations, and shall be deemed this Court's findings and be binding on the Debtors, the Prepetition First Lien Revolving Lender, ServisFirst, and CHS, vis a vis each other, and shall further be binding on the Debtors' estates, the Committee (individually or on behalf of the Debtors' estates), and all parties in interest with respect to the Prepetition First Lien Revolving Credit Documents, the Prepetition First Lien Revolving Facility, the Prepetition First Lien Revolving Facility Obligations, the Prepetition Revolving Facility First Liens, the Prepetition First Lien Revolving Facility Collateral, the Prepetition Intercreditor Agreement, and the Prepetition Subordination Agreement (all as defined herein); provided, however, the Stipulations are without prejudice to any rights, claims, objections, defenses or challenges of the Committee (individually or on behalf of the Debtors' estates) of any kind or nature, or any other

parties in interest as set forth below, as they relate to MidCap, ServisFirst and CHS and their respective obligations, loan documents, and prepetition liens as set forth in paragraph 6 below. :

(i) **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*”),⁴ 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*”).

(ii) **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 \$9,318,356.02, plus interest accrued and accruing, costs and any fees and expenses due and owing thereunder,

⁴ 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).

including, without limitation, the Deferred Revolving Loan Origination Fee (collectively, the “*Prepetition First Lien Revolving Facility Obligations*”).

(iii) **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 Debtors Curae, ARP, BRP, and CRP (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*”). The Prepetition Senior Term Loan Facility is fully secured by the Prepetition Senior Term Loan Collateral as defined herein.

(iv) **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*”).

(v) **Prepetition Seller Financing**. The Prepetition Term Loan Parties 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*” and the obligations arising under the CHS Prepetition Loan Documents, the “*CHS Prepetition Obligations*”), 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.

(vi) **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***").

(vii) **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***").

(viii) **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*”).

(ix) **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.

(x) **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.

(xi) **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 the Interim Order and this Final 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.

F. **Findings Regarding the Postpetition Financing.**

(i) **Good Cause; Need for Postpetition Financing.** Good cause has been shown for the entry of this Final Order. An immediate need exists for the Debtors to obtain funds from the Final 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 Final 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 Final DIP Loan is in the best interests of the Debtors, their estates, their patients and their creditors.

(ii) **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 Final Order. The Debtors are unable to obtain credit for borrowed money without granting to the DIP Lender the DIP Protections (as defined herein).

(iii) **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.

(iv) **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 which is attached hereto as **Exhibit 1**⁵ and in a manner consistent with the terms and conditions of the DIP Credit Agreement, the 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 Final DIP Loan; provided, that no more than \$75,000 of the proceeds of the DIP Facility, DIP Collateral (as defined herein), or Cash Collateral, in the aggregate, may be used by the Committee to investigate the Prepetition Liens and/or claims of the Prepetition Secured Lenders. The Debtors will not borrow any funds under the DIP Facility after February 22, 2019 unless (a) authorized by further order of the Court, and (b) the Termination Date, as defined in the DIP Credit Agreement, has not occurred.

Application of Sale Proceeds of DIP Collateral.

G. 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

⁵ Hereafter, the term “Budget” shall refer to the Budget attached hereto as **Exhibit 1**.

Collateral (as defined herein) (the “*Sale Proceeds*”). A portion of the Sale Proceeds in an amount equal to any outstanding Overadvance (as that term is defined in the DIP Credit Agreement and which outstanding amount will not exceed Four Million Dollars (\$4,000,000) without the prior written consent of ServisFirst or approval of this Court) as of the date of such sale shall be paid to DIP Lender to be applied to and pay off any such Overadvance, and an additional Four Million Dollars (\$4,000,000) of the remaining Sales Proceeds shall be held in escrow by Debtors in one or more designated deposit accounts subject to the DIP Liens and control agreements in favor of DIP Lender (the “*Sale Escrow*”). After creation and funding of the Sale Escrow, Debtors may seek and DIP Lender may make additional advances to Debtors under the DIP Credit Agreement in excess of the Borrowing Base in an aggregate amount not to exceed Two Million Dollars (\$2,000,000) (each, an “*Additional Overadvance*”), which Additional Overadvances shall be repaid on the Termination Date (as defined in the DIP Credit Agreement); *provided, however*, that after giving effect to any Additional Overadvance, the Revolving Loans Outstanding (including any outstanding Additional Overadvance) shall not exceed the Revolving Loan Commitment (as defined in the DIP Credit Agreement). The Sale Escrow shall not be disbursed except as otherwise provided in the DIP Financing Documents unless and until all of the DIP Obligations, including the Additional Overadvances, have been satisfied in full and the DIP Lender’s commitments under the DIP Facility and DIP Financing Documents have been terminated, with the Sale Escrow subject to the DIP Liens (defined herein) and any valid and perfected liens of ServisFirst and CHS and pending further order of the Court. If 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, then the remaining Sales Proceeds will remain held in escrow by the Debtors subject to any valid and perfected liens of

ServisFirst and CHS and pending further order of the Court. If the Committee or another party in interest does not file a Challenge as to ServisFirst by January 15, 2019, then (iii) after the satisfaction and payment in full of the DIP Obligations, including the Additional Overadvances, and termination of the DIP Lender's commitments under the DIP Facility and DIP Financing Documents, any amounts remaining in the Sale Escrow, and (iv) any net proceeds from the sale of ARMC, ARP, BRMC, BRP, CMRC, and CRP, less unpaid budgeted expenses, shall be paid to ServisFirst as and when received.

H. **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 Final 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***"). ServisFirst and MidCap are also granted non-exclusive standing to object to any administrative or priority expense claims. Prepetition First Lien Revolving Lender and the Prepetition Term Loan Parties 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 Final 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 or the Debtors' or the Committee's rights to object to same.

I. **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;

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

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

(iv) 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 Final Order and the DIP Financing Documents will not be affected or avoided by any subsequent reversal or modification of this Final Order, as provided in section 364(e) of the Bankruptcy Code.

J. **Relief Essential; Best Interest; Good Cause.** The relief requested in the DIP Motion (to the extent granted in this Final 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 (to the extent granted in this Final 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 Final Hearing, and with the consent of the Debtors, the Prepetition Secured Lenders and the DIP Lender to the form and entry of this Final Order, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. **Motion Granted.** The DIP Motion is granted to the extent set forth herein and subject to the terms and conditions set forth in this Final Order, the DIP Credit Agreement and the other DIP Financing Documents, provided however, that in the event of any conflict or inconsistency between this Final Order on the one hand, and the DIP Credit Agreement, the other DIP Financing Documents, the Stalking Horse Agreement or the Interim Order on the other hand, this Final Order shall govern and control for all purposes. Any objections to the DIP Motion with respect to entry of this Final 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

Final 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 Final 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, and subject to the terms and conditions of this Final Order, the Debtors are hereby authorized to borrow the Final 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 Final DIP Loan or any loan or advance under the DIP Credit Agreement during the Final Period unless the conditions precedent to making such loan under the DIP Credit Agreement, subject to this Final Order, have been satisfied in full or waived by the DIP Lender in its sole discretion. Upon entry of this Final Order, the DIP Agent shall be deemed to have waived the Current Events of Default, as defined in that *Notice of Events of Default and Reservation of Rights* letter, dated October 3, 2018, from the DIP Agent to Borrowers; provided, however, such waiver shall not prejudice, waive or affect any rights, remedies or claims of the DIP Agent and the DIP Lender with respect to any other Defaults or Events of Default that may hereafter arise.

All such rights, remedies and claims available to the DIP Agent and DIP Lender are expressly reserved and preserved in their entirety. Notwithstanding anything to the contrary, the Minimum Liquidity covenant set forth in section 6.1 of the DIP Credit Agreement and all references to the Minimum Liquidity in the DIP Credit Agreement and other DIP Financing Documents shall be deemed deleted and have no force or effect; provided, however, the DIP Agent may increase the Borrowing Base reserve in such amount as the DIP Agent deems appropriate, in its sole and absolute discretion, to account for the deletion of the Minimum Liquidity covenant.

(d) **DIP Collateral; DIP Liens.** Effective immediately upon the entry of this Final Order, on account of the Final 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 defined in Schedule 9.1 to the DIP Credit Agreement and the proceeds thereof, including, without limitation, the Sale Proceeds, the Sale Escrow, the Fee Escrow, 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 Final Order and the DIP Financing Documents, the "***DIP Liens***"). The DIP Collateral shall not include and the DIP Liens shall not attach to any of the following causes of action and any proceeds thereof (collectively, the "***Causes of Action***"): (i) all causes of action under Chapter 5 of the Bankruptcy Code; (ii) all causes of action against any Prepetition Secured Lenders, including without limitation ServisFirst, CHS and any affiliates thereof; (iii) all causes of action against the Debtors' current and former directors and/or officers and all former and/or current professionals of the Debtors, including, without limitations, consultants,

accountants, auditors and attorneys. Neither the Prepetition First Lien Revolving Lender nor the DIP Lender shall be subject to any surcharge of the Prepetition First Lien Revolving Facility Collateral or the DIP Collateral under section 506(c) or any other provision of the Bankruptcy Code or other applicable law, nor by order of this Court. The rights of the Debtors and their estates to seek a surcharge under section 506(c) or any other provision of the Bankruptcy Code or other applicable law with respect to the other Prepetition Secured Creditors is hereby expressly reserved and preserved.

(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. 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 Final 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, except for the Causes of Action. 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 Final 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 Final 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 Lenders.** 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 Lenders shall receive adequate protection, solely to the extent of the Diminution in Value, as follows:

(a) **Adequate Protection Replacement Liens.** To the extent the Prepetition Liens are valid and enforceable, and solely 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***") to the same extent and with the same validity and priority as such Prepetition Liens had as of the Petition Date, except as provided below.

(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.

(ii) **Adequate Protection Superpriority Claims.** To the extent the Prepetition Liens are valid and enforceable, and solely 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*”). Notwithstanding anything to the contrary, the Adequate Protection Superpriority Claims shall not be payable from the Causes of Action.

(iii) **Priority of 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 Final 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), 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.** Subject to section 363(k) of the Bankruptcy Code, 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 in accordance with the bidding procedures for such sale approved by Order of this Court, 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. Without limiting the foregoing, the Prepetition First Lien Revolving Lender and the DIP Lender shall be considered Qualified Bidders and any credit bid a Qualified Bid for all purposes pursuant to any bidding procedures approved by this Court.

(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) monthly 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 monthly 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 non-default 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 shall be re-characterized as payment(s) applied to the principal amount of the Prepetition Senior Term Loan Obligations. The Budget may not be modified without the prior consent of ServisFirst, which shall not be unreasonably withheld, or an order of the Court.

(d) **Rights Upon Failure to Attain the Bankruptcy Milestones.** This paragraph shall be subject in all respects to the Prepetition Intercreditor Agreement, and nothing contained herein shall alter or be deemed to alter the rights and obligations of the parties under the Prepetition Intercreditor Agreement. Attaining the Bankruptcy Milestones shall be part of the adequate protection to ServisFirst. Should the Debtors fail to attain any of the Bankruptcy Milestones as defined in paragraph 16 below (and for purposes of this subparagraph (d), the discretion of the DIP Lender shall be changed to the discretion of ServisFirst), upon three (3) business day’s prior written notice of such occurrence (the “*ServisFirst Remedies Notice Period*”), in each case given to each of the Debtors, counsel for the Committee, if any, counsel

for the DIP Lender and CHS, and the U.S. Trustee, ServisFirst shall be entitled to exercise its rights and remedies with respect to the Debtors and the Prepetition Senior Term Loan Collateral in accordance with the Prepetition Senior Loan Credit Documents. Following the giving of notice by ServisFirst of the occurrence of the failure to attain a Bankruptcy Milestone, the Debtors and/or the Committee and/or the DIP Lender shall be entitled to an emergency hearing before this Court for the sole purpose of contesting whether the Debtors have failed to attain a Bankruptcy Milestone. If the Debtors or the Committee or the DIP Lender do not, within the ServisFirst Remedies Notice Period, contest the right of ServisFirst to exercise its remedies based upon whether a Bankruptcy Milestone has not been attained, the automatic stay, as to ServisFirst, shall automatically terminate at the end of the ServisFirst Remedies Notice Period.

(e) **CMRC and CRP.** This paragraph shall be subject in all respects to the Prepetition Intercreditor Agreement, and nothing contained herein shall alter or be deemed to alter the rights and obligations of the parties under the Prepetition Intercreditor Agreement. If the Debtors are granted authority to close or transfer for no consideration CMRC and CRP and then decide to close or transfer for no consideration CMRC and CRP, then the automatic stay that relates to CMRC and CRP shall terminate as to ServisFirst at such time as the Debtors decide to close CMRC and CRP.

5. **Postpetition Lien Perfection.** This Final 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 Final 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 Final Order.

6. **Reservation of Certain Third Party Rights and Bar of Challenges and Claims.** Nothing in the Interim Order, this Final Order, the DIP Credit Agreement, other DIP Financing Documents or otherwise, shall limit, modify or prejudice in any way the rights of the Committee, 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**”), to object to or challenge the findings herein and the Stipulations regarding (i) the validity, extent, perfection, enforceability or priority of the Prepetition Liens in and on the Prepetition Collateral, (ii) the validity, allowability, priority, status or amount of the Prepetition First Lien Revolving Facility Obligations, Prepetition Senior Term Loan Facility Obligations or CHS Prepetition Obligations (collectively, the “**Prepetition Secured Obligations**”), or (iii) any other claim or cause of action that the Committee may assert individually or on behalf of the Debtors’ estates against any of the Prepetition Secured Lenders, including without limitation, asserting any claim 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) (each, a “**Challenge**”). An adversary proceeding must be commenced by the Committee or a party in interest asserting a Challenge (i) as to the Prepetition First Lien Revolving Lender, no later than November 20, 2018; (ii) as to ServisFirst, no later than January 15, 2019; and (iii) as to CHS, no later than the date to be scheduled by the Court for the confirmation of the Debtors’ plan of liquidation (each, a “**Challenge Period**”). The date that is the next calendar day after the termination of the Challenge Period, in the event that no 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 Stipulations shall be binding on all creditors, interest holders and parties in interest. The Committee is hereby granted standing to commence, prosecute and/or settle any and all claims and causes of action of the Debtors or their estates against the Prepetition Secured Lenders, including, without limitation any claims or causes of action under Chapter 5 of the Bankruptcy Code.

7. **Fees and Expenses.** If any Challenge is filed against the Prepetition First Lien Revolving Lender or DIP Lender, the Prepetition First Lien Revolving Lender or the DIP Lender, as applicable, may include reasonable costs and expenses, including, but not limited to, reasonable attorneys' fees, incurred in defending the Challenge, and such costs and expenses shall become part of the DIP Superpriority Administrative Claim and shall be secured by the DIP Liens to the extent the Prepetition First Lien Revolving Lender or the DIP Lender prevails in connection with such Challenge.

8. **Carve-Out.**

(a) The Prepetition Liens, DIP Liens, DIP Superpriority Claims, Replacement Liens, and the Adequate Protection Superpriority Claims are and shall be subject and subordinate only to the following to the extent incurred on or before February 22, 2019: (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, paid, accrued, and unpaid reasonable fees and expenses of the Patient Care Ombudsman and her professionals and the professionals employed by the Debtors and the Committee pursuant to Sections 327 and 1103 of the Bankruptcy Code (the "*Case Professionals*") in the amounts set

forth in the Budget; provided, however, that nothing herein shall be deemed a cap on the fees and expenses of the Case Professionals to the extent allowed by Orders of this Court, but shall only serve as a cap on how much of such allowed fees and expenses will be paid as part of the Initial Carve Out (defined below); (iii) the post-petition expenses of the Debtors incurred in the ordinary course of the Debtors' operations to the extent such amounts are reflected in the "Disbursements" category of the Budget during a Budget Period (defined below) and were actually paid during the relevant Budget Period; (iv) the post-petition expenses of the Debtors incurred in the ordinary course of the Debtors' operations to the extent such amounts are reflected in the "Disbursements" category of the Budget during a Budget Period, including, without limitation, any budgeted costs and expenses incurred in connection with any closure of any of the Debtors' hospitals, but which were not paid during the relevant Budget Period; and (v) the post petition expenses of the Debtors incurred in the ordinary course of the Debtors' operations and the administration of these Chapter 11 Cases, including, without limitation, any costs and expenses incurred in connection with any closure of any of the Debtors' hospitals, and any allowed fees and expenses pursuant to Sections 330 and 331 of the Bankruptcy Code, which expenses are reflected in the "Accrued Expense" line item of the Budget (such subclauses (iv) and (v), the "**Trailing Expenses**") (subclauses (i)-(v) collectively, the "**Initial Carve-Out**", provided that the portion of the Initial Carve-Out attributable to the Trailing Expenses shall not apply to the DIP Lender, the DIP Liens, the DIP Collateral, or the DIP Superpriority Claims); and (iii) following delivery of a Carve-Out Notice, an aggregate amount not to exceed \$150,000 (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. A “Budget Period” shall mean each weekly period set forth in the Budget. For illustrative purposes, the week ending November 9, 2018, is a Budget Period.

(b) The Debtors shall establish an escrow account maintained by the Debtors’ counsel into which will be deposited each month funds from the DIP Loan and/or Cash Collateral consistent with the Budget to pay the Case Professionals’ unpaid professional fees and expenses (the “*Fee Escrow*”) from the immediately preceding month. Debtors shall make the required deposits into the Fee Escrow by the fifteenth (15th) day of each month for the accrued and unpaid professional fees and expenses for the Case Professionals for the immediately preceding month. Payments from the Fee Escrow shall be made subject to approval of the Case Professionals’ fees and expenses in accordance with the Orders of this Court. The DIP Liens shall attach to the Fee Escrow (and the funds therein) 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 Challenge against any of the Prepetition Lenders.

10. Notwithstanding the preceding paragraph, the Committee is authorized to use up to \$75,000.00 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 rights the Case Professionals to seek allowance and payment of, or 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 Final 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, or a waiver by the Debtors or their estates of the right to seek any such charge, lien, assessment or claim as it relates to ServisFirst and CHS.

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 Final Order, or is senior or *pari passu* to the Replacement Liens granted to the Prepetition Secured Lenders pursuant to this Final 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 sixty (60) 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 Final 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 Final 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 Final 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 reasonably acceptable to the DIP Lender and the Debtors (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 and granting related relief;

(f) Failure of the Debtors to close the sale of the Amory Assets on or before December 31, 2018 (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 a Court order providing for the closure or other disposition of 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 (120) 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 eighty (180) 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 two hundred and forty (240) days following the Petition Date;

(i) Failure of the Debtors to obtain entry of the Final Order by October 17, 2018; and

(j) Failure of the Debtors to fund the Fee Escrow fully and timely each month.

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 three (3) 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. The Debtors shall promptly provide to the Patient Care Ombudsman and her professionals any notice of Event of Default delivered to the Debtors.

(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 Final Order; (ii) the DIP Lender shall continue to apply such proceeds in accordance with the provisions of this Final 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 and/or the Committee and/or ServisFirst 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 or the Committee or ServisFirst 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. The following sentence shall be subject in all respects to the Prepetition Intercreditor Agreement,

and nothing contained herein shall alter or be deemed to alter the rights and obligations of the parties under the Prepetition Intercreditor Agreement. In the event that the automatic stay terminates as to the DIP Lender, the automatic stay shall also terminate as to ServisFirst so that ServisFirst may then exercise its rights and remedies with respect to the Debtors and the Prepetition Senior Term Loan Collateral in accordance with the Prepetition Senior Loan Credit Documents.

(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 Final 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 First Lien Revolving Lender 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 such lenders. ServisFirst shall file one proof of claim in the Curae case on or before

November 15, 2018 which proof of claim shall also be deemed to be filed in all the cases of all the Debtors.

20. **Other Rights and Obligations.**

(a) Good Faith Under Section 364(e) of the Bankruptcy Code. No Modification or Stay of this Final 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 Final Order is in good faith. Based on the findings set forth in this Final Order and the record made during the Final Hearing, and in accordance with section 364(e) of the Bankruptcy Code, in the event any or all of the provisions of this Final 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 Final 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 Final 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 Final Order, the obligations owed to the DIP Lender prior to the effective date of any reversal or modification of this Final 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 Final Order and/or the DIP Financing Documents.

(b) Binding Effect. The provisions of this Final Order shall be binding upon and inure to the benefit of the DIP Lender, the Prepetition Secured Lenders, the Debtors, the Committee, 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 Final 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 Final 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 Final 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 Final 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 Final 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 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 and is not materially adverse to the interests of Debtors and their estates, and provided that notice of same is given to the Office of the U.S. Trustee, ServisFirst and the Committee; provided, however, notwithstanding the foregoing, nothing in this Final Order will authorize Debtors or DIP Lender to increase the commitments in excess of the commitments set forth in the DIP Credit Agreement, increase the non-default interest rate, defined in the DIP Credit Agreement as the LIBOR Rate plus the Applicable Margin, increase the Default Rate of Interest, as set forth in DIP Credit Agreement, add any fees not already provided for in the DIP Credit Agreement, change the Borrowing Base formula, or change the Termination Date, as defined in the DIP Credit Agreement, without approval by this Court. 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.

21. **Survival of Final Order and Other Matters.** The provisions of this Final 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 Final Order including the DIP Protections granted pursuant to this Final 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 Final 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 conflict or inconsistency between this Final Order on the one hand, and the DIP Credit Agreement, the other DIP Financing Documents, the Stalking Horse Agreement or the Interim Order on the other hand, this Final Order shall govern and control for all purposes.

(b) Enforceability. This Final 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 Final 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 Final Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Final Order.

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

(d) No Waivers or Modification of Final Order. The Debtors irrevocably waive any right to seek any modification or extension of this Final 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. **Notice**. On or before November 20, 2018, the Debtors shall serve, by United States mail, first-class postage prepaid, notice of the entry of this Final Order 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) counsel to the Committee; and (n) all parties entitled to notice under Bankruptcy Rule 2002(j); and (n) all other known parties asserting a lien on the Debtors' assets.

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

APPROVED FOR ENTRY:

POLSINELLI PC

/s/ Michael Malone
Michael Malone
401 Commerce Street, Suite 900
Nashville, TN 37219
Telephone: (615) 259-1510
Facsimile: (615) 259-1573
mmalone@polsinelli.com

-and-

David E. Gordon (*Pro Hac Vice*)
Caryn E. Wang (*Pro Hac Vice*)
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cewang@polsinelli.com

*Attorneys for the Debtors and
Debtors in Possession*

Exhibit 1

(Budget)

Curae Health Consolidated
Cash Flow Forecast - Through February 2019

	11/02/18	11/09/18	11/16/18	11/23/18	11/30/18	12/07/18	12/14/18	12/21/18	12/28/18	01/04/19	01/11/19	01/18/19	01/25/19	02/01/19	02/08/19	02/15/19	02/22/19	Total
Receivables																		
1 Hospital Operations	1,844,374	1,745,163	1,779,451	1,827,185	1,916,602	2,019,466	2,010,466	2,106,617	2,156,617	2,156,617	1,683,311	1,680,023	1,477,594	1,136,863	901,355	901,355	662,710	27,652,897
2 Supplemental Income	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	240,745	240,745	240,745	240,745	1,772,800
3 Total receivables	2,085,119	1,985,908	2,020,196	2,067,930	2,157,347	2,260,211	2,251,211	2,347,362	2,397,362	2,397,362	1,924,056	1,920,768	1,718,339	1,377,608	1,142,100	1,142,100	903,455	29,425,697
Disbursements																		
4 Salaries, Contract Labor & Benefits	479,146	2,480,833	388,319	1,556,223	287,991	1,481,223	315,319	1,481,223	282,964	1,481,223	315,319	770,475	685,415	179,900	347,737	347,737	110,000	12,843,041
5 Physician Services	183,655	32,823	278,483	183,655	32,823	143,599	43,599	143,599	218,659	143,599	107,796	107,796	107,796	78,929	78,929	78,929	69,359	2,351,973
6 Supplies and Other	201,377	145,668	427,095	291,377	291,377	164,308	326,882	30,488	369,338	369,338	137,363	137,363	137,363	115,200	115,200	115,200	115,200	3,390,416
7 Repairs and Maintenance	168,020	83,310	83,310	83,310	83,310	83,310	83,310	83,310	83,310	83,310	83,310	83,310	83,310	83,310	83,310	83,310	83,310	1,035,359
8 Rentals & Leases	214,991	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	558,138
9 Insurance	190,890	483,281	29,400	29,400	29,400	29,400	29,400	29,400	29,400	29,400	29,400	29,400	29,400	29,400	29,400	29,400	29,400	1,206,659
10 Taxes & Assessments	29,400	29,400	29,400	29,400	29,400	29,400	29,400	29,400	29,400	29,400	29,400	29,400	29,400	29,400	29,400	29,400	29,400	38,192
11 Other operating	15,940	162,299	177,123	177,123	177,123	177,123	177,123	177,123	177,123	177,123	177,123	177,123	177,123	177,123	177,123	177,123	177,123	1,159,573
12 Medicare - A/R Collection Fees	116,165	300,000	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	1,675,000
13 Case Costs	116,165	300,000	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	1,675,000
14 First Accrued Expenses - Bitewille	116,165	300,000	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	156,344	1,675,000
15 US Trustee	2,381,491	3,285,193	2,387,426	2,874,033	2,187,879	2,073,504	2,053,421	1,717,236	2,336,090	1,912,374	864,574	1,742,729	1,171,023	329,000	1,024,074	1,024,074	1,865,987	31,892,667
16 MacCap Facility Interest & Legal Fees (assumed at \$10)	271,016	-	-	-	-	-	180,000	-	-	-	180,000	-	-	-	-	-	-	641,016
Total Disbursements	2,652,597	3,261,193	2,387,426	2,874,033	2,187,879	2,073,504	2,243,421	1,717,236	2,336,090	1,912,374	1,444,574	1,742,729	1,171,023	1,024,074	1,024,074	1,865,987	32,753,683	
Net Cash Flow	(607,478)	(1,275,285)	1,342,238	(806,104)	(270,578)	186,706	(87,204)	630,126	61,272	(525,717)	479,745	118,235	10,565	353,534	118,026	118,026	(962,532)	1,708,960
Net Availability	9,592,146	9,592,146	9,592,146	9,592,146	9,592,146	9,592,146	9,592,146	9,592,146	9,592,146	9,592,146	9,592,146	9,592,146	9,592,146	9,592,146	9,592,146	9,592,146	9,592,146	1,828,408
Less: Availability Reduction for Asset Sales	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Plus:	13,592,146	13,592,146	13,592,146	13,592,146	13,592,146	13,592,146	13,592,146	13,592,146	13,592,146	13,592,146	13,592,146	13,592,146	13,592,146	13,592,146	13,592,146	13,592,146	13,592,146	3,373,077
Total Availability	19,184,292	19,184,292	19,184,292	19,184,292	19,184,292	19,184,292	19,184,292	19,184,292	19,184,292	19,184,292	19,184,292	19,184,292	19,184,292	19,184,292	19,184,292	19,184,292	19,184,292	5,201,485
Loan balance per prior BIC (10.31.18)	12,956,096	13,980,998	13,562,146	12,282,483	13,257,208	13,086,696	12,166,241	12,166,241	11,469,880	9,946,332	6,475,544	5,173,596	5,011,342	4,588,613	4,283,740	4,283,740	3,828,408	3,828,408
Loan interest	(1,884,456)	(1,985,909)	(3,708,663)	(2,057,359)	(2,167,347)	(2,262,016)	(3,130,755)	(2,397,361)	(2,397,361)	(2,397,361)	(2,401,946)	(1,662,655)	(1,647,726)	(1,562,742)	(1,562,742)	(1,562,742)	(1,562,742)	(1,562,742)
Loan proceeds	2,700,000	2,197,465	2,490,000	3,000,000	2,200,000	2,100,000	2,200,000	1,700,000	1,873,879	1,900,000	1,100,000	1,200,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	325,104
Repayment of Overdraft & Escrow	13,800,998	13,592,146	12,282,483	13,274,553	13,257,208	13,086,696	12,166,241	11,488,880	6,945,392	6,475,544	5,173,596	5,011,342	4,588,613	4,283,740	4,283,740	4,283,740	3,828,408	3,828,408
Ending loan balance	211,547	-	1,309,663	377,592	334,939	496,149	621,372	397,623	4,000,000	1,541,145	1,814,300	1,147,841	702,841	380,234	-	-	-	1,708,960
Remaining availability	1,679,526	1,177,616	119,290	145,855	171,629	163,545	216,019	167,016	149,732	(979,450)	(524,859)	(398,929)	(412,112)	(305,152)	(305,152)	(305,152)	(305,152)	(305,152)
Repayable Cash on Hand	47,403	(1,083,238)	32,575	25,807	12,121	26,466	(17,236)	(17,236)	(482,217)	(42,754)	(42,754)	(42,754)	(42,754)	(42,754)	(42,754)	(42,754)	(42,754)	(42,754)
Cash Used	1,177,018	113,280	145,855	171,822	183,943	210,439	167,016	149,732	(312,452)	(324,859)	(389,362)	(412,112)	(383,135)	(381,179)	(381,179)	(381,179)	(381,179)	(381,179)
Net Liquidity	1,381,665	113,280	1,456,518	649,419	519,822	705,688	788,990	647,404	3,887,961	1,263,336	1,465,007	753,630	315,706	(849)	(849)	(849)	(849)	(234,395)

[1] Average monthly cash collections from December 2018 - July 2018 straightlined over 4 weeks. We have applied a factor of 1.0x to the cash collections for this assembly, not made the collections for June 18. Overhead costs have been adjusted based on December 2018 - July 2018 straightlined over 4 weeks.

[2] Average monthly Physician cash collections from December 2018 - July 2018 straightlined over 4 weeks.

[3] See MHP detail schedule

[4] Salaries, Contract Labor & Benefits disbursements based on June 2018 separate from the income statement. This includes weekly payment of medical self insurance claims of \$2501

[5] Salaries, Contract Labor & Benefits disbursements based on June 2018 separate from the income statement. This includes weekly payment of medical self insurance claims of \$2501

[6] Average monthly expenses April 2018 - June 2018 straightlined over 4 weeks

[7] Per Lease Schedule

[8] Based upon the average monthly expenses April 2018 - June 2018 straightlined over 4 weeks. Due to seasonality of historical expenses, the weekly average has been inflated.

[9] MHP represents MHP payment (payments were due quarterly in FY2018 changed to monthly in FY2019), but have been adjusted for just a monthly payment during the last two quarters of FY2018 required to be paid to State of Mississippi. No invoice has been issued by the State for 3Q2018.

[10] Repaid based upon the average monthly expenses April 2018 - June 2018 straightlined over 4 weeks.

[11] Repaid based upon the average monthly expenses April 2018 - June 2018 straightlined over 4 weeks.

[12] Repaid based upon the average monthly expenses April 2018 - June 2018 straightlined over 4 weeks, but inflated by 10% due to recent capex cost.

Curae Health Consolidated has been electronically filed with the Court. The Judge's signature and Court's seal appear at the top of the first page.

United States Bankruptcy Court.

195,000 BANKRUPTCY PROFESSIONAL FEES
 25,000 Special Counsel - MSW
 25,000 Special Counsel - MSW
 75,000 FA Debtor - GlassRainer
 UCC - 75% of monthly fee
 Total Bankruptcy Professional Fees **300,000**

Subsequent Months
 150,000 BANKRUPTCY PROFESSIONAL FEES
 25,000 Debtor Counsel - Rebecc
 25,000 Special Counsel - MSW
 25,000 Special Counsel - MSW
 25,000 FA Debtor - GlassRainer
 Patient Care Ombudsman (Varies)
 UCC
 Total Bankruptcy Professional Fees **350,000**

GlassRainer DRAFT
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