

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

In re:	)	Chapter 11
	)	
GULF COAST HEALTH CARE, LLC, <i>et al.</i> , <sup>1</sup>	)	Case No. 21-11336 (KBO)
	)	
Debtors.	)	Jointly Administered
	)	
	)	<b>Related to Docket Nos. 12, 57, 150, 211</b>
	)	

**FINAL ORDER (I) APPROVING DEBTORS' PROPOSED FORM OF ADEQUATE ASSURANCE OF PAYMENT; (II) ESTABLISHING PROCEDURES FOR RESOLVING OBJECTIONS BY UTILITY COMPANIES; AND (III) PROHIBITING UTILITY COMPANIES FROM ALTERING, REFUSING, OR DISCONTINUING SERVICE**

Upon the motion (the “**Motion**”)<sup>2</sup> of the Debtors for entry of an Interim Order and a final order (this “**Order**”) (a) approving the Debtors’ proposed form of adequate assurance of postpetition payment to the Utility Companies, (b) establishing Adequate-Assurance Procedures for resolving any objection by the Utility Companies relating to the Proposed Adequate Assurance, and (c) prohibiting the Utility Companies from altering, refusing, or discontinuing service to, or discriminating against, the Debtors on the basis of the commencement of the Chapter 11 Cases or a debt owed by the Debtors for services rendered prior to the Petition Date, or on account of any perceived inadequacy of the Debtors’ Proposed Adequate Assurance, all as more fully set forth in the Motion; and upon consideration of the First Day Declaration and the Interim Order entered on October 15, 2021; and the Court having jurisdiction over this matter

1 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, which cases are being jointly administered for procedural purposes only. 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 9511 Holsberry Lane, Suite B11, Pensacola, FL 32534.

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

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 a final basis as set forth herein.
2. Subject to the Adequate-Assurance Procedures approved in the Interim Order or, alternatively, modification of the amount of the utility deposit for one or more Utility Companies pursuant to Bankruptcy Code section 366(c)(3), the proposed Adequate Assurance constitutes “adequate assurance of payment” for purposes of Bankruptcy Code section 366
3. The Debtors are authorized, but not directed, to continue paying the Administrative Fees in the ordinary course of the Debtors’ business including, but not limited to, payment of any prepetition amounts; *provided, however*, that payments of prepetition Administrative Fees shall not exceed \$30,000.
4. Except as the amount may be adjusted by application of the provisions of this Order, Utility Deposits in the aggregate amount of \$270,000 deposited in the Utility-Deposit Account shall be held for the purpose of providing adequate assurance of payment to each Utility

Company listed on **Schedule 1** hereto (the “**Utility Company List**”) for its postpetition Utility Services provided to the Debtors.

5. Notwithstanding anything to contrary in the Motion, the Debtors may not consider any prepetition security deposit held by a Utility Company when determining the amount of its Utility Deposit to be deposited into the Utility-Deposit Account. Additionally, the rights of Utility Companies with respect to prepetition security deposits under Bankruptcy Code section 366(c)(4) are not impaired or otherwise affected by this Order.

6. The balance of the Utility-Deposit Account may be adjusted by the Debtors, without further order of the Court, as follows: (a) the balance of the Utility-Deposit Account may be reduced by the amount of a Utility Deposit associated with any terminated utility account where the Utility Company’s final invoice has been paid and there are no pending disputes regarding postpetition liability for utility services; (b) the balance of the Utility-Deposit Account shall be increased to the extent a Utility Company is added to the Utility Company List; and (c) the balance of the Utility-Deposit Account may be adjusted in accordance with the terms of any agreement with respect to adequate assurance of payment reached between a Debtor and the affected Utility Company.

7. The Debtors shall maintain the Utility-Deposit Account until the earlier of the Court’s entry of an order authorizing the return of the Utility-Deposit Account to the Debtors or the effective date of a chapter 11 plan.

8. The Debtors are authorized, in their sole discretion, to amend the Utility Company List to add or remove any Utility Company, and this Order and the Adequate-Assurance Procedures approved in the Interim Order shall apply to any such Subsequently Identified Utility Company that is added to such list. The Debtors shall file a copy of any such amendment and

serve a copy of the Motion, the Interim Order, and this Order on any Subsequently Identified Utility Company, along with an amended Utility Company List. Such Subsequently Identified Utility Company shall be permitted to make an Additional Assurance Request in compliance with the Adequate-Assurance Procedures approved in the Interim Order within 14 days after it receives notice of the Motion. The rights of a Utility Company to contest or seek other relief in response to the Debtors' actions under this paragraph are reserved.

9. Pending resolution of any Adequate Assurance Request, objection, or Determination Motion, the Utility Companies, including Subsequently Identified Utility Companies, are prohibited from (a) discriminating against the Debtors, (b) altering, refusing, or discontinuing service to the Debtors, or (c) requiring payment of a deposit or any other security for continued service other than the Utility Deposit, on the basis of the commencement of the Chapter 11 Cases or a debt owed by the Debtors for services rendered prior to the Petition Date, or on account of any perceived inadequacy of the Debtors' Proposed Adequate Assurance. The Utility Companies are further prohibited from drawing upon any existing security deposit, surety bond, or other form of security to secure future payment for Utility Services; *provided, however*, that the foregoing does not affect the rights of Utility Companies under 11 U.S.C. § 366(c)(4). For the avoidance of doubt, the Utility Companies are not prohibited from altering, refusing, or discontinuing service to the Debtors if the Debtors fail to timely pay their undisputed postpetition obligations to such Utility Companies.

10. This Order shall be binding on all Utility Companies providing Utility Services to the Debtors who are added to the Utility Company List pursuant to this Order and is not limited to those Utility Companies listed on the Utility Company List; *provided, however*, that if an additional Utility Company is added to such list, the Debtors shall increase the aggregate amount

in the Utility-Deposit Account by an amount equal to the cost of two weeks of Utility Services provided by such Subsequently Identified Utility Company to the Debtors.

11. For the avoidance of doubt, the terms of this Order, including the Adequate-Assurance Procedures, shall apply to each Utility Company, notwithstanding any customary business practices, policies, internal operating procedures, or state or local laws or regulations to the contrary. Any Utility Company that believes its customary business practices, policies, internal operating procedures, or state or local laws or regulations forbid it from accepting the Proposed Adequate Assurance or entitle it to additional adequate assurance shall make an Additional Assurance Request or file an objection in accordance with this Order.

12. Nothing herein constitutes a finding that any entity is or is not a Utility Company hereunder or a “utility” within the meaning of Bankruptcy Code section 366, whether or not such entity is listed on the Utility Company List.

13. 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 to pay any claim or other obligation; (d) granting third-party-beneficiary status or bestowing any additional rights on any third party; (e) being otherwise enforceable by any third party; or (f) prejudicial to the Debtors’ rights to contest any amounts owed to a Utility Company. Further, nothing contained in this Order shall be deemed to increase, reclassify, elevate to an administrative expense status, or otherwise affect any claim to the extent it is not paid.

14. 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.

15. The banks and financial institutions on which checks were drawn or electronic payment requests made for payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Order without any duty of further inquiry and without liability for following the Debtors' instructions.

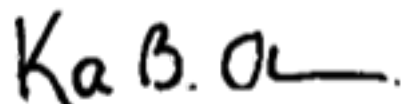
16. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of the Chapter 11 Cases with respect to payments authorized pursuant to this Order.

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

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

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

Dated: November 10th, 2021  
Wilmington, Delaware

A handwritten signature in black ink, appearing to read "Ka B. Owens", with a stylized flourish at the end.

KAREN B. OWENS  
UNITED STATES BANKRUPTCY JUDGE