

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

In re)	
)	Chapter 11
CURAE HEALTH, INC., et al.,)	Case No. 18-05665
)	
Debtors.)	Judge Walker
)	
)	Jointly Administered

**CONSENT ORDER APPROVING ASSUMPTION AND
ASSIGNMENT OF UNEXPIRED LEASE WITH BRENTWOOD ACQUISITION, INC.**

This matter comes before the Court on the (A) 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 [Doc. No. 513] (the “Debtors’ Notice to Assume”) and (B) the Notice of Stalking Horse Purchaser’s Intent to Assume Executory Contracts and Unexpired Leases [Doc. No. 549] (the “Stalking Horse’s Notice to Assume” and together with the Debtors’ Notice to Assume, the “Notices to Assume”).

WHEREAS, on November 6, 2018, the Debtors filed *Debtors’ Motion for Entry of an Order (I) Authorizing and Approving Bidding Procedures for the Sale of Panola Medical Center, (II) Authorizing the Sale of Panola Medical Center Free and Clear of All Liens, Claims, Encumbrances and Other Interests, (III) Approving Stalking Horse Purchaser, Break-up Fee, and Overbid Protections, (IV) Establishing Certain Procedures for the Assumption and Assignment of Executory Contracts and Unexpired Leases, (V) Scheduling an Auction, (VI) Scheduling a Hearing and Objections Deadlines With Respect to the Sale of Panola Medical Center, (VII) Approving the Form and Manner of Notice Thereof, and (VIII) Granting Related Relief* (Docket No. 401) (the “Sale Motion”), seeking to, *inter alia*, sell all, or substantially all, of their assets related to Panola Medical Center (the “Sale”).

WHEREAS, Debtor Batesville Regional Medical Center, Inc. (“Batesville”) is party to a Lease Agreement dated September 30, 2005, as amended (the “Lease”) with Brentwood Acquisition, Inc. d/b/a Brentwood Behavioral Healthcare of Mississippi (“Brentwood”) pursuant to which Brentwood leases certain adult acute psychiatric beds to Batesville. Other than the Lease, there are no other unexpired leases or executory contracts between Batesville and Brentwood.

WHEREAS, pursuant to the Notices to Assume, Batesville and Progressive Medical Management of Batesville, LLC (the “Buyer”) provided notice of Batesville’s intent to assume the Lease and assign it to the Buyer.

WHEREAS, Brentwood opposed the cure amounts listed for the Lease in both of the Notices to Assume and filed objections to each of the Notices to Assume [Doc Nos. 542 and 612] (together, the “Objections”). As stated in more detail in the Objections, Brentwood contends that the amount necessary to cure the existing defaults under the Lease, as of December 7, 2018, is \$327,488.00 (the “Full Deficiency”).

WHEREAS, Batesville, the Buyer, and Brentwood have reached a resolution to the Objections whereby Brentwood will accept an amount less than the Full Deficiency as the cure payment for existing defaults under the Lease pursuant to the terms provided in this Order.

WHEREAS, this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and venue of this proceeding and the Notices to Assume and the Objections is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

WHEREAS, Batesville has consented to entry of a final order under Article III of the United States Constitution and due and proper notice of the matter has been given and it appears

that no other or further notice of the matter is required.

WHEREAS, the Court having considered the Notices to Assume and the Objections, it is hereby **ORDERED, ADJUDGED, and DECREED** that:

1. The Lease shall be assumed by Batesville and assigned to the Buyer effective as of the closing of the Sale in accordance with the terms of this Order. Batesville shall continue to comply with the Lease (including, but not limited to the timely payment of lease payments under the Lease) pending the effectiveness of the assumption and assignment of the Lease as provided herein. Brentwood shall be entitled to an administrative expense claim for lease payments not timely made by Batesville in the time period between entry of this Order and the Closing. To the extent not consistent with the Lease, this Order shall act to amend the Lease and control over any terms in the Lease not consistent with the terms of this Order.

2. The agreed-upon cure amount of the Lease, subject to Paragraph 5 below, is \$81,872.00 with interest accruing at the rate of 10% per annum (the "Agreed Upon Cure Amount"). Interest shall accrue on the Agreed Upon Cure Amount until it is paid in full.

3. The Buyer shall satisfy the Agreed Upon Cure Amount by making 5 monthly payments of \$16,374.40 plus accrued interest each to Brentwood on the sixtieth day following closing of the Buyer's acquisition of the facility from Batesville and shall continue on the first day of each subsequent month until the Agreed Upon Cure Amount plus accrued interest is paid in full. For the sake of clarity, the amount of interest to be paid with the first payment shall be interest at the rate of 10% per annum that has accrued on the Agreed Upon Cure Amount since December 7, 2018 until the payment date. The amount of interest to be paid with subsequent payments shall be the interest that has accrued on the remaining unpaid balance of the Agreed Upon Cure Amount since the immediate past payment. The payments required by this paragraph shall be made in the same manner as lease payments required by the Lease and failure to make a

payment required by this paragraph shall be treated in the same was as if a lease payment under the Lease was not made.

4. The Buyer shall be bound by all of the terms of the Lease as amended by this Order including, but not limited to, the obligation to make lease payments in accordance with the terms of the Lease.

5. In the event the Buyer fails to comply with the terms of the Lease or this Order, the Buyer shall be liable to Brentwood for (a) all amounts to which Brentwood is entitled under the stated terms of the Lease and (b) payment of the Full Deficiency (i.e., \$327,488.00) less any payments previous paid towards the Agreed Upon Cure Amount with interest at the rate of 10% per annum accruing from the date the Buyer fails to comply with the terms of the Lease or this Order. For the sake of clarity, the amounts to which Brentwood are entitled in subsection (a) of this paragraph do not include the Agreed Upon Cure Amount, but instead is intended to include past due and future lease payments and other similar damages to which Brentwood would be entitled under non-bankruptcy governing law.

6. Provided lease payments under the Lease that come due during the time between entry of this Order and closing of the Sale are timely made, the Agreed Upon Cure Amount or, if applicable, the Full Deficiency, shall cure any and all defaults under the Lease and compensate Brentwood for its actual pecuniary losses as required by section 365(b)(1) of the Bankruptcy Code. Buyer shall be solely responsible for the Agreed Upon Cure Amount and, if applicable, the Full Deficiency, and Brentwood may not recover any such amounts from Debtors under § 365(b)(1) of the Bankruptcy Code or otherwise.

7. This Order shall be binding on the successors and assigns of Batesville, Brentwood, and the Buyer.

8. Batesville, Brentwood, and the Buyer are authorized to take such actions and to execute such documents as may be necessary to implement the relief granted in this Order.

*This Order Was Signed And Entered Electronically
As Indicated At The Top Of The First Page*

Approved for Entry and Agreed and Consented to by:

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