

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

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

**EXPEDITED MOTION OF DEBTORS FOR ENTRY OF AN ORDER:
(I) PROHIBITING UTILITY PROVIDERS FROM ALTERING, REFUSING, OR
DISCONTINUING SERVICE; (II) APPROVING THE DEBTORS' PROPOSED
ADEQUATE ASSURANCE OF PAYMENT FOR POSTPETITION SERVICES; AND
(III) ESTABLISHING PROCEDURES FOR RESOLVING REQUESTS FOR
ADDITIONAL ADEQUATE ASSURANCE OF PAYMENT**

The above-captioned debtors and debtors in possession (the “**Debtors**”) hereby move the Court (the “**Motion**”), pursuant to sections 105(a) and 366 of title 11 of the United States Code (the “**Bankruptcy Code**”); Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), for entry of an order substantially in the form annexed hereto as Exhibit A (the “**Order**”): (i) prohibiting Utility Providers (as defined below) from (a) altering, refusing, or discontinuing utility services to, or discriminating against, the Debtors on account of any outstanding amounts for services rendered prepetition or (b) drawing upon any existing security deposit, surety bond, or other form of security to secure future payment for utility services; (ii) determining that adequate assurance of payment for postpetition utility services has been furnished to the Utility Providers providing services to the Debtors; and (iii) establishing procedures for resolving future requests by any Utility Provider for additional adequate

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

JURISDICTION AND VENUE

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

2. The statutory predicates for the relief requested herein are Bankruptcy Code sections 105 and 366, Bankruptcy Rules 6003 and 6004.

BACKGROUND

A. General Background

3. On the date hereof (the “**Petition Date**”), each of the Debtors filed a voluntary petition in this Court commencing a case for relief under chapter 11 of the Bankruptcy Code (the “**Chapter 11 Cases**”). The factual background regarding the Debtors, including their business operations, their capital and debt structures, and the events leading to the filing of the Chapter 11 Cases, is set forth in detail in the First Day Declaration and fully incorporated herein by reference.

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

B. Description of Utility Services and Utility Providers

5. In conjunction with its day-to-day operations, the Debtors receive traditional utility services from various utility providers (each, a “**Utility Provider**” and collectively, the “**Utility Providers**”) for, *inter alia*, water, sewer, electricity, gas, telecommunications, waste disposal, and similar utility products and services (collectively, the “**Utility Services**”). The Utility Providers include, without limitation, the entities set forth on the list annexed hereto as Exhibit B (the “**Utility Providers List**”).

6. The Debtors paid an average of approximately \$274,163.93 per month on account of all Utility Services during 2017.

RELIEF REQUESTED

7. Bankruptcy Code section 366 prohibits a utility company, within the first 30 days after the filing of a chapter 11 case, from altering, refusing, or discontinuing services to, or discriminating against, a debtor solely on the basis of the commencement of bankruptcy proceedings or the debtor’s failure to pay a prepetition debt. In a chapter 11 case, once the initial 30 days have expired, a utility company may discontinue services if the debtor has not provided the utility company with “adequate assurance of payment for utility service that is satisfactory to the utility.” 11 U.S.C. § 366(c)(2).

8. By this Motion, the Debtors respectfully request entry of the Order, pursuant to Bankruptcy Code sections 105(a) and 366: (a) prohibiting Utility Providers from (i) altering, refusing, or discontinuing utility services to, or discriminating against, the Debtors on account of any outstanding amounts for services rendered prepetition, or (ii) drawing upon any existing security deposit, surety bond, or other form of security to secure future payment for utility services; (b) determining that adequate assurance of payment for postpetition utility services has been furnished to the Utility Providers providing services to the Debtors; and (c) establishing

procedures for resolving future requests by any Utility Provider for additional adequate assurance of payment.

A. Proposed Adequate Assurance

9. Consistent with Bankruptcy Code section 366(c)(1)(A) , which defines the phrase “assurance of payment” to include, among other things, a cash deposit, and given the *de minimis* amount of the funds required, the Debtors propose to segregate on their books and records, within 20 days of the Petition Date, an amount equal to the estimated cost for two weeks of Utility Services (*i.e.*, approximately \$137,081.96), calculated based on the historical data for 2017 (the “**Adequate Assurance Deposit**”) into one segregated bank account designated for the Adequate Assurance Deposit (the “**Adequate Assurance Deposit Account**”) for the benefit of all Utility Providers. Thus, to maintain uninterrupted Utility Services, the Debtors propose to deposit \$137,081.96 into the Adequate Assurance Deposit Account within 20 days of the Petition Date. Thereafter, the Debtors propose to adjust the amount in the Adequate Assurance Deposit Account to reflect several factors: (a) the termination of Utility Services by the Debtors regardless of any Additional Assurance Requests (as defined below), and (b) agreements reached with Utility Providers. These adjustments will permit the Debtors to maintain the Adequate Assurance Deposit Account with an amount that consistently provides the Utility Providers with a half-month deposit on account of such services.

10. The Debtors submit that the Adequate Assurance Deposit and maintenance of the Adequate Assurance Deposit Account as described above, in conjunction with the Debtors’ ability to pay for future utility services in the ordinary course of business (together, the “**Proposed Adequate Assurance**”), constitutes sufficient adequate assurance of future payment to the Utility Providers to satisfy the requirements of Bankruptcy Code section 366. However, if

any Utility Provider believes additional assurance is required, they may request such assurance pursuant to the procedures described below.

B. Proposed Adequate Assurance Procedures

11. In light of the severe consequences to the Debtors of any interruption in services by the Utility Providers, but recognizing the right of each Utility Provider to evaluate the Proposed Adequate Assurance on a case-by-case basis, the Debtors request that the Court approve, and allow the Debtors to implement, the following procedures (the “**Adequate Assurance Procedures**”) by which a Utility Provider not satisfied with the Proposed Adequate Assurance may request additional adequate assurance (an “**Additional Assurance Request**”):

- a. Within two (2) business days of the date the Order is docketed, the Debtors will mail a copy of the Order to the Utility Providers on the Utility Providers List;
- b. If a Utility Provider is not satisfied with the Proposed Adequate Assurance and seeks additional assurance of payment in the form of a deposit, letter of credit, prepayment, or otherwise, it must serve an Additional Assurance Request upon: (i) proposed counsel to the Debtors, Polsinelli PC (Attn: David E. Gordon, Esq.); (ii) counsel to any official committee appointed in the Chapter 11 Cases; and (iii) counsel to Midcap Financial Trust, the DIP Lender, (Attn: David Lemke) (together, the “**Notice Parties**”);
- c. Each Additional Assurance Request must (i) be made in writing; (ii) set forth all location(s) for which utility services are provided and the relevant account number(s); (iii) include a summary of the Debtors’ payment history relevant to the affected account(s); (iv) describe any deposits or other security currently held by the requesting Utility Provider; and (v) identify and explain the basis of the Utility Provider’s proposed adequate assurance requirement under Bankruptcy Code section 366(c)(2);
- d. Upon the Notice Parties’ receipt of an Additional Assurance Request at the addresses set forth in subparagraph (b) above, the Debtors shall promptly negotiate with such Utility Provider to resolve such Utility Provider’s Additional Assurance Request;
- e. The Debtors may, after consulting with the Prepetition First Lien Lender and the DIP Lender, in their discretion, resolve an Additional Assurance Request by mutual agreement with the requesting Utility Provider without further notice to the Court or any other party in interest, other than the Prepetition First Lien Lender and the DIP Lender, and may, in connection with any such agreement,

provide a Utility Provider with additional adequate assurance of future payment, including, but not limited to, cash deposits, prepayments, letters of credit, and/or other forms of security, without further order of the Court to the extent that the Debtors believe such additional assurance is reasonable in the exercise of its business judgment and the Debtors may, by mutual agreement with the objecting Utility Provider and without further order of the Court, reduce the Adequate Assurance Deposit by an amount not exceeding the requesting Utility Provider's estimated two-week utility expense;

- f. If the Debtors determine that a timely received Additional Assurance Request is not reasonable and is unable to reach an alternative resolution with the applicable Utility Provider, the Debtors shall, upon reasonable notice, calendar the matter (the "**Adequate Assurance Dispute**") for the next regularly scheduled omnibus hearing to determine the adequacy of assurance of payment pursuant to Bankruptcy Code section 366(c)(3);
- g. Pending resolution of any such Adequate Assurance Dispute, any such Utility Provider shall be prohibited from altering, refusing, or discontinuing service to the Debtors on account of unpaid charges for prepetition services, the filing of the Chapter 11 Cases, or any objection to the adequacy of the Proposed Adequate Assurance;
- h. Upon the termination of Utility Services, the Debtors may, after consulting with the Prepetition First Lien Lender and the DIP Lender, in their discretion and upon 14 days' notice to the parties in interest and all affected Utility Providers, reduce the Adequate Assurance Deposit by an amount not exceeding, for each of the Utility Services being discontinued, the lesser of (a) the estimated two-week utility expense for such Utility Services and (b) the amount of the Adequate Assurance Deposit then attributable to the applicable Utility Provider, provided that there are no outstanding disputes related to postposition amounts due.

C. Subsequent Modification of the Utility Providers List

12. The Debtors request that they be allowed, without further order of the Court, to supplement the Utility Providers List if any Utility Provider has been inadvertently omitted therefrom (each an "**Additional Utility Provider**"). If the Debtors determine that the Utility Providers List should be supplemented, the Debtors will, as soon as practicable, file with the Court a supplement to Exhibit C adding the name of any Additional Utility Provider to the Utility Providers List. The Debtors will then serve by email or by facsimile transmission (or, where the Debtors does not have the email address or fax number of a Utility Provider, by First

Class Mail) a copy of this Motion and the signed Order, as applicable, on any Additional Utility Provider.

BASIS FOR RELIEF

A. Bankruptcy Code Section 366 Grants the Court Discretion to Determine the Adequacy of the Debtors' Proposed Adequate Assurance

13. Congress enacted Bankruptcy Code section 366 to protect a debtor from immediate termination of utility services after filing for bankruptcy, while at the same time providing the utility companies with adequate assurance of payment for postpetition utility services. *See* H R. Rep. No. 95-595, at 350 (1977), *reprinted in* 1978 U.S.C.C.A.N. 5963, 6306. Bankruptcy Code Section 366 defines “assurance of payment” to mean several forms of security, including cash deposits, letters of credit, and prepayment of utility services. 11 U.S.C. § 366(c)(1)(A). Bankruptcy Code Section 366(c)(1)(B) explicitly excludes, however, offering administrative expense priority as adequate assurance of payment. Further, Bankruptcy Code section 366(c) restricts the factors that a court may consider when determining whether the “assurance of payment” is, in fact, adequate. Specifically, courts may no longer rely on (a) the absence of a security deposit before the debtor’s petition date, (b) the debtor’s history of timely payments, or (c) the availability of an administrative expense priority when determining the amount of a deposit. *See Id.* § 366(c)(3)(B).

14. While Bankruptcy Code section 366(c) sets forth what constitutes adequate assurance of payment, the bankruptcy court nonetheless retains discretion to determine what, if any, adequate assurance is necessary to satisfy section 366’s requirement that assurance of payment must only be “adequate.” *See In re Adelpia Bus. Solutions, Inc.*, 280 B.R. 63, 80 (Bankr. S.D.N.Y. 2002) (“The bankruptcy courts are in agreement that section 366(b) vests in the bankruptcy court the exclusive responsibility for determining the appropriate security which

a debtor must provide to his utilities to preclude termination of service for nonpayment of prepetition utility bills.”); *In re Begley*, 41 B.R. 402, 405-06 (E.D. Pa. 1984), *aff’d*, 760 F.2d 46 (3d Cir. 1985). Accordingly, a court is not required to give the utility companies an “absolute guarantee of payment,” or require that the adequate assurance take the form of a deposit, bond, letter of credit, or similar security. *In re Caldor, Inc. -N.Y.*, 199 B.R. 1, 3 (S.D.N.Y. 1996), *aff’d sub nom. Va. Elec. & Power Co. v. Caldor, Inc.*, 117 F.3d 646 (2d Cir. 1997); *In re Great Atl. & Pac. Tea Co.*, 2011 WL 5546954, at *5 (Bankr. S.D.N.Y. 2011) (finding that “[c]ourts will approve an amount that is adequate enough to insure against unreasonable risk of nonpayment, but are not required to give the equivalent of a guaranty of payment in full”).

15. Rather, in considering the facts and circumstances of each case, the Court must ensure only that the utility is not subject to an unreasonable risk of non-payment for postpetition services. *See In re Adelpia*, 280 B.R. at 80; *Mass. Elec. Co. v. Keydata Corp. (In re Keydata Corp.)*, 12 B.R. 156, 158 (B.A.P. 1st Cir. 1981). The Court, therefore, must strike a balance between satisfying the utility company’s need for adequate assurance and ensuring that the debtor gives no more than what is adequate, as the debtor has a conflicting need to conserve financial resources. *See In re Magnesium Corp. of Am.*, 278 B.R. 698, 714 (Bankr. S.D.N.Y. 2002) (holding that to require the debtor to allocate valuable liquidity to provide further “adequate assurance” to satisfy a utility’s obligations before its amount has been fixed would prejudice the entirety of the debtor’s unsecured creditor body for the benefit of a single one).

16. In determining whether a utility is subject to an unreasonable risk of nonpayment, the Court may consider whether the utility would seek the same additional security from a non-bankruptcy customer. *See In re Caldor, Inc. -N.Y.*, 199 B.R. at 3 (finding that the utility companies were not seeking additional security for an adequate assurance of future payment, but

solely because their monopoly position permitted them to capitalize on the debtor bankruptcy filing); *Whittaker v. Phila. Elec. Co. (In re Whittaker)*, 84 B.R. 934, 937, 941–42 (Bankr. E D. Pa. 1988), *aff'd*, 882 F.2d 791 (3d Cir. 1989) (finding utility company violated Bankruptcy Code section 366 when it refused to restore debtor’s electric service, upon notice of bankruptcy filing, without prepayment of deposit as adequate assurance of future payment).

B. The Debtors’ Proposed Adequate Assurance is Routinely Upheld as Adequate by Courts in this District

17. Because this Court is afforded the discretion to determine the assurance necessary to satisfy the Utility Providers’ needs, the Debtors submit that the Proposed Adequate Assurance is more than adequate to ensure that the Debtors will meet their postpetition utility obligations. The Debtors’ proposal comports with numerous orders entered by other bankruptcy courts. *See, e.g., In re Samson Resources Corp.*, Case No. 15-11934 (CSS) (Bankr. D. Del. Oct. 14, 2015) (approving adequate assurance deposit equal to one half of debtor’s monthly utility expenses); *In re Sports Authority Holdings, Inc.*, Case No. 16-10527 (MFW) (Bankr. D. Del. Mar. 3, 2016 (interim order), Apr. 1, 2016 (final order).

18. The Debtors’ receipt of uninterrupted Utility Services is vital to the Debtors’ continued business operations and, consequently, to the success of these Chapter 11 Cases. Accordingly, the relief requested herein is necessary and in the best interests of the Debtors, their estates, and their creditors. Such relief ensures that the Debtors’ business operations will not be disrupted and provides Utility Companies and the Debtors with an orderly and fair procedure for determining “adequate assurance.”

19. Based upon the foregoing, the Debtors submit that the relief requested herein should be granted.

C. Bankruptcy Rule 6003 Has Been Satisfied and Bankruptcy Rule 6004 Should Be Waived

20. Certain isolated aspects of the relief requested herein may, if granted, be subject to Bankruptcy Rule 6003. Pursuant to Bankruptcy Rule 6003, a court may grant such relief if it is necessary to avoid immediate and irreparable harm. The Debtors submit that the facts set forth herein demonstrate the relief requested is necessary to avoid immediate and irreparable harm to the Debtors and, thus, Bankruptcy Rule 6003 has been satisfied. Additionally, to the extent that any aspect of the relief sought herein constitutes a use of property under Bankruptcy Code section 363(b), the Debtors seek a waiver of the fourteen-day stay under Bankruptcy Rule 6004(h). As described above, the relief that the Debtors seek in this Motion is immediately necessary in order for the Debtors to be able to continue to operate and preserve the value of their estates. The Debtors thus submit that the requested waiver of the fourteen-day stay imposed by Bankruptcy Rule 6004(h) is appropriate.

NOTICE

21. Notice of this Motion will be given to: (a) the Office of the United States Trustee for the Middle District of Tennessee; (b) the Centers for Medicare and Medicaid Services; (c) the State of Tennessee Department of Health Division of Licensure and Regulation Office of Health Care Facilities; (d) the Mississippi State Department of Health; (e) those parties listed on the consolidated list of creditors holding the thirty (30) largest unsecured claims against the Debtors; (f) counsel to any official committee(s) establish in these cases pursuant to Section 1102 of the Bankruptcy Code; (g) ServisFirst Bank and its counsel; (h) Midcap Financial Trust and its counsel; (i) CHS/Community Health Systems, Inc. and its counsel; (j) all Tennessee local counsel having entered a notice of appearance in these cases; (k) the Internal Revenue Service; (l) the Tennessee Attorney General's Office; (m) the Mississippi Attorney General's Office; (n)

the Tennessee Secretary of State; (o) any party that has requested notice pursuant to Bankruptcy Rule 2002; and (p) the Utility Providers. The Debtors submit that, under the circumstances, no other or further notice is required.

NO PRIOR REQUEST

22. No previous request for the relief sought herein has been made to this Court or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter the proposed order substantially in the form attached hereto as Exhibit A granting the relief requested in the Motion and such other and further relief as may be just and proper.

Dated: August 24, 2018
Nashville, Tennessee

Respectfully submitted,

POLSINELLI PC

/s/ Michael Malone

Michael Malone
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Nashville, TN 37219
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-and-

David E. Gordon (*Pro Hac Vice* Pending)
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*Proposed Counsel to the Debtors and
Debtors in Possession*

EXHIBIT A

Proposed Order

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

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

EXPEDITED ORDER (I) PROHIBITING UTILITY PROVIDERS FROM ALTERING, REFUSING, OR DISCONTINUING SERVICE; (II) APPROVING THE DEBTORS' PROPOSED ADEQUATE ASSURANCE OF PAYMENT FOR POSTPETITION SERVICES; AND (III) ESTABLISHING PROCEDURES FOR RESOLVING REQUESTS FOR ADDITIONAL ADEQUATE ASSURANCE OF PAYMENT

Upon the motion (the “**Motion**”)¹ of the Debtors for an order, pursuant to Bankruptcy Code sections 105(a) and 366; Bankruptcy Rules 6003 and 6004: (i) prohibiting Utility Providers from altering, refusing or discontinuing service; (ii) approving the Debtors’ Proposed Adequate Assurance of payment for postpetition services; and (iii) establishing procedures for resolving requests for additional adequate assurance of payment; and the Court having reviewed the Motion and the First Day Declaration; and the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that this Court may enter a final order

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

consistent with Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is GRANTED, as set forth herein on a final basis.
2. The Debtors are authorized to pay on a timely basis, in accordance with their prepetition practices, all undisputed invoices for Utility Services rendered by the Utility Providers to the Debtors after the Petition Date.
3. To the extent not otherwise already done, the Debtors shall provide an adequate assurance deposit for all Utility Providers by depositing \$137,081.96, which is equal to the estimated cost for two weeks of Utility Services (the “**Adequate Assurance Deposit**”). The Adequate Assurance Deposit will be deposited into a separate bank account with a bank that has signed a uniform deposit agreement (“**UDA**”) with the Middle District of Tennessee (the “**Adequate Assurance Deposit Account**”).
4. The Proposed Adequate Assurance comprises the Adequate Assurance Deposit and the Debtors’ ability to pay for future utility services in the ordinary course of business and constitutes sufficient adequate assurance of future payment to the Utility Providers to satisfy the requirements of Bankruptcy Code section 366.
5. The Utility Providers are prohibited from: (a) altering, refusing, or discontinuing Utility Services to, or discriminating against, the Debtors on the basis of the commencement of the Chapter 11 Cases or on account of any unpaid prepetition charges; (b) drawing upon any

existing security deposit, surety bond, or other form of security to secure future payment for utility services; or (c) requiring additional adequate assurance of payment other than the Proposed Adequate Assurance, as a condition of the Debtors continuing to receive Utility Services.

6. The following Adequate Assurance Procedures are approved:
 - a. If a Utility Provider is not satisfied with the Proposed Adequate Assurance and seeks additional assurance of payment in the form of a deposit, letter of credit, prepayment, or otherwise, it must serve an Additional Assurance Request upon:
 - (i) proposed counsel to the Debtors, Polsinelli PC (Attn: David E. Gordon, Esq.);
 - (ii) counsel to any official committee appointed in the Chapter 11 Cases; and
 - (iii) counsel to Midcap Financial Trust, the DIP Lender, (Attn: David Lemke) (together, the “**Notice Parties**”);
 - b. Each Additional Assurance Request must (i) be made in writing; (ii) set forth all location(s) for which utility services are provided and the relevant account number(s); (iii) include a summary of the Debtors’ payment history relevant to the affected account(s); (iv) describe any deposits or other security currently held by the requesting Utility Provider; and (v) identify and explain the basis of the Utility Provider’s proposed adequate assurance requirement under Bankruptcy Code section 366(c)(2);
 - c. Upon the Notice Parties’ receipt of an Additional Assurance Request at the addresses set forth in subparagraph (b) above, the Debtors shall promptly negotiate with such Utility Provider to resolve such Utility Provider’s Additional Assurance Request;
 - d. The Debtors may, after consulting with the Prepetition First Lien Lender and the DIP Lender, in their discretion, resolve an Additional Assurance Request by mutual agreement with the requesting Utility Provider without further notice to the Court or any other party in interest, other than the Prepetition First Lien Lender and the DIP Lender, and may, in connection with any such agreement, provide a Utility Provider with additional adequate assurance of future payment, including, but not limited to, cash deposits, prepayments, letters of credit, and/or other forms of security, without further order of the Court to the extent that the Debtors believe such additional assurance is reasonable in the exercise of its business judgment and the Debtors may, by mutual agreement with the objecting Utility Provider and without further order of the Court, reduce the Adequate Assurance Deposit by an amount not exceeding the requesting Utility Provider’s estimated two-week utility expense;
 - e. If the Debtors determine that a timely received Additional Assurance Request is not reasonable and is unable to reach an alternative resolution with the applicable

Utility Provider, the Debtors shall, upon reasonable notice, calendar the matter (the “**Adequate Assurance Dispute**”) for the next regularly scheduled omnibus hearing to determine the adequacy of assurance of payment pursuant to Bankruptcy Code section 366(c)(3);

- f. Pending resolution of any such Adequate Assurance Dispute, any such Utility Provider shall be prohibited from altering, refusing, or discontinuing service to the Debtors on account of unpaid charges for prepetition services, the filing of the Chapter 11 Cases, or any objection to the adequacy of the Proposed Adequate Assurance;
- g. Upon the termination of Utility Services, the Debtors may, after consulting with the Prepetition First Lien Lender and the DIP Lender, in their discretion and upon 14 days’ notice to the parties in interest and all affected Utility Providers, reduce the Adequate Assurance Deposit by an amount not exceeding, for each of the Utility Services being discontinued, the lesser of (a) the estimated two-week utility expense for such Utility Services and (b) the amount of the Adequate Assurance Deposit then attributable to the applicable Utility Provider, provided that there are no outstanding disputes related to postposition amounts due.

7. The Debtors may supplement the Utility Providers List without further order of the Court with Additional Utility Providers if such Additional Utility Providers were inadvertently omitted from the Utility Providers List, and the Debtors will file as soon as practicable with the Court a supplement to Exhibit C annexed to the Motion that adds the name of any Additional Utility Provider to the Utility Providers List. The Debtors will then serve by email or by facsimile transmission (or, where the Debtors does not have the email address or fax number of an Additional Utility Provider, by First Class Mail) a copy of the Motion and this signed Order on any Additional Utility Provider. The Debtors will also supplement the Adequate Assurance Deposit in an amount equal to 50% of the Debtors’ average monthly utility consumption over the course of 12 months for an added Utility Provider.

8. The Debtors may amend the Utility Service List to delete a Utility Provider, or may seek to terminate a Utility Provider, upon 14 days’ notice to the parties in interest and all affected Utility Providers and only if the Debtors have not received any objection from such Utility Provide or any other parties in interest. If an objection is received, the Debtors shall

request a hearing before this Court at the next omnibus hearing date, or such other date that the Debtors and the Utility Provider may agree. The Debtors shall not deduct from the Utility Deposit the amount set aside for any Utility Company that the Debtors seeks to terminate or delete from Exhibit C unless and until the two week notice period has passed and the Debtors have not received any objection to termination or deletion from such Utility Company or any parties in interest, or until any such objection has been resolved consensually or by order of the Court.

9. No money may be withdrawn from the Adequate Assurance Deposit Account except (a) in compliance with the Adequate Assurance Procedures, (b) by mutual agreements of the Debtors and the applicable Utility Provider, or (c) by further order of the Court. If the Debtors fail to pay for any legitimate post-petition Utility Services when due, a Utility Provider may access only that portion of the Adequate Assurance Deposit attributable to it in the Adequate Assurance Deposit Account.

10. Upon confirmation of any chapter 11 plan in these Chapter 11 Cases, and without further order of the Court, all amounts in the Adequate Assurance Deposit Account shall first be used to pay any amounts outstanding under the Credit Agreement and shall then be available for the Debtors' use, after consulting with the Prepetition First Lien Lender and the DIP Lender, in their discretion.

11. The Debtors shall administer the Adequate Assurance Deposit Account in accordance with the terms of this Order.

12. Nothing contained herein constitutes a finding that any entity is or is not a Utility Provider hereunder or under Bankruptcy Code section 366, whether or not such entity is listed on the Utility Providers List.

13. Within two (2) business days of the date of this Order, the Debtors shall serve a copy of this Order on each Utility Provider identified on the Utility Providers List. Within two (2) business days of filing a supplement to the Utility Providers List, as applicable, the Debtors shall serve a copy of this Order and the Motion on any Additional Utility Provider.

14. Nothing in this Order authorizes the Debtors to pay prepetition claims without further order of the Court.

15. Nothing in the Motion or this Order, or the Debtors' payment of any claims pursuant to this Order, shall be deemed or construed as: (a) an admission as to the validity of any claim or lien against the Debtors or their estates; (b) a waiver of the Debtors' rights to dispute any claim or lien; (c) a waiver of a Utility Provider's rights with regard to assertion of any claim or interest; (d) an approval or assumption of any agreement, contract, or lease pursuant to Bankruptcy Code section 365; (e) an admission of the priority status of any claim, whether under Bankruptcy Code section 503(b)(9); or (f) a modification of the Debtors' rights to seek relief under any section of the Bankruptcy Code on account of any amounts owed or paid to any Utility Provider.

16. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

17. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

18. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

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

APPROVED FOR ENTRY:

POLSINELLI PC

/s/ Michael Malone _____

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-and-

David E. Gordon (*Pro Hac Vice* Pending)
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cawang@polsinelli.com

*Proposed Counsel to the Debtors and
Debtors in Possession*

EXHIBIT B

Utility Providers List

<u>DEBTOR</u> CURAE HEALTH, INC.		
Utility Company Name & Address	Type of Utility	Adequate Assurance*
AT&T PO Box 5019 Carol Stream, IL 60197-5019	Router Services	\$338.00
AT&T Mobility PO Box 6463 Carol Stream, IL 60197-6463	Phone	\$1,310.20
CenturyLink Business Services PO Box 52187 Phoenix, AZ 85072-2187	MPLS and Internet	\$804.95
Comcast Business PO Box 37601 Philadelphia, PA 19101-0601	Internet	\$94.99
In10sity Interactive, LLC 14488 Old Stage Road Lenoir City, TN 37772	Website Hosting	\$409.90

<u>DEBTOR</u> AMORY REGIONAL MEDICAL CENTER		
Utility Company Name & Address	Type of Utility	Adequate Assurance*
Amory Water & Electric PO Box 266 Amory, MS 38821	Electric, Water	\$41,307.50
Atmos Energy PO Box 790311 St. Louis, MO 63179-0311	Gas	\$5,530.50
Waste Connections PO Box 742695 Cincinnati, OH 45274-2695	Sanitation	\$1,202.50

Utility Company Name & Address	Type of Utility	Adequate Assurance*
City of Aberdeen Public Utilities 612 West Commerce St. Aberdeen, MS 39730-2406	Electric, Sanitation	\$187.00
City of Fulton 213 W. Wiygul St. Fulton, MS 38843	Electric, Water, Sanitation	\$35.50
Hamilton Water District PO Box 66 Hamilton, MS 39746	Water	\$13.00
Monroe County Electric Power 601 N. Main St. Amory, MS 38821	Electric	\$331.00
Monroe County Solid Waste PO Box 546 Aberdeen, MS 39730	Sanitation	\$8.00
Tombigbee Electric Power Assoc PO Box 369 Fulton, MS 38843-0369	Electric	\$151.50
Comcast Cable PO Box 530098 Atlanta, GA 30353-0098	TV Cable	\$128.00
DirecTV PO Box 105249 Atlanta, GA 303348-5249	TV Cable	\$68.50
MaxxSouth Broadband PO Box 10027 Toledo, OH 43699-0027	TV Cable and Internet Service	\$1,486.50
AT&T PO Box 105503 Atlanta, GA 30348-5503	Internet-Hospital	\$116.93
AT&T PO Box 5014 Carol Stream, IL 60197-5014	Internet-Hamilton Clinic	\$55.00

<u>DEBTOR</u>		
BATESVILLE REGIONAL MEDICAL CENTER		
Utility Company Name & Address	Type of Utility	Adequate Assurance*
City of Batesville 103 College St. PO Box 689 Batesville, MS 38606	Gas, Water, Sewer	\$8,743.00
Tallahatchie Valley EPA POBox 513 Batesville, MS 38606	Electric	\$23,954.50
AT&T PO Box 105262 Atlanta, GA 30348-5262	Phone	\$3,183.00
CableOne PO Box 900109 Louisville, KY 40290-1009	TV Cable/Internet	\$349.50
DISH PO Box 94063 Palatine, IL 60094-4063	TV Cable/Internet	\$522.50

<u>DEBTOR</u>		
CLARKSDALE REGIONAL MEDICAL CENTER		
Utility Company Name & Address	Type of Utility	Adequate Assurance*
Clarksdale Public Utilities PO Box 70 Clarksdale, MS 38614	Electric and Power	\$32,117.50
Atmos Energy PO Box 790311 St. Louis, MO 63179	Gas	\$5,033.50
CableOne 416 Court St. W Dyersburg, TN 38024	Internet and Cable TV	\$682.50
C Spire Wireless PO Box 519 Meadville, MS 39653	Phone	\$153.00
Mid-South Waste Disposal PO Box 312 Clarksdale, MS 38614	Garbage Collection	\$1,635.00

Utility Company Name & Address	Type of Utility	Adequate Assurance*
Entergy PO Box 8105 Baton Rouge, LA 70891	Electric	\$132.00
Republic Services PO Box 9001099 Louisville, KY 40290	Garbage Collection	\$64.50
Bellsouth AT&T PO Box 105262 Atlanta, GA 30348	Phone	\$6,622.00
Coahoma Electric PO Box 188 Lyon, MS 38645	Electric	\$84.00
TEC PO Box 940 Jackson, MS 39205	Phone	\$109.00
AT&T Mobility PO Box 6463 Carol Stream, IL 60197	Internet and Phone	\$76.50

* All amounts provided in this Exhibit B are approximations of the adequate assurance that shall be deposited for each Utility Provider. However, Debtors shall make only one Adequate Assurance Deposit in an aggregate amount equal to the estimated cost for two weeks of Utility Services (*i.e.*, approximately \$137,081.96).