

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF KENTUCKY  
LEXINGTON DIVISION**

IN RE:	)	Chapter 11
	)	
RED RIVER HEALTHCARE, LLC, <i>et al.</i>	)	Case No. 15-51438
	)	
DEBTORS.	)	Jointly Administered <sup>1</sup>
	)	

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**ORDER AUTHORIZING CONTINUED USE OF CASH COLLATERAL**

This matter is before the Court on the Motion for an Order Authorizing Continued Use of Cash Collateral (the “Motion”) filed by Adam M. Back, solely in his capacity as Trustee for Red River Healthcare, LLC (“RRH”); Aaron K. Jonan Memorial Clinic, Inc. (“AKJ”); Asthma and Allergy Center, LLC (“A&A”); Pediatric Associates of Pikeville, LLC (“PAP”), and Salyersville Medical Center, LLC (“SMC”) [collectively, the “Debtors”] and not individually, there being no objections to the Motion, and the Court being sufficiently advised,

**IT IS HEREBY ORDERED AND ADJUDGED** as follows:

1. The Motion is GRANTED.
2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue of the Debtors’ cases and this Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter constitutes a core proceeding under 28 U.S.C. § 157(b)(2)(A).
3. Notice of the Motion has been given via electronic and/or first-class U.S. mail, postage prepaid, as appropriate, to the United States Trustee and all creditors listed on the current Master Service List. Under the circumstances, the specific relief requested in the Motion complies with the requirements of 11 U.S.C. § 102(1) and Fed. R. Bankr. P. 2002 and 4001.

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<sup>1</sup> The cases being jointly administered under the lead case of *In re Red River Healthcare, LLC*, et al., Case No. 15-51438 are as follows: Aaron K. Jonan Memorial Clinic, Inc. (Case No. 15-51439), Asthma and Allergy Center, LLC (Case No. 15-70469), Pediatric Associates of Pikeville, LLC (Case No. 15-70470), and Salyersville Medical Center, LLC (Case No. 15-70818).

4. Good cause has been shown for entry of this Order. The entry of this Order is in the best interests of the Debtors' creditors and their Estates. The terms of this Order, including the terms of the use of the Cash Collateral<sup>2</sup> and the security interests, liens, rights, and priorities granted hereunder are fair under the circumstances.

5. Subject to the terms contained herein, the Trustee and the Debtors are authorized to use Cash Collateral in accordance with this Order from November 1, 2016 through February 28, 2017. The Debtors' budgets attached to the Motion as **Exhibit A** are approved and incorporated herein by reference (the "**Budget**").

6. There is expressly carved out of Cash Collateral the funds for the Trustee's legal fees and expenses as set forth in the Budget and the Trustee and the Debtors are authorized and directed to pay the monthly budgeted amounts and the carveout for legal fees and expenses to the Stoll Keenon Ogden PLLC escrow account to be held pending further order of the Court.

7. Additionally, there is expressly carved out of Cash Collateral the sums for United States Trustee fees set forth in the Budget.

8. As additional adequate protection, for any diminution in the value of the Cash Collateral Creditors' interests in the Cash Collateral, pursuant to 11 U.S.C. § 361 and 363, the Cash Collateral Creditor is granted liens (the "**Replacement Liens**"), in postpetition collateral (the "**Post-Petition Collateral**"), subject only to any valid and enforceable, perfected, and non-avoidable liens of other secured creditors.

9. The Replacement Liens granted by this Order shall be deemed effective, valid and perfected as of the Petition Date without the necessity of the filing or lodging by or with any entity of any documents or instruments otherwise required to be filed or lodged under applicable non-bankruptcy law. This Order shall be deemed to be a security agreement for purposes of

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<sup>2</sup> Any capitalized term not otherwise defined herein shall have the meaning ascribed to it in the Motion.

creation, attachment and perfection of the Replacement Liens on and the security interests in, to and against Post-petition Collateral.

10. The Replacement Liens granted to the Cash Collateral Creditor under this Order are in addition to, and not in lieu or substitution of, the rights, obligations, claims, security interests, and prepetition liens and priorities granted under the existing agreements between the parties.

11. As additional adequate protection, the Debtors shall continue to account for all cash use, and the proposed cash use as set forth in the Budget is being incurred primarily to preserve property of the Estates and make adequate protection payments to the Internal Revenue Service in accordance with the terms of that certain Agreed Order [Doc. 68] entered by the Court.

12. Nothing herein shall act as a judicial determination of the nature, extent, validity, or perfection status of the alleged liens of the Cash Collateral Creditors as it relates to the ability of any party, other than the Debtors, including but not limited to any creditors committee appointed in this case (or a Chapter 7 trustee in the event these cases convert to Chapter 7), to challenge the alleged liens of the Cash Collateral Creditors.

13. The Replacement Liens specifically exclude all "Chapter 5" bankruptcy causes of action, including but not limited to, excluding the granting of a lien on any claim or cause of action under 11 U.S.C. §§ 544, 545, 547, 548, 549, 553(b), 723(a) or 724(a).

14. The Replacement Liens shall be junior to the Debtors' obligation to pay United States Trustee Fees and shall be junior to allowed administrative expense claims in the event these case converts to a case under Chapter 7.

15. The Debtors are authorized and directed to execute and comply with the terms of this Order and are further authorized to use Cash Collateral under all of the terms and conditions provided in this Order.

Tendered by:

STOLL KEENON OGDEN PLLC

/s/ Jessica L. Middendorf  
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The affixing of this Court's electronic seal below is proof this document has been signed by the Judge and electronically entered by the Clerk in the official record of this case.



**Signed By:**  
**Tracey N. Wise**  
**Bankruptcy Judge**  
**Dated: Wednesday, January 11, 2017**  
**(tnw)**