


ORDERED.

Dated: January 25, 2018



Karen S. Jennemann
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION**

In re:

BREVARD EYE CENTER, INC.,

Chapter 11

Case No.: 6:17-bk-01828-KSJ

Jointly Administered with:

BREVARD SURGERY CENTER, INC.,

Case No.: 6:17-bk-01829- KSJ

MEDICAL CITY EYE CENTER, P.A.,

Case No.: 6:17-bk-01830- KSJ

THMIH, INC.,

Case No.: 6:17-bk-01831- KSJ

Debtors.

**ORDER AUTHORIZING USE OF CASH
COLLATERAL UNDER VARIOUS CONDITIONS, AND APPROVING
ADEQUATE PROTECTION ARRANGEMENT THROUGH MARCH 2, 2018**

THIS CAUSE came before the Court for hearing on January 17, 2018 upon the Debtors' Motions relating to use of cash collateral and adequate protection [ECF Nos. 2 and 239] (collectively, the "Cash Collateral Motions") as well as its Motion to Modify Cash Collateral Orders Regarding Escrow of Post-Petition Real Estate Taxes [ECF 390] ("Debtors' Motion to Modify"), and SummitBridge's Objection to Debtors' Motion to Modify Cash Collateral Orders

Regarding Escrow of Post-Petition Real Estate Taxes, and Request to Modify Cash Collateral Order to Expressly Require: (i) Third Party Escrow Agent for Real Estate Taxes, (ii) Debtors to Refund Escrow Account with Diverted Funds and Cure Escrow Arrearages, and (iii) Debtors to Name SummitBridge Loss Payee on Insurance Policies [ECF 397] (“SummitBridge’s Motion to Modify”).

Upon consideration of the record, and for reasons stated in open court, it is **ORDERED**:

1. The Debtors’ Cash Collateral Motions are granted to the extent provided herein. The Debtors’ Motion to Modify is granted. SummitBridge’s Motion to Modify is granted in part and denied in part, to the extent set forth herein.

2. The Debtors are authorized to continue to use cash collateral subject to the same terms, conditions, adequate protection (including replacement liens), and reporting requirements of the Court’s previous orders [ECF Nos. 87, 261, 282, 362, 365, 373, and 413], in addition to the requirements of this Order, until and including March 2, 2018. Debtors’ use of cash collateral shall continue to be subject to weekly and monthly budgets, copies of which is attached to this Order as Exhibit “A.” In addition, the Debtors are permitted up to a ten percent (10%) variance for additional expenses per line item on their monthly budget. Any budgeted expense item greater than a 10% variance shall require the consent of SummitBridge, failing which the Debtor may seek Court approval on an expedited basis.

3. The Debtors’ monthly real estate tax escrows shall continue to be maintained in a separate bank account. Upon request, the Debtors shall promptly provide the balance of the real estate tax escrow account and all activity in such account since the last monthly operating report. The Debtors may not access the real estate escrow account, for any purpose whatsoever, other than for paying real estate taxes. The Debtors’ shortfall in escrowing real estate taxes due for 2017 shall

be cured by March 2, 2018. The Debtors shall continue to escrow one twelfth (1/12) of all real estate taxes each month.

4. The Court will conduct a further hearing on the continued use of cash collateral on February 21, 2018 at 10:00 a.m. at George C. Young Courthouse, Courtroom 6A, 400 W. Washington Street, Orlando, FL.

5. At the hearing on February 21, 2018, the Debtors shall provide the Court with an updated administrative accounts payable schedule and Debtors' proposal for payment of its administrative accounts payable, which should be shared with SummitBridge and other creditors prior to the hearing. . No compensation shall be paid to Dr. Trespalacios, until administrative expense claims are current. Administrative expense claims shall, include monthly payments to equipment lessors, maintenance of the real estate tax escrow, and all other operating expenses that are required in the ordinary course.

6. Debtors shall name SummitBridge as a loss payee on the Debtors' insurance policies.

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Submitted by:
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Attorney Aaronson is directed to serve a copy of this Order on all interested parties and to file a proof of service within three days of entry of the Order.

Exhibit “A”

Brevard Eye Center
 Brevard Surgery Center
 Medical City Eye Center

Week Ending	1/5/2018	1/12/2018	1/19/2018	1/26/2018	2/2/2018	2/9/2018	2/16/2018
Starting Balance	243	28,062	32,407	60,965	42,374	39,527	31,936
Cash Inflows							
DACA Funds							
Total Cash Receipts (incl. Surg, Opt Sales, Prime Care, Sales Tax)	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Capitation			20,000				20,000
Total Inflow	120,000	120,000	140,000	120,000	120,000	120,000	140,000
Cash Outflows							
Quarterly US Trustee Fee				9,750			
Payroll (Net)	77,936		79,788		79,788		79,788
Payroll (Taxes, Social Security, etc)		25,000		25,532		25,532	
Payroll (Dr. Trespalacios) (Net)							
Payroll (CEO) (Net)	3,500		3,500		3,500		3,500
Equipment Lease	2,578	2,578	2,578	2,578	2,578	2,578	2,578
Insurances	2,308	2,308	2,308	2,308	2,308	2,308	2,308
IT & Office	1,923	1,923	1,923	1,923	1,923	1,923	1,923
Other		50,000		50,000		50,000	
Medical Services							
Accounting and Professional Fees	500	500	500	500	500	500	500
Rent		12,500				12,500	
COGS Supplies	2,186	19,596	19,596	31,000	31,000	31,000	31,000
Real Estate Taxes	1,250	1,250	1,250	15,000	1,250	1,250	1,250
Sales Tax							
Total Outflow	92,181	115,655	111,443	138,591	122,847	127,591	122,847
Ending Balance	28,062	32,407	60,965	42,374	39,527	31,936	49,089

Brevard Eye Center
 Brevard Surgery Center
 Medical City Eye Center

Week Ending	2/23/2018	3/2/2018	3/9/2018	3/16/2018	3/23/2018	3/30/2018	4/6/2018
Starting Balance	49,089	40,248	27,401	16,610	20,088	20,621	4,099
Cash Inflows							
DACA Funds							
Total Cash Receipts (incl. Surg, Opt Sales, Prime Care, Sales Tax)	120,000	120,000	120,000	120,000	120,000	120,000	130,000
Capitation				20,000			
Total Inflow	120,000	120,000	120,000	140,000	120,000	120,000	130,000
Cash Outflows							
Quarterly US Trustee Fee							
Payroll (Net)		79,788		83,463		83,463	
Payroll (Taxes, Social Security, etc)	25,532		28,732		29,908		29,908
Payroll (Dr. Trespalacios) (Net)		10,000		10,000		10,000	
Payroll (CEO) (Net)		3,500		3,500		3,500	
Equipment Lease	2,578	2,578	2,578	2,578	2,578	2,578	2,578
Insurances	2,308	2,308	2,308	2,308	2,308	2,308	2,308
IT & Office	1,923	1,923	1,923	1,923	1,923	1,923	1,923
Other	50,000		50,000		50,000		15,000
Medical Services							
Accounting and Professional Fees	500	500	500	500	500	500	500
Rent			12,500				12,500
COGS Supplies	31,000	31,000	31,000	31,000	31,000	31,000	26,000
Real Estate Taxes	15,000	1,250	1,250	1,250	1,250	1,250	1,250
Sales Tax							
Total Outflow	128,841	132,847	130,791	136,522	119,467	136,522	91,967
Ending Balance	40,248	27,401	16,610	20,088	20,621	4,099	42,132

Brevard Eye Center
 Brevard Surgery Center
 Medical City Eye Center

Week Ending	4/13/2018	4/20/2018	4/27/2018	5/4/2018	5/11/2018	5/18/2018	5/25/2018
Starting Balance	42,132	(498)	21,880	10,608	3,641	2,119	27,652
Cash Inflows							
DACA Funds							
Total Cash Receipts (incl. Surg, Opt Sales, Prime Care, Sales Tax)	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Capitation		20,000				20,000	
Total Inflow	130,000	150,000	130,000	130,000	130,000	150,000	130,000
Cash Outflows							
Quarterly US Trustee Fee			9,750				
Payroll (Net)	124,572		83,463		83,463		83,463
Payroll (Taxes, Social Security, etc)		43,063		29,908		29,908	
Payroll (Dr. Trespalacios) (Net)	10,000		10,000		10,000		10,000
Payroll (CEO) (Net)	3,500		3,500		3,500		3,500
Equipment Lease	2,578	2,578	2,578	2,578	2,578	2,578	2,578
Insurances	2,308	2,308	2,308	2,308	2,308	2,308	2,308
IT & Office	1,923	1,923	1,923	1,923	1,923	1,923	1,923
Other		50,000		60,000		60,000	
Medical Services							
Accounting and Professional Fees	500	500	500	500	500	500	500
Rent				12,500			
COGS Supplies	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Real Estate Taxes	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Sales Tax							
Total Outflow	172,631	127,622	141,272	136,967	131,522	124,467	131,522
Ending Balance	(498)	21,880	10,608	3,641	2,119	27,652	26,130

Brevard Eye Center
 Brevard Surgery Center
 Medical City Eye Center

Week Ending	6/1/2018	6/8/2018	6/15/2018	6/22/2018	6/29/2018
Starting Balance	26,130	31,663	17,642	43,175	41,653
Cash Inflows					
DACA Funds					
Total Cash Receipts (incl. Surg, Opt Sales, Prime Care, Sales Tax)	130,000	130,000	130,000	130,000	130,000
Capitation			20,000		
Total Inflow	130,000	130,000	150,000	130,000	130,000
Cash Outflows					
Quarterly US Trustee Fee					
Payroll (Net)		83,463		83,463	
Payroll (Taxes, Social Security, etc)	29,908		29,908		29,908
Payroll (Dr. Trespalacios) (Net)		10,000		10,000	
Payroll (CEO) (Net)		3,500		3,500	
Equipment Lease	2,578	2,578	2,578	2,578	2,578
Insurances	2,308	2,308	2,308	2,308	2,308
IT & Office	1,923	1,923	1,923	1,923	1,923
Other	60,000		60,000		60,000
Medical Services					
Accounting and Professional Fees	500	500	500	500	500
Rent		12,500			
COGS Supplies	26,000	26,000	26,000	26,000	26,000
Real Estate Taxes	1,250	1,250	1,250	1,250	1,250
Sales Tax					
Total Outflow	124,467	144,022	124,467	131,522	124,467
Ending Balance	31,663	17,642	43,175	41,653	47,186

Brevard Eye Center
 Brevard Surgery Center
 Medical City Eye Center

Week Ending	Jan	Feb	Mar	Apr	May	June
Starting Balance	243	42,374	40,248	4,099	10,608	26,130
Cash Inflows						
DACA Funds						
Total Cash Receipts (incl. Surg, Opt Sales, Prime Care, Sales Tax)	480,000	480,000	600,000	520,000	520,000	650,000
Capitation	20,000	20,000	20,000	20,000	20,000	20,000
Total Inflow	500,000	500,000	620,000	540,000	540,000	670,000
		-	-	-	-	-
Cash Outflows						
Quarterly US Trustee Fee	9,750	-	-	9,750	-	-
Payroll (Net)	157,724	159,576	246,714	208,035	166,926	166,926
Payroll (Taxes, Social Security, etc)	50,532	51,064	58,640	72,971	59,816	89,725
Payroll Tax Arrearage Correction	-	-	-	-	-	-
401k Arrearage Correction	-	-	-	-	-	-
Payroll (Dr. Trespalacios) (Net)	-	-	30,000	20,000	20,000	20,000
Payroll (CEO) (Net)	7,000	7,000	10,500	7,000	7,000	7,000
Equipment Lease	10,312	10,312	12,890	10,312	10,312	12,890
Insurances	9,231	9,231	11,538	9,231	9,231	11,538
IT & Office	7,692	7,692	9,615	7,692	7,692	9,615
Other	100,000	100,000	100,000	65,000	120,000	180,000
Medical Services	-	-	-	-	-	-
Accounting and Professional Fees	2,000	2,000	2,500	2,000	2,000	2,500
Rent	12,500	12,500	12,500	12,500	12,500	12,500
COGS Supplies	72,378	124,000	155,000	104,000	104,000	130,000
Real Estate Taxes	18,750	18,750	6,250	5,000	5,000	6,250
Sales Tax	-	-	-	-	-	-
Total Outflow	457,869	502,126	656,149	533,491	524,478	648,945
Ending Balance	42,374	40,248	4,099	10,608	26,130	47,186