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Debtors in Possession

FILED & ENTERED

APR 27 2023

CLERK U.S. BANKRUPTCY COURT  
Central District of California  
BY milano DEPUTY CLERK

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

**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**

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

In its order entered on April 25, 2023 [Docket No. 124] (the "April 25 Cash Collateral Order"), the Court granted on an interim basis the *Debtors' Emergency Motion for Entry of an Order Granting Debtors' Emergency Motion (I) Approving Debtors' Use of Cash*

<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.



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USE OF CASH COLLATERAL

1 *Collateral; and (II) Scheduling a Final Hearing on the Use of Cash Collateral* (the “Motion”)<sup>2</sup>  
2 of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed  
3 on April 20, 2023 [Docket No. 27]. The April 25 Cash Collateral Order provided, among  
4 other things, that the Debtors were authorized to use Cash Collateral under the terms and  
5 conditions enumerated therein.

6 As described during the hearing conducted on April 26, 2023, the Debtors and the  
7 Indenture Trustee have agreed that the Debtors may use Cash Collateral for an additional  
8 period as discussed below and submit this Second Interim Order to memorialize such  
9 agreement and to obtain the Court’s approval of that agreement.

10 Based on the foregoing; and this Court having jurisdiction over this matter pursuant  
11 to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to  
12 28 U.S.C. § 157(b)(2); that it may enter a final order consistent with Article III of the United  
13 States Constitution; that venue of this proceeding and the Motion in this district is  
14 permissible pursuant to 28 U.S.C. §§ 1408 and 1409; that the relief requested in the Motion  
15 is in the best interests of the Debtors’ estates, their creditors, and other parties in interest;  
16 that the Debtors’ notice of the Motion and opportunity for a hearing on the Motion were  
17 appropriate under the circumstances and no other notice need be provided; and this Court  
18 having reviewed the Motion and having heard the statements in support of the relief  
19 requested therein at hearings on April 21, 2023 and April 26, 2023; having entered the April  
20 25 Cash Collateral Order; and the Court having determined that the legal and factual bases  
21 set forth in the Motion, at the two hearings and in this Second Interim Order establish just  
22 cause for the relief granted herein and is necessary to avoid immediate and irreparable  
23 harm pursuant to Bankruptcy Rule 4001; and after due deliberation and sufficient cause  
24 appearing therefor,

25 **IT IS HEREBY ORDERED THAT:**

- 26 1. The Motion is GRANTED as set forth in this Second Interim Order.
- 27

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

2. The Debtors may use Cash Collateral through 5:00 p.m. Pacific time on May 12, 2023, in accordance with the Approved Budget attached to Docket #153 as Exhibit A.

3. The Indenture Trustee is granted a replacement lien on Gross Receivables, which for clarity, includes any insurance or utility refunds received by the Debtors.

4. The Indenture Trustee is granted a superpriority administrative claim under Bankruptcy Code §364(c) for any diminution in value of its collateral.

5. This Second Interim Order shall be deemed to constitute a request as of the Petition Date by the Indenture Trustee for relief from the automatic stay with respect to its prepetition collateral for purposes of any request for adequate protection granted hereunder, and as additional adequate protection for any diminution in the value of its collateral, the Indenture Trustee shall have a superpriority administrative expense claim pursuant to Section 507(b) of the Bankruptcy Code.

6. As additional adequate protection hereunder, the Indenture Trustee is granted adequate protection payments in the form of its fees and expenses (and the fees and expenses of its professionals) in amounts to be agreed upon and set forth in the final budget approved by the Court; *provided, however*, that the payment of such fees and expenses is subject to the paragraph of the debtor in possession stipulation—which the parties addressed during the April 26, 2023 hearing but has not yet been filed—that addresses fees and expenses of the professionals engaged by the Debtors.

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1 7. A final hearing on the Motion shall be held on May 17, 2023, at 9:00 a.m.  
2 Pacific time. Any opposition to the Motion shall be filed and served on or before 12:00 p.m.  
3 noon Pacific time on May 3, 2023, and any reply in support of the Motion shall be filed and  
4 served on or before 12:00 p.m. noon Pacific time on May 10, 2023; and

5 8. This Court retains exclusive jurisdiction with respect to all matters arising  
6 from or related to the implementation, interpretation, and enforcement of this Order.

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23 Date: April 27, 2023

  
Sandra R. Klein  
United States Bankruptcy Judge

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## EXHIBIT A