

**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> <sup>1</sup>	)	Case No. 18-05665
	)	
1721 Midpark Road, Suite B200	)	Judge Walker
Knoxville, TN 37921	)	
Debtors.	)	Jointly Administered

---

**THE DEADLINE FOR FILING A TIMELY RESPONSE IS: May 2, 2019  
IF A RESPONSE IS TIMELY FILED, THE HEARING WILL BE: May 14, 2019 at 9:00  
AM Central Standard Time in Courtroom 2, 2nd Floor Customs House, 701 Broadway,  
Nashville, TN 37203.**

---

**NOTICE PURSUANT TO BANKRUPTCY RULE 6006: PARTIES  
RECEIVING THIS MOTION SHOULD LOCATE THEIR NAMES  
AND THEIR CONTRACTS OR LEASES LISTED ON EXHIBIT 1 TO  
THE PROPOSED ORDER ATTACHED HERETO.**

**NOTICE OF MOTION**

**PLEASE TAKE NOTICE** that on April 11, 2019, the above-captioned debtors and debtors in possession (the “**Debtors**”) filed their **SECOND 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** (the “**Motion**”), attached hereto.

---

<sup>1</sup> 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).

**PLEASE TAKE FURTHER NOTICE** that if a response is timely filed, a hearing on the Motion will be held on **May 14, 2019 at 9:00 AM Central Standard Time** in Courtroom 2, 2nd Floor Customs House, 701 Broadway, Nashville, TN 37203.

**YOUR RIGHTS MAY BE AFFECTED.** If you do not want the court to grant the Motion by entering the proposed final order, attached hereto, or if you want the court to consider your views on the Motion, then on or before **May 2, 2019**, you or your attorney must:

1. File with the court your response or objection explaining your position. Please note: the Bankruptcy Court for the Middle District of Tennessee requires electronic filing. Any response or objection you wish to file must be submitted electronically. To file electronically, you or your attorney must go to the court website and follow the instructions at: <<https://ecf.tnmb.uscourts.gov>>.

If you need assistance with Electronic Filing you may call the Bankruptcy Court at (615) 736-5584. You may also visit the Bankruptcy Court in person at: 701 Broadway, 1st Floor, Nashville, TN (Monday - Friday, 8:00 A.M. - 4:00 P.M.).

2. Your response must state the deadline for filing responses, the date of the scheduled hearing and the motion to which you are responding.

**THERE WILL BE NO FURTHER NOTICE OF THE HEARING DATE.** If a response is filed before the deadline stated above, the hearing will be held at the time and place indicated above. You may check whether a timely response has been filed by viewing the case on the court's website at <<https://ecf.tnmb.uscourts.gov>>. If you or your attorney does not take these steps, the court may decide that you do not oppose the relief sought in the Motion and may enter the attached final order granting that relief.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]*

Dated: April 11, 2019  
Nashville, Tennessee

**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](mailto:mmalone@polsinelli.com)

-and-

David E. Gordon (*Admitted Pro Hac Vice*)  
Caryn E. Wang (*Admitted Pro Hac Vice*)  
1201 West Peachtree Street NW  
Atlanta, Georgia  
Telephone: (404) 253-6000  
Facsimile: (404) 684-6060  
[dgordon@polsinelli.com](mailto:dgordon@polsinelli.com)  
[cewang@polsinelli.com](mailto:cewang@polsinelli.com)

*Counsel to the Debtors and  
Debtors in Possession*

**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> <sup>1</sup>	)	Case No. 18-05665
	)	
1721 Midpark Road, Suite B200	)	Judge Walker
Knoxville, TN 37921	)	
Debtors.	)	Jointly Administered

**SECOND 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**

**PARTIES RECEIVING THIS MOTION SHOULD LOCATE THEIR  
NAMES AND THEIR CONTRACTS OR LEASES LISTED ON  
EXHIBIT 1 TO THE PROPOSED ORDER ATTACHED HERETO.**

The above-captioned debtors and debtors in possession (the “**Debtors**”) hereby move (the “**Motion**”) for entry of an order, substantially in the form attached hereto as Exhibit A (the “**Proposed Order**”), pursuant to sections 105(a) and 365 of title 11 of the United States Code (the “**Bankruptcy Code**”) and rules 6004(h) and 6006(f) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), (i) authorizing the Debtors to reject certain executory contracts and unexpired leases effective as of the Closing Date (defined below), and (ii) granting certain related relief. 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* [Docket No. 49] (the “**First Day Declaration**”).

---

<sup>1</sup> 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).

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 1334. 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(a), 365 and 554, and Bankruptcy Rules 6004(h) and 6006(f).

### **BACKGROUND**

3. On August 24, 2018 (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. 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. The Office of the United States Trustee appointed the Official Committee of Unsecured Creditors on September 6, 2018.

5. On November 6, 2018 the Debtors filed their *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 Objection 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 “**Panola Sale Motion**”), pursuant to which, among other things, the Debtor sought approval of bidding procedures and authorization to sell the Debtors’ Assets located in Batesville, Mississippi (as defined in the Panola Sale Motion).

6. On November 30, 2018 the Court entered the *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 Procedures for the Assumption and Assignment of Executory Contracts and Unexpired Leases, (V) Scheduling an Auction, (VI) Scheduling a Hearing and Objection 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. 507] (the “**Panola Bid Procedures Order**”), pursuant to which, among other things, the Court approved the bidding procedures for the sale of Debtors’ Assets located in Batesville, Mississippi (as defined in the Panola Sale Order). Pursuant to the Panola Bid Procedures Order, the Debtors were authorized to solicit and collect bids and conduct an auction subject to the Bidding Procedures outlined therein.

7. In accordance with the Panola Bid 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. 513], pursuant to which Debtors identified certain executory contracts and unexpired leases that the Debtors may assume and assign in connection with the sale of the Debtors’ Assets.

8. On January 22, 2019, the Court entered the *Order (I) Authorizing, Approving, and Directing the Sale of Substantially All of the Assets of Panola 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 Panola APA; (III) Approving the Debtors’ Marketing and Sale Process; and (IV) Granting Related Relief* [Docket No. 694] (the “**Panola Sale Order**”), pursuant to which, among other things, the Court approved the sale (the “**Sale**”) of the Debtors’ Assets to Progressive Medical Management of Batesville, LLC (the “**Buyer**”).

9. On March 13, 2019, the Court entered the *Expedited Consent Order (I) Approving the First Amendment to the Panola APA, (II) Authorizing the Debtors to Pay the Purchase Price from the Sale of Panola Medical Center to ServisFirst Bank, (III) Authorizing Certain Releases, and (IV) Granting Related Relief* [Docket No. 876] (the “**Emergency Panola Order**”), approving, *inter alia*, the First Amendment to the Panola APA. The Emergency Panola Order is fully incorporated herein by reference.

10. The Sale of Debtors’ Assets closed on March 14, 2019 (the “**Closing Date**”), effective as of March 1, 2019 (the “**Effective Date**”).

### **RELIEF REQUESTED**

11. The Debtors have identified certain executory contracts and unexpired leases, listed on Exhibit 1 to the Proposed Order (the “**Contracts and Leases**”), that were excluded

from the Sale by the Buyer and are no longer necessary for the Debtors to conduct their remaining business and wind down efforts.

12. The Debtors seek to reject the Contracts and Leases effective as of the Closing Date. The Contracts and Leases include various business and operational contracts and equipment leases as detailed on Exhibit 1. Generally, the counterparties to the Contracts and Leases (each a “**Contract Counterparty**,” and collectively, the “**Contract Counterparties**”) provide the Debtors with general corporate services, medical services, business services, and medical equipment. After reviewing the Debtors’ books and records and the services and equipment provided under the Contracts and Leases, and after consultation with the Buyer, the Debtors believe that the services and leased equipment are no longer needed and are too costly to the estates. As such, the Debtors seek to reject the Contracts and Leases as of the Closing Date.

13. The Debtors do not seek to reject any executory contracts or unexpired leases that are necessary to the operations of the Debtors’ medical facilities located in Clarksdale, Mississippi or Debtors’ corporate office in Knoxville, Tennessee (collectively, “**Debtors’ Remaining Facilities**”). While the Debtors believe the Contracts and Leases listed in Exhibit 1 are not necessary to the operations of the Debtors’ Remaining Facilities, in an abundance of caution, Debtors reserve the right to amend Exhibit 1 and remove any such executory contracts or leases prior to the deadline to object to this Motion.

### **BASIS FOR RELIEF**

#### **A. Rejection of the Contracts and Leases is a Sound Exercise of the Debtors’ Business Judgment**

14. Section 365(a) of the Bankruptcy Code provides that a debtor, “subject to the court’s approval, may assume or reject any executory contract or unexpired lease.” 11 U.S.C. § 365(a) (2017). The primary purposes behind allowing debtors to reject executory contracts are



(1) to relieve the estate from burdensome obligations while the debtor is trying to recover financially, and (2) to effect a breach of contract allowing the injured party to file a claim. *In re Register*, 95 B.R. 73, 74 (Bankr. M.D. Tenn. 1989); *see also Stewart Title Guaranty Co. v. Republic Nat'l Title Ins. Co.*, 83 F.3d 735, 741 (5th Cir. 1996) (the purpose of rejection is to allow the debtor-in-possession to “relieve the bankruptcy estate of burdensome agreements which have not been completely performed”) (quoting *In re Murexco Petroleum, Inc.*, 15 F.3d 60, 62 (5th Cir. 1994)). Courts routinely approve motions to reject executory contracts or unexpired leases upon a showing that the debtor’s decision to take such action will benefit the debtor’s estate and is an exercise of sound business judgment. *See NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 523 (1984) (stating that the traditional standard applied by courts to authorize the rejection of an executory contract is that of “business judgment”); *In re Evans Coal Corp.*, 485 B.R. 162, 167 (Bankr. E.D. Tenn. 2013); *In re Taylor*, 913 F.2d 102 (3d Cir. 1990); *In re Buckhead America Corp.*, 180 B.R. 83 (Bankr. D. Del. 1995).

15. Courts generally will not second-guess a debtor’s business judgment concerning the rejection of an executory contract or unexpired lease. *See In re Trans World Airlines, Inc.*, 261 B.R. 103, 121 (Bankr. D. Del. 2001) (“A debtor’s decision to reject an executory contract must be summarily affirmed unless it is the product of bad faith, or whim or caprice.”). The “business judgment” test is not a strict standard; it merely requires a showing that either assumption or rejection of the executory contract or unexpired lease will benefit the debtor’s estate. *See N.L.R.B. v. Bildisco (In re Bildisco)*, 682 F.2d 72, 79 (3d Cir. 1982) (noting that the “usual test for rejection of an executory contract is simply whether rejection would benefit the estate”), *aff’d*, 465 U.S. 513. Further, “[s]ection 365 enables the trustee to maximize the value of the debtor’s estate by assuming executory contracts and unexpired leases that benefit the estate

and rejecting those that do not.” *L.R.S.C. Co. v. Rickel Home Ctrs., Inc. (In re Rickel Home Ctrs., Inc.)*, 209 F.3d 291, 298 (3d Cir. 2000); *see also In re Register*, 95 B.R. 73, 74 (Bankr. M.D. Tenn. 1989); *Stewart Title Guar. Co. v. Old Republic Nat’l Title Ins. Co.*, 83 F.3d 735, 741 (5th Cir. 1996) (section 365 of the Bankruptcy Code “allows a trustee to relieve the bankruptcy estate of burdensome agreements which have not been completely performed”).

16. The Debtors’ rejection of the Contracts and Leases is an appropriate exercise of their business judgment and will reduce the administrative burden on their estates. The Contracts and Leases are financially burdensome and no longer necessary to the continued operation of the Debtors’ business and wind-down. Furthermore, the Debtors believe that the Contracts and Leases have no marketable value that could be generated through subsequent assumption and assignment. Accordingly, the Debtors’ continued performance under the Contracts and Leases would constitute an unnecessary depletion of value of the Debtors’ estates.

**B. The Court Should Authorize Rejection of the Contracts and Leases Effective as of the Closing Date**

17. The Debtors respectfully request that the Closing Date be deemed the effective date of rejection for the Contracts and Leases. Bankruptcy courts are empowered to authorize retroactive rejection of an executory contract or unexpired lease under section 365(a) of the Bankruptcy Code when the balance of the equities favors retroactive rejection. *See, e.g., In re At Home Corp.*, 392 F.3d 1064, 1067 (9th Cir. 2004) (approving rejection of unexpired nonresidential lease retroactive to the motion filing date); *Thinking Machs. Corp. v. Mellon Fin. Servs. Corp. (In re Thinking Machs. Corp.)*, 67 F.3d 1021, 1028–29 (1st Cir. 1995) (holding that when principles of equity dictate, bankruptcy courts may approve rejection of leases retroactive to motion filing date); *In re Rupari Holding Corp.*, No. 17-10793 (KJC), 2017 WL 5903498, at \*6 (Bankr. D. Del. Nov. 28, 2017) (authorizing rejection of certain executory contracts *nunc pro*

*tunc* to the closing date of a sale of substantially all of the debtors' assets); *BP Energy Co. v. Bethlehem Steel Corp.*, No. 02-CIV-6419 (NRB), 2002 WL 31548723, at \*3 (S.D.N.Y. Nov. 15, 18-50757-amk) (concluding that a bankruptcy court may assign a retroactive rejection date when "the principles of equity so dictate"); *In re Jamesway Corp.*, 179 B.R. 33, 36–37 (S.D.N.Y. 1995) (stating that section 365 does not include "restrictions as to the manner in which the court can approve rejection"); *see also In re Vanguard Helathcare, LLC, et al.*, No. 16-03296 (Bankr. M.D. Tenn. April 10, 2017) [Docket No. 1342] (authorizing rejection of certain executory contracts and unexpired leases effective as of the closing date of the sale of the debtors' assets); *In re CH Liquid. Ass'n*, No. 16-51552 (AMK) (Bankr. N.D. Ohio Dec. 22, 2016) [Docket No. 322] (authorizing rejection of certain executory contracts and unexpired leases *nunc pro tunc*); *In re Contech U.S., LLC*, No. 09-42392 (SWR) (Bankr. E.D. Mich. June 29, 2009) [Docket No. 645] (same).

18. In this case, the balance of the equities favors the relief requested. Absent a retroactive rejection date, the Debtors will be forced to incur unnecessary administrative expenses for the Contracts and Leases—which do not provide equivalent benefits to the Debtors' estates. *See* 11 U.S.C. § 365(d)(3).

19. The Contract Counterparties will not be unduly prejudiced by rejection *nunc pro tunc* to the Closing Date. Contemporaneously with the filing of this Motion, the Debtors will cause notice of the Motion to be served on the Contract Counterparties, providing the Contract Counterparties with sufficient opportunity to respond accordingly. The Contract Counterparties may seek to assert a rejection damage claim under Bankruptcy Code section 502, or other claims in connection with the Contracts and Leases and must do so in accordance with any claims bar date set by the Court.

20. Moreover, the Debtors do not seek to reject the Contracts and Leases effective *nunc pro tunc* to the Closing Date due to delay on the Debtors' part. The Buyer filed its Notice of Removal on the Closing Date, and the Debtors have sought the requested relief as soon as practicable thereafter.

21. For the foregoing reasons, and such other reasons as the Debtors may present at a hearing on this Motion, the Debtors decision to reject the Contracts and Leases represents a sound exercise of its business judgment, and rejection of the Contracts and Leases should be deemed effective as of the Closing Date. Accordingly, the Court should authorize the Debtors to reject and terminate the Contracts and Leases effective as of the Closing Date.

#### **COMPLIANCE WITH BANKRUPTCY RULE 6006(f)**

22. Bankruptcy Rule 6006(f) establishes requirements for an omnibus motion to reject executory contracts or unexpired leases. Specifically, Bankruptcy Rule 6006(f) states, in part, that such a motion shall: (a) "state in a conspicuous place that parties receiving the omnibus motion should locate their names and their contracts or leases listed in the motion," (b) "list parties alphabetically and identify the corresponding contract or lease," (c) "be numbered consecutively with other omnibus motions to assume, assign, or reject executory contracts or unexpired leases," and (d) "be limited to no more than 100 executory contracts or unexpired leases." FED. R. BANKR. P. 6006(f). The Debtors respectfully submit that the relief requested in this Motion complies with the requirements of Bankruptcy Rule 6006(f).

#### **REQUEST FOR IMMEDIATE RELIEF AND WAIVER OF STAY**

23. Pursuant to Bankruptcy Rule 6004(h), the Debtors seek a waiver of any stay of the effectiveness of an order granting this Motion, to the extent that it applies to the relief requested in this Motion. Bankruptcy Rule 6004(h) provides that "[a]n order authorizing the use,

sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” The relief requested in this Motion is essential to avoid the potential accrual of unnecessary administrative expenses. Accordingly, the Debtors submit that, to the extent that Bankruptcy Rule 6004(h) applies, ample cause exists to justify a waiver of the fourteen-day stay.

### **NOTICE**

23. Concurrently with the filing of this Motion, the Debtors shall provide notice of this Motion to: (a) the Office of the United States Trustee for the Middle District of Tennessee; (b) Centers for Medicare and Medicaid Services; (c) State of Tennessee Department of Health Division of Licensure and Regulation Office of Health Care Facilities; (d) Mississippi State Department of Health; (e) counsel to the official committee of unsecured creditors established in these cases pursuant to Section 1102 of the Bankruptcy Code; (f) ServisFirst Bank and its counsel; (g) Midcap Financial Trust and its counsel; (h) CHS/Community Health Systems, Inc. and its counsel (i) all Tennessee local counsel having entered a notice of appearance in these cases; (j) the Internal Revenue Service; (k) the Tennessee Attorney General’s Office; (l) the Mississippi Attorney General’s Office; (m) the Tennessee Secretary of State; (n) the patient care ombudsman and her counsel; (o) the Contract Counterparties listed in Exhibit 1; (p) Buyer and its counsel; and (q) any party that has requested notice pursuant to Bankruptcy Rule 2002. Service is being executed via the Court’s CM/ECF system, email, hand delivery, and/or overnight mail. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

**WHEREFORE**, the Debtors respectfully request that the Court enter the Proposed Order: (i) granting the relief sought herein, and (ii) granting the Debtors such other and further

relief as the Court may deem proper.

Dated: April 11, 2019  
Nashville, Tennessee

**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](mailto:mmalone@polsinelli.com)

-and-

David E. Gordon (*Admitted Pro Hac Vice*)  
Caryn E. Wang (*Admitted Pro Hac Vice*)  
1201 West Peachtree Street NW  
Atlanta, Georgia  
Telephone: (404) 253-6000  
Facsimile: (404) 684-6060  
[dgordon@polsinelli.com](mailto:dgordon@polsinelli.com)  
[cawang@polsinelli.com](mailto:cawang@polsinelli.com)

*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., <i>et al.</i> <sup>1</sup>	)	Case No. 18-05665
	)	
1721 Midpark Road, Suite B200	)	Judge Walker
Knoxville, TN 37921	)	
Debtors.	)	Jointly Administered

**ORDER (I) AUTHORIZING THE DEBTORS TO REJECT CERTAIN  
EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND  
(II) GRANTING CERTAIN RELATED RELIEF**

Upon the motion (the “**Motion**”)<sup>2</sup> of the debtors and debtors in possession (the “**Debtors**”) in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”) for entry of an order, pursuant to Bankruptcy Code sections 105(a) and 365 and Bankruptcy Rules 6004(h) and 6006(f), (i) authorizing the Debtors to reject certain executory contracts and unexpired leases, which are listed on Exhibit 1 hereto, effective as of the Closing Date, and (ii) granting certain related relief, all as more fully set forth in the Motion; and upon the record of the hearing on the Motion, if any; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Debtors consent to entry of a final order under Article III of the United States Constitution; and this 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 due and proper notice of the Motion having been given pursuant to Local Rule 9013-1; and it appearing that no other or

---

<sup>1</sup> 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).

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.



further notice of the Motion is required; and this Court having found that the relief requested by the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and after due deliberation thereon; and sufficient cause appearing therefor, it is hereby

**ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Motion is GRANTED as set forth below.
2. Pursuant to Bankruptcy Code sections 105(a) and 365, the Contracts and Leases identified on Exhibit 1 hereto are rejected as of the Closing Date.
3. Each Contract Counterparty may file a claim under Bankruptcy Code section 502 or other claims in connection with such rejected Contract and Lease in accordance with any applicable claims bar date set by the Court.
4. Buyer shall be responsible for the claims of any Contract Counterparty related to the operation of Panola Medical Center that arose after the Effective Date.
5. Notwithstanding the relief granted herein and any actions taken hereunder, nothing in the Motion or this order shall: (a) constitute an admission as to the validity or priority of any claim against the Debtors, (b) constitute a waiver of the Debtors' rights to dispute any claim, or (c) prejudice the Debtors' rights to assert that the Contracts are not executory within the meaning of Bankruptcy Code section 365.
6. Within two (2) business days after entry of this Order, the Debtors shall serve this Order on the counterparties to the Contracts and Leases.
7. The requirements of Bankruptcy Rule 6006(f)(6) are hereby satisfied for the purposes of the Motion.
8. The Debtors are authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Order.

9. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation and/or interpretation 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*

\_\_\_\_\_  
Michael Malone  
401 Commerce Street, Suite 900  
Nashville, TN 37219  
Telephone: (615) 259-1510  
Facsimile: (615) 259-1573  
[mmalone@polsinelli.com](mailto:mmalone@polsinelli.com)

-and-

David E. Gordon (Admitted *Pro Hac Vice*)  
Caryn E. Wang (Admitted *Pro Hac Vice*)  
1201 West Peachtree Street NW  
Atlanta, Georgia  
Telephone: (404) 253-6000  
Facsimile: (404) 684-6060  
[dgordon@polsinelli.com](mailto:dgordon@polsinelli.com)  
[cewang@polsinelli.com](mailto:cewang@polsinelli.com)

*Counsel to the Debtors and  
Debtors in Possession*

**EXHIBIT 1**

**Rejected Contracts and Leases**

**EXHIBIT 1**

<b><u>Counterparty</u></b>	<b><u>Contract Description</u></b>
Alliance Healthcare Radiology	Service Agreement (Radiology)
Otis Anderson, MD	Independent Contractor, PSA
Otis Anderson III, MD	Physician Medical Direct Agreement
Scott Baymiller, MD	Physician Independent Contractor Agreement
Cardinal Health 200, LLC	Equipment Purchase Agreement
CHCT Mississippi LLC	Real Property Lease (MOB Rent)
CHS PSC, LLC	Confidentiality & Non-Disclosure Agreements
Crown Health Care Laundry Services, LLC	Service Agreement (Laundry)
DSI Security Services	Security Agreement
Cedrick Edwards, MD	Service Agreement (Clinical)
Hologic	Maintenance, Support and Service Agreement (Equipment/Supplies)
HHS Environmental Services, LLC	Service Agreement (Non-Clinical)
HHS Environmental Services, LLC	Equipment Purchase Agreement
Hospital Care Consultants	Professional Services Agreement (Hospital Based)
Leasing Associates of Barrington	Equipment Lease (Immunoassay Lab Equipment)
Lifeguard Ambulance Service	Service Agreement
Marianne Wharton, NP	Employment Contract
Mid-South Rehab Services, Inc.	Professional Services Agreement
Panola County, Mississippi	Memorandum of Understanding

68057127.1

**EXHIBIT 1**

<b><u>Counterparty</u></b>	<b><u>Contract Description</u></b>
Ricoh	Office Equipment Lease (Copiers)
Softscript, Inc.	Service Agreement (Clinical)
Scott Harrison, MD	Physician Recruiting Agreement
Experian Passport	Service Agreement
Winthrop Resources/McKesson	Service Agreement/Accudose Cabinets
GE Healthcare (PA)	Equipment Lease (Fetal Monitors)
GE Healthcare (PA)	Equipment Lease (Hill Rom Spo2rt Beds)
GE Healthcare (PA)	Equipment Lease (Dash 4000 Monitors)
GE Healthcare (PA)	Equipment Lease (Nuclear Med Camera)
GE Healthcare (PA)	Equipment Lease (UltraSound)

68057127.1