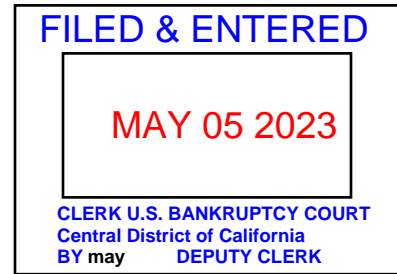


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Debtors in Possession



**CHANGES MADE BY COURT**

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION

In re:

BEVERLY COMMUNITY HOSPITAL  
ASSOCIATION, dba BEVERLY HOSPITAL  
(A NONPROFIT PUBLIC BENEFIT  
CORPORATION), *et al.*<sup>1</sup>

Debtors,

- ☒ Affects all Debtors
- ☐ Affects Beverly Community  
Hospital Association
- ☐ Montebello Community Health  
Services, Inc.
- ☐ Beverly Hospital Foundation

Lead Case No.: 2:23-bk-12359-SK

Jointly administered with:

Case No.: 2:23-bk-12360-SK

Case No.: 2:23-bk-12361-SK

Hon. Sandra R. Klein

Chapter 11 Case

**ORDER APPROVING STIPULATION RE  
SECOND INTERIM ORDER GRANTING  
DEBTORS' EMERGENCY MOTION  
FOR ORDER (I) APPROVING DEBTORS'  
USE OF CASH COLLATERAL, AND (II)  
SETTING A FINAL HEARING ON THE  
USE OF CASH COLLATERAL [Docket #  
199]**

Date: April 26, 2023

Time: 3:00 p.m.

Judge: Sandra R. Klein

Place: Zoom.Gov – or - Courtroom 1575  
255 E. Temple St.  
Los Angeles, CA 90012

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number, are: Beverly Community Hospital Association d/b/a Beverly Hospital (6005), Montebello Community Health Services, Inc. (3550), and Beverly Hospital Foundation (9685). The mailing address for the Debtors is 309 W. Beverly Blvd., Montebello, California 90640.



ORDE 231235923050500000000020  
INTERIM ORDER RE USE OF CASH COLLATERAL

1 In its order entered on April 27, 2023 [Docket No. 159] (the “April 27 Cash Collateral  
2 Order”), the Court granted on a second interim basis the *Debtors’ Emergency Motion for Entry of*  
3 *an Order Granting Debtors’ Emergency Motion (I) Approving Debtors’ Use of Cash Collateral;*  
4 *and (II) Scheduling a Final Hearing on the Use of Cash Collateral* (the “Motion”)<sup>2</sup> of the above-  
5 captioned debtors and debtors in possession (collectively, the “Debtors”) filed on April 20, 2023  
6 [Docket No. 27]. The April 27 Cash Collateral Order extended Cash Collateral usage as described  
7 in an interim order filed on April 25, 2023 [Docket No. 124] and provided, among other things, that  
8 the Debtors were authorized to use Cash Collateral under the terms and conditions enumerated  
9 therein.

10 The April 27 Cash Collateral Order set the following briefing schedule for the final hearing  
11 on the Motion:

- 12 • The hearing shall be held on May 17, 2023, at 9:00 a.m. Pacific time;
- 13 • Any opposition to the Motion shall be filed and served on or before 5:00 p.m. Pacific time  
14 on May 3, 2023; and
- 15 • any reply in support of the Motion shall be filed and served on or before 5:00 p.m. Pacific  
16 time on May 10, 2023.

17 The April 27 Cash Collateral Order authorized the Debtors to use Cash Collateral through  
18 5:00 p.m. Pacific time on May 12, 2023, in accordance with the terms and conditions, including the  
19 adequate protection, enumerated therein.

20 The Debtors and the Indenture Trustee having engaged in settlement discussions that, if  
21 successful, would resolve the Motion, have entered into a “Stipulation re: Second Interim Order  
22 Granting Debtors’ Emergency Motion for Order (1) Approving Debtors’ Use of Cash Collateral,  
23 and (II) Setting a Final Hearing on the use of Cash Collateral” (Stipulation), Docket # 199, filed  
24 contemporaneously herewith to postpone for a short period the deadlines for the filing of the any  
25 opposition and the filing of any reply to enable them to concentrate on settlement. The Stipulation  
26 also provides that in order to avoid yet a third interim order regarding the use of Cash Collateral,  
27 the Indenture Trustee has agreed to the use of Cash Collateral to and including May 17, 2023,  
under the same terms and conditions as specified in the April 27 Cash Collateral Order.

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

1 Based on the foregoing; and this Court having jurisdiction over this matter pursuant to 28  
2 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. §  
3 157(b)(2); that it may enter a final order consistent with Article III of the United States Constitution;  
4 that venue of this proceeding and the Motion in this district is permissible pursuant to 28 U.S.C. §§  
5 1408 and 1409; that the relief requested in the Motion is in the best interests of the Debtors' estates,  
6 their creditors, and other parties in interest; that the Debtors' notice of the Motion and opportunity  
7 for a hearing on the Motion were appropriate under the circumstances and no other notice need be  
8 provided; and this Court having reviewed the Motion and having heard the statements in support of  
9 the relief requested therein at hearings on April 21, 2023 and April 26, 2023; having entered the  
10 April 25 Cash Collateral Order; and the Court having determined that the legal and factual bases set  
11 forth in the Motion, at the two hearings and in this Second Interim Order establish just cause for the  
12 relief granted herein and is necessary to avoid immediate and irreparable harm pursuant to  
13 Bankruptcy Rule 4001; and after due deliberation and sufficient cause appearing therefor,

14 **IT IS HEREBY ORDERED THAT:**

15 1. The Debtors may use Cash Collateral through 5:00 p.m. Pacific time on May 17,  
16 2023, in accordance with the Approved Budget attached to Docket #153 as Exhibit A.

17 2. The Indenture Trustee shall be granted a replacement lien on Gross Receivables,  
18 which for clarity, includes any insurance or utility refunds received by the Debtors.

19 3. The Indenture Trustee shall be granted a superpriority administrative claim under  
20 Bankruptcy Code §364(c) for any diminution in value of its collateral.

21 4. The order approving the Stipulation shall be deemed to constitute a request as of the  
22 Petition Date by the Indenture Trustee for relief from the automatic stay with respect to its  
23 prepetition collateral for purposes of any request for adequate protection granted hereunder, and as  
24 additional adequate protection for any diminution in the value of its collateral, the Indenture Trustee  
25 shall have a super-priority administrative expense claim pursuant to Section 507(b) of the Bankruptcy  
26 Code.

27 5. As additional adequate protection, the Indenture Trustee shall be granted adequate  
28 protection payments in the form of its fees and expenses (and the fees and expenses of its


1 professionals) in amounts to be agreed upon and set forth in the final budget approved by the Court;  
2 *provided, however*, that the payment of such fees and expenses is subject to the paragraph of the  
3 debtor in possession stipulation that addresses fees and expenses of the professionals engaged by  
4 the Debtors.

5 6. A final hearing on the Motion shall be held on May 17, 2023, at 9:00 a.m. Pacific  
6 time. Any opposition to the Motion shall be filed and served on or before **12:00 p.m. noon** Pacific  
7 time on May 8, 2023, and any reply in support of the Motion shall be filed and served on or before  
8 **12:00 p.m. noon** Pacific time on May 12, 2023.

9 7. This Court shall retain exclusive jurisdiction with respect to all matters arising from  
10 or related to the implementation, interpretation, and enforcement of the order approving this  
11 stipulation.

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23 Date: May 5, 2023

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Sandra R. Klein  
United States Bankruptcy Judge