

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF TENNESSEE**

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

DEADLINE FOR FILING A TIMELY RESPONSE: November 20, 2018 HEARING ON TIMELY-FILED RESPONSES: November 27, 2018, 2:00 p.m., Courtroom Two, 2nd Floor, Customs House, 701 Broadway, Nashville, Tennessee 37203

**THE CITY OF AMORY, MISSISSIPPI'S LIMITED OBJECTION TO PROPOSED SALE OF
GILMORE MEDICAL CENTER ASSETS**

Comes the City of Amory, Mississippi (the "City"), pursuant to the Order approving bidding procedures and authorizing the sale of the Proposed Purchased Assets (as defined in the Gilmore APA) entered September 28, 2018 (Docket No. 260) (the "Sale Order"), and respectfully submits this Limited Objection to the proposed sale of the Proposed Purchased Assets. In support of this Limited Objection, the City respectfully states as follows:

1. The City is a municipality located in Monroe County, Mississippi. The City's Utilities Department administers all of the City's electrical, gas, water, sewer and related services. The Debtors have 21 utility accounts with the City. Each account was active but in arrears as of the petition date. The average prepetition monthly charges to Debtor-in-Possession Amory Regional Medical Center, Inc., known as Gilmore Memorial Hospital ("Gilmore"), for these utility services were approximately \$96,412.00.

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); Clarksdale Regional Medical Center, Inc. (4755); Amory Regional Physicians, LLC (5044); Batesville Regional Physicians, LLC (4952); and Clarksdale Regional Physicians, LLC (5311).

2. On November 7, 2018, the City filed an Objection (Docket No. 404) to the Notice of (I) Debtors' Intent to Assume and Assign Certain Executory Contracts, Unexpired Leases of Personal Property, and Unexpired Leases of Nonresidential Real Property; and (II) Cure Amounts Related to the Foregoing, filed October 29, 2018 (the "Notice of Intent") (Docket No. 371).

3. The Notice of Intent lists an executory Memorandum of Understanding between the City and Gilmore with a cure amount of \$0.00. This is not correct. The cure amount would be at least equal to the balance that Gilmore owed to the City on the petition date, which was \$177,771.55. This does not include postpetition late charges, or the City's attorney fees incurred in these cases, or any other pecuniary losses that the City has incurred as a result of Gilmore's default.

4. Additionally, the assumption and assignment contemplated in the Notice of Intent does not affirmatively propose to provide the City adequate assurance of future performance. Like other utilities, the City customarily requires a deposit, or possibly a bond or an insurance policy, to help to ensure that the City does not suffer a pecuniary loss if the customer fails to pay for its utility services. To the best of the City's knowledge, there has been no offer to provide the City an appropriate and adequate deposit.

5. Counsel for Debtors and the City have communicated since the Notice of Intent and the City's Objection thereto were filed. Counsel for Debtors explained that the Notice of Intent inadvertently omitted a separate contract. At the time, Debtors' records reflected that the cure amount under that contract would be \$98,394.20. Counsel for the City provided counsel for Debtors copies of the 21 invoices showing the amounts calculated to be owed on the petition date, totaling \$177,771.55. After reviewing those invoices, counsel for Debtors agreed that the

correct prepetition balance was \$177,771.55. The parties have been discussing entering into a Stipulation regarding the cure amount.

6. The City supports the proposed sale, so long as the matter of the City's utility contract with Gilmore is properly resolved and the City receives such adequate assurance of future performance to which it is entitled.

WHEREFORE, the City respectfully prays as follows:

1. That the Court condition the sale, and the assumption and assignment of such agreement, upon the payment of the entire cure amount required under 11 U.S.C. § 365(b)(1)(A) and (B), and upon the provision of adequate assurance of future performance as required by 11 U.S.C. § 365(b)(1)(C) in the form of a deposit in accordance with the City's customary requirements of a customer such as North Mississippi.

2. That the Court grant the City such other, further and general relief as is just.

/s/ Linda W. Knight

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CERTIFICATE OF SERVICE

I hereby certify that on November 20, 2018, a true and correct copy of the foregoing document was filed electronically. Notice of this filing will be sent by operation of the Court's electronic filing system to all parties indicated on the electronic filing receipt. Parties may access this filing through the Court's electronic filing system. The foregoing document was also served by electronic mail upon the following:

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