

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

GULF COAST HEALTH CARE, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 21-11336 (KBO)

Jointly Administered

Related to Docket No. 8

**INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO
(A) CONTINUE TO OPERATE THEIR EXISTING CASH MANAGEMENT
SYSTEM, (B) MAINTAIN EXISTING BANK ACCOUNTS AND BUSINESS FORMS
AND HONOR CERTAIN PREPETITION OBLIGATIONS RELATED TO THE USE
THEREOF, (C) MAINTAIN PURCHASING CARD PROGRAM AND HONOR
PREPETITION OBLIGATIONS RELATED THERETO, AND (D) CONTINUE TO
PERFORM INTERCOMPANY TRANSACTIONS; (II) EXTENDING THE TIME
FOR THE DEBTORS TO COMPLY WITH 11 U.S.C. § 345(b) DEPOSIT AND
INVESTMENT REQUIREMENTS; AND (III) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)² of the Debtors for entry of an interim order (this “**Order**”) and a Final Order, (i) authorizing, but not directing, the Debtors to (a) continue to operate their existing cash management system, (b) maintain existing bank accounts and business forms and honor certain prepetition obligations related thereto, (c) maintain their purchasing card program and honor prepetition obligations related thereto, and (d) continue to perform intercompany funding, transfers, and transactions through their existing cash management system consistent with historical practice; (ii) extending the time for the Debtors to comply with the Bankruptcy Code section 345(b) deposit and investment requirements, to the extent

The last four digits of Gulf Coast Health Care, LLC's federal tax identification number are 9281. There are 62 Debtors in these chapter 11 cases, for which the Debtors have requested joint administration. A complete list of the Debtors and the last four digits of their federal tax identification numbers are not provided herein. A complete list of such information may be obtained on the website of the Debtors' proposed claims and noticing agent at <https://dm.epiq11.com/GulfCoastHealthCare>. The location of Gulf Coast Health Care, LLC's corporate headquarters and the Debtors' service address is 40 South Palafox Place, Suite 400, Pensacola, FL 32502.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

necessary; and (iii) granting related relief, all as more fully set forth in the Motion; and upon consideration of the First Day Declaration; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and the matter being a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and venue of this proceeding and the Motion in this District being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court being able to issue a final order consistent with Article III of the United States Constitution; and due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties-in-interest; and after due deliberation thereon; and good and sufficient cause appearing therefor; it is hereby

ORDERED, ADJUDGED, AND DECREED that:

1. The Motion is granted on an interim basis as set forth herein.
2. The Debtors are authorized, but not directed, on an interim basis, to: (a) maintain and continue operating the Cash Management System and honor any prepetition obligations related thereto; (b) designate, maintain, and continue to use on an interim basis any or all of their existing Bank Accounts, including, but not limited to, the Bank Accounts identified on **Exhibit 1** hereto, in the names and with the account numbers existing immediately before the Petition Date; (c) deposit funds in and withdraw funds from the Bank Accounts by all usual means, including checks, wire transfers, and other debits; (d) treat their prepetition Bank Accounts for all purposes as debtor-in-possession accounts; (e) open new debtor-in-possession bank accounts or close existing accounts, subject to the written consent of New Ark Capital, LLC, *provided that*

(i) any new account is with a bank that (x) is insured with the FDIC or the Federal Savings and Loan Insurance Corporation and (y) has executed (or is willing to execute) a Uniform Depository Agreement (“**UDA**”) with the U.S. Trustee, and (ii) the Debtors provide three (3) business days’ advance notice to the U.S. Trustee, the DIP Lender, New Ark Capital, LLC, and any statutory committee(s) appointed in the Chapter 11 Cases of the opening or closing of an account, and *provided further* that any account opened by any of the Debtors on or after the Petition Date at any Bank shall, for purposes of this Order, be deemed a Bank Account as if it had been listed on **Exhibit 1** hereto and entitled to the relief granted herein; and (f) pay the Bank Fees (including any prepetition amounts).

3. The Debtors are authorized to continue to maintain and manage the Resident Trust Accounts, Resident Trust Petty Cash Accounts, and the Resident Care Cost Accounts on behalf of their residents in the ordinary course of business consistent with prepetition practices. For the avoidance of doubt, the funds in the Resident Trust Accounts and Resident Trust Petty Cash Accounts are not property of the Debtors’ estates and shall not be available for distribution to creditors of the Debtors.

4. The Debtors are authorized to continue to maintain the Non-Omega Facilities Accounts and continue to remit funds deposited by third parties into the Non-Omega Facilities Accounts to the Third Party Operators in accordance with prepetition practices.

5. The Debtors are further authorized, but not directed, to continue to use, in their present form, all Business Forms as well as checks and other documents related to the Bank Accounts existing immediately before the Petition Date; *provided, however*, that the Debtors will include the designation “Debtor-in-Possession” and the joint case number on all checks issued after the Petition Date.

6. With regard to the Banks that are party to a UDA with the U.S. Trustee, within fifteen (15) days from the date of the entry of this Order, the Debtors shall (a) contact each bank, (b) provide each bank with each of the Debtors' employer identification numbers, and (c) identify each of their Bank Accounts held at such banks as being held by a debtor-in-possession.

7. With regard to the Banks that are not a party to a UDA with the U.S. Trustee, within thirty (30) days from the date of the entry of this Order, the Debtors shall use their good-faith efforts to cause the bank to execute a UDA in a form prescribed by the U.S. Trustee. The U.S. Trustee's rights to seek further relief from this Court on notice in the event that the aforementioned banks are unwilling to execute a UDA in a form prescribed by the U.S. Trustee are fully reserved.

8. The Debtors shall have 45 days from the Petition Date to comply with the deposit and investment requirements of Bankruptcy Code section 345(b). Such extension is without prejudice to the Debtors' right to request a further extension of the time to comply with, or waiver of the requirements of, Bankruptcy Code section 345(b).

9. The Banks are authorized to debit the Debtors' Bank Accounts in the ordinary course of business and without further order of the Court on account of (a) all checks drawn on the Debtors' accounts that were cashed at the Banks' counters or exchanged for cashier's or official checks by the payees thereof prior to the Petition Date; (b) all Bank Fees and costs in connection with any checks or other items deposited in one of the Debtors' accounts with such bank prior to the Petition Date, which have been dishonored or returned unpaid for any reason, to the same extent the Debtors were responsible for such items prior to the Petition Date; and (c) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any bank as to

service charges for the maintenance of the Cash Management System. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that have been (i) dishonored as a consequence of the Chapter 11 Cases and (ii) authorized by an order of this Court.

10. Subject to the terms of this Order, and only to the extent sufficient funds are available in each applicable Bank Account, all of the Banks at which the Bank Accounts are maintained are authorized to continue to service and administer the Bank Accounts as accounts of the Debtors as debtors-in-possession, without interruption and in the ordinary course, and to receive, process, honor, and pay any and all checks, drafts, credit card payments, and wire transfers issued and drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be.

11. Any of the Banks may rely on the representations of the Debtors with respect to whether any check or other payment order drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this or any other order of the Court. Notwithstanding any other provision of this Order, should a Bank honor a prepetition check or other item drawn on any account that is the subject of this Order at the direction of the Debtors to honor such prepetition check or item, the Bank shall not be deemed to be, nor shall be liable to, the Debtors, their estates, or any other party on account of such prepetition check or other item being honored postpetition, or otherwise deemed to be in violation of this Order.

12. The Debtors are authorized, but not directed, to: (a) pay undisputed prepetition amounts outstanding as of the Petition Date, if any, owed in the ordinary course to the Banks as service charges for the maintenance of the Cash Management System and (b) reimburse the Banks for any claims arising before or after the Petition Date in connection with checks

deposited with the Banks that have been dishonored or returned as a result of insufficient funds in the Bank Accounts in the ordinary course of business, to the same extent the Debtors were responsible for such items prior to the Petition Date.

13. The Debtors are authorized, but not directed, to enter into, engage in, and continue to perform under the Intercompany Transactions in the ordinary course of business and in compliance with past practices by and among the Debtors; *provided, however*, that nothing in this Order authorizes the Debtors to engage in Intercompany Transactions with non-Debtor entities. The Debtors shall maintain accurate, current, and detailed records with respect to all transfers between and disbursements from Bank Accounts, including, but not limited to, all Intercompany Transactions, so that they may be readily ascertained, traced, and properly recorded on intercompany accounts.

14. Notwithstanding the Debtors' use of a consolidated cash management system, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of which entity pays those disbursements.

15. The Debtors are authorized, but not directed, to continue to use the Purchasing Card Program and pay prepetition obligations arising in connection with such program.

16. The existing deposit agreements between the Debtors and the Banks shall continue to govern the postpetition cash management relationship between the Debtors and the Banks and all of the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect.

17. Nothing in the Motion or this Order or the relief granted (including any actions taken or payments made by the Debtors pursuant thereto) shall be construed as (a) authority to assume or reject any executory contract or unexpired lease of real property, or as a request for

the same; (b) an admission as to the validity, priority, or character of any claim or other asserted right or obligation, or a waiver or other limitation on the Debtors' ability to contest the same on any ground permitted by bankruptcy or applicable non-bankruptcy law; (c) a promise or requirement to pay any claim or other obligation; (d) granting third-party-beneficiary status, bestowing any additional rights on any third party, or being otherwise enforceable by any third party.

18. Nothing in the Motion or this Order shall be construed to (a) create or perfect, in favor of any person or entity, any interest in cash of a Debtor that did not exist as of the Petition Date or (b) alter or impair the validity, continuation, priority, enforceability, or perfection of any security interest or lien, in favor of any person or entity, that existed as of the Petition Date.

19. The Court finds and determines that the requirements of Bankruptcy Rule 6003 are satisfied and that the relief requested in the Motion is necessary to avoid immediate and irreparable harm.

20. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be effective and enforceable immediately upon entry hereof.

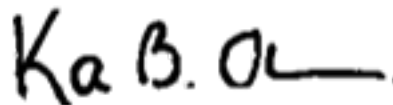
21. The Debtors are authorized to take all actions necessary to implement the relief granted in this Order.

22. The final hearing (the "**Final Hearing**") on the Motion shall be held on November 12, 2021, at 10:00 a.m. (prevailing Eastern Time). Any objections or responses to the entry of the proposed Final Order shall be filed with the Court and served on the following no later 4:00 p.m. (prevailing Eastern Time) on November 5, 2021: (a) Gulf Coast Health Care, LLC, c/o Ankura Consulting Group, LLC, 485 Lexington Avenue, 10th Floor, New York, NY 10017 (Attn: M. Benjamin Jones); (b) proposed counsel to the Debtors, McDermott Will &

Emery LLP, 444 West Lake Street, Suite 4000, Chicago, IL 60606 (Attn: Daniel M. Simon and Emily C. Keil), and 1007 North Orange Street, 10th Floor, Wilmington, DE 19801 (Attn: David R. Hurst); (c) counsel for Omega Healthcare Investors, Inc., Weil Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153 (Attn: Robert Lemons), and Ferguson Braswell Fraser Kubasta PC, 2500 Dallas Parkway, Suite 600, Plano, TX 75093 (Attn: Leighton Aiken); (d) counsel for New Ark Capital, LLC, DLA Piper LLP (US), 1900 N. Pearl Street, Suite 2200, Dallas, TX 75201 (Attn: James Muenker); (e) counsel for Barrow Street Capital, LLC and its affiliates, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019 (Attn: Kelley Cornish and Alice Eaton); (f) counsel for Eagle Arc Partners LLC (f/k/a BM Eagle Holdings), Arent Fox LLP, 1301 Avenue of the Americas, 42nd Floor, New York, NY 10019 (Attn: George Angelich and Michael Blass), and Fenigstein & Kaufman, APC, 1900 Avenue of the Stars, Suite 2300, Los Angeles, CA 90067 (Attn: S. Jack Fenigstein); and (g) the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801 (Attn: Joseph J. McMahon, Jr.). If no objections to entry of the Final Order are filed and served, the Court may enter such Final Order without further notice or hearing.

23. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: October 15th, 2021
Wilmington, Delaware


KAREN B. OWENS
UNITED STATES BANKRUPTCY JUDGE