

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF FLORIDA  
TALLAHASSEE DIVISION  
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IN RE:

Case No. 17-40185-KKS

CAMPBELLTON-GRACEVILLE HOSPITAL  
CORPORATION,<sup>1</sup>

Chapter 11

Debtor.

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**THIRD AGREED INTERIM ORDER PURSUANT TO SECTION 363 OF  
THE BANKRUPTCY CODE AUTHORIZING USE OF CASH  
COLLATERAL [ECF NO. 39]**

This matter came before the Court on the 26th day of May, 2017 at 11:00 a.m., upon a further hearing to consider the Debtor's *Agreed Motion for Interim Authority to Use Cash Collateral* [ECF No. 39] (the "**Motion**"). Upon all the pleadings and papers filed with the Court and upon the record presented, having been advised that the Debtor and The People's Choice Hospital ("**PCH**") consent and agree to entry of this Order and to the terms hereof, and after due deliberation and consideration and sufficient cause appearing therefor;

**THEREFORE, IT IS HEREBY ORDERED THAT:**

1. The Motion is granted as set forth in this Third Agreed Interim Order.

This Third Agreed Interim Order shall become effective immediately upon its entry.

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<sup>1</sup> The last four digits of the taxpayer identification number for the Debtor are 9709. The mailing address for the Debtor is 5429 College Drive, Graceville, FL 32440.

2. The Debtor is authorized to utilize the Cash Collateral, *i.e.*, the Cash, pursuant to the budget (the “**Budget**”) attached hereto as Exhibit “A”, through June 14, 2017. The Debtor shall (i) provide an accounting to PCH of all funds received and disbursed during the preceding week each Tuesday before 4:00 p.m. and (ii) not to make any expenditures in excess of those amounts set forth in the Budget without the prior written consent (can be by email) of PCH. Payroll that is due on May 26, 2017 may be paid.

3. As adequate protection for any Cash Collateral expended by the Debtor pursuant to this Third Agreed Interim Order, PCH is hereby granted, pursuant to sections 361(1) and 363(e) of the Bankruptcy Code, a valid, perfected and enforceable replacement liens (the “**Adequate Protection Liens**”) automatically and retroactively effective as of the Petition Date and to the same extent, validity, and priority of the prepetition lien to secure the amount of the Lender’s prepetition claims in all right, title, and interest of the Debtor in postpetition Cash Collateral. The replacement lien shall be subject only to valid, enforceable, and perfected liens and security interests in the Debtor’s assets, as a prepetition debtor, if any, that existed on the Petition Date and that are not subject to avoidance under the Bankruptcy Code and that are superior in priority to the Lender’s prepetition lien. The replacement lien shall not attach to avoidance actions under Chapter 5 of the Bankruptcy Code, or the proceeds of such actions. Any replacement liens and super priority status claims

granted herein shall solely be to the extent that is determined that PCH had a valid lien and claim. All rights, claims and defenses of both the Debtor and PCH are preserved

4. As further adequate protection, to the extent provided by section 552 of the Bankruptcy Code, all proceeds of PCH's prepetition collateral that would be subject to PCH's security interests or liens shall also be subject to the Adequate Protection Liens.

5. The Adequate Protection Liens shall be, and hereby are, deemed duly perfected and recorded under all applicable federal or state or other laws as of the date hereof, and no notice or other act, shall be required to effect such perfection.

6. Except as explicitly provided for herein, this Third Agreed Interim Order does not create any rights for the benefit of any third party, creditor, equity holder, or any other direct, indirect or incidental beneficiary.

7. The rights and obligations of the Debtor and the rights, claims, liens, security interests and priorities of PCH arising under this Third Agreed Interim Order are in addition to, and not intended as a waiver or substitution for, the rights, obligations, claims, liens, security interests and priorities granted by the Debtor, as prepetition debtor, under any prepetition security documents.

8. Upon the order approving the settlement between the Debtor and PCH and related parties (the "Settlement Order") becoming a final order, the rights of the

parties with respect to the Debtor's cash collateral shall be as set forth in the Settlement Order.

9. The Debtor shall immediately serve by U.S. mail, a copy of this Third Agreed Interim Order upon: (i) parties having been given notice of the hearing on the motion for interim use of cash collateral; (ii) any other party that has filed a request for special notice with this Court and served such request upon the Debtor's counsel; (iii) counsel to the Lender; (iv) counsel for any official committee; (vi) all creditors that have recorded a lien on the Debtor's real property; (vii) the Office of the United States Trustee.

10. This Third Agreed Interim Order constitutes findings of fact and conclusions of law and shall take effect and be fully enforceable *nunc pro tunc* to the Petition Date upon the entry thereof.

11. To the extent that any provision of this Third Agreed Interim Order conflicts with any provision of the Motion, this Third Agreed Interim Order shall control.

**DONE AND ORDERED** on 26th day of May, 2017.



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KAREN K. SPECIE  
United States Bankruptcy Judge

Order prepared by:

Brian G. Rich, Esq.  
Berger Singerman LLP  
Counsel for Debtor  
313 North Monroe Street  
Suite 301  
Tallahassee, FL 32301  
Tel. (850) 561-3010  
Fax (850) 561-3013  
E-mail: [brich@bergersingerman.com](mailto:brich@bergersingerman.com)

Service: Attorney Brian G. Rich is directed to serve a copy of this order on interested parties and file a certificate of service within 3 business days of entry of the order.

**Campbellton Graceville Hospital**  
**Projected 2-Week Cash Budget**

	<i>Week Ending</i>	
	<b>06/04/17</b>	<b>06/11/17</b>
Beginning Cash Balance	<b>\$ 1,200,000</b>	<b>\$ 1,182,000</b>
<b>Sources</b>		
Hospital Cash Receipts	\$ 15,000	\$ 15,000
<b>Total Sources</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>
<b>Uses</b>		
Salaries and Wages	\$ -	\$ 75,000
Contract Labor - Pirate Medical	-	25,442
Contract Labor - Other	2,000	2,475
Computer Hardware and Software	-	-
Drugs and Medical Supplies	13,000	-
Utilities	8,000	-
Insurance	-	-
Equipment Lease		
Other Operating Expenses and Supplies	10,000	10,000
<b>Total Uses</b>	<b>\$ 33,000</b>	<b>\$ 112,917</b>
<b>Net Sources and Uses</b>	<b>\$ (18,000)</b>	<b>\$ (97,917)</b>
<b>Professional Fees</b>		
<b>US Trustee Fees</b>		
<b>Ending Cash Balance</b>	<b>\$ 1,182,000</b>	<b>\$ 1,084,083</b>