

Charles M. Walker
U.S. Bankruptcy Judge

Dated: 3/18/2019



**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

AGREED ORDER RESOLVING LIMITED OBJECTION OF DRAYER PHYSICAL THERAPY INSTITUTE, LLC TO DEBTORS’ FIRST OMNIBUS MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING THE DEBTORS TO REJECT CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND (II) GRANTING CERTAIN RELATED RELIEF

Before this Court is the limited objection filed by Drayer Physical Therapy Institute, LLC [Docket No. 676] (the “**Drayer Objection**”) with respect to the *Debtors’ First Omnibus Motion for Entry of an Order (I) Authorizing the Debtors to Reject Certain Executory Contracts and Unexpired Leases and (II) Granting Certain Related Relief* [Docket No. 620] (the “**Rejection Motion**”).

WHEREAS, on or about May 1, 2018, the debtor, Amory Regional Medical Center, Inc. d/b/a Gilmore Medical Hospital (“**Gilmore Medical Center**”), as landlord, and Drayer Physical Therapy Institute, LLC (“**Drayer**”), as tenant, entered into that certain Medical Office Building Lease (the “**Lease**”) for the lease of Suite A, on a full-time basis, and the Therapy Pool, on a part-time basis, containing 5,684 rentable square feet and 306 rentable square feet (collectively, the “**Premises**”) located in the Sports and Fitness Pavilion and Physical Therapy at 1111 Earl

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).

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Frye Boulevard, Amory, Mississippi. A copy of the Lease is annexed to the Drayer Objection as Exhibit A.

WHEREAS, on August 31, 2018, the Debtors filed *Debtors' Motion for Entry of an Order (I) Authorizing and Approving Bidding Procedures for the Sale of Gilmore Medical Center, (II) Authorizing the Sale of Gilmore 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 Gilmore Medical Center, (VII) Approving the Form and Manner of Notice Thereof, and (VIII) Granting Related Relief* [Docket No. 79] (the “**Sale Motion**”), seeking to, *inter alia*, sell all, or substantially all, of their assets related to Gilmore Medical Center, including the Premises.

WHEREAS, on September 28, 2018, the Bankruptcy Court entered an order (the “**Sale Procedures Order**”) [Docket No. 260], approving, *inter alia*, the procedures for the assumption and assignment of executory contracts unexpired leases related to the sale of Gilmore Medical Center and the form Assumption and Assignment Notice and setting a sale hearing for November 27, 2018 (the “**Sale Hearing**”).

WHEREAS, in accordance with the Sale Procedures Order, on October 29, 2018, the Debtors filed and served 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* (the “**Assumption and Assignment Notice**”) [Docket No. 371]. The Lease was included on Exhibit

1 to the Assumption and Assignment Notice as an unexpired lease that the Debtors may assume and assign.

WHEREAS, in accordance with the Sale Procedures Order, on November 12, 2018, North Mississippi Health Services, Inc. (the “**Buyer**”) filed and served the *Notice of: (I) Stalking Horse Purchaser’s 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* (the “**Buyer Assumption and Assignment Notice**”) [Docket No. 446]. The Lease was NOT included on Exhibit 1 to the Buyer Assumption and Assignment Notice as an unexpired lease that may be assumed and assigned to Buyer.

WHEREAS, On November 30, 2018, the Court entered the *Order (I) Authorizing, Approving, and Directing the Sale of Substantially All of the Assets of Gilmore Medical Center to North Mississippi Health Services, Inc. Free and Clear of All Liens, Claims, and Encumbrances, and Other Interests; (II) Authorizing and Approving the Gilmore APA; (III) Approving the Debtors’ Marketing and Sale Process; and (IV) Granting Related Relief* [Docket No. 506] (the “**Sale Order**”), pursuant to which the Court approved the sale (the “**Sale**”) of the Debtors’ Assets, including the Premises, to North Mississippi Health Services, Inc. (the “**Buyer**”).

WHEREAS, the closing of the Sale occurred on December 31, 2018.

WHEREAS, on January 3, 2019, the Debtors filed their Rejection Motion, and the Lease is NOT identified on Exhibit 1 to the Rejection Motion as an unexpired lease that the Debtors seek to reject.

WHEREAS, the Court having considered the Drayer Objection and the Rejection Motion; and based upon the signatures of counsel below and the representations of counsel for Debtors, Buyer, and Drayer; and the Court finding good cause therefor;

IT IS HEREBY ORDERED, ADJUDGED, and DECREED that:

1. The Drayer Objection is resolved as set forth herein.
2. The Lease was not assumed and assigned to Buyer in connection with the Sale
3. The Lease is hereby deemed rejected by the Debtors effective as of December 31, 2018.
4. To resolve its Objection, Drayer has entered into a new lease (“**New Lease**”) of the Premises dated January 1, 2019 with Monroe Health Services, Inc. (“**Landlord**”).
5. The New Lease is governed by Mississippi law and shall control the duties and obligations of Drayer and Landlord moving forward.

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

APPROVED FOR ENTRY AND CONSENTED TO BY:

POLSINELLI PC

/s/ Michael Malone _____

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