

1 MARC A. LEVINSON (SBN:57613)  
2 ORRICK, HERRINGTON & SUTCLIFFE LLP  
3 The Orrick Building  
4 405 Howard Street  
5 San Francisco, CA 94105  
6 Telephone: (415) 773-5700  
7 Facsimile: (415) 773-5759  
8 Email: malevinson@orrick.com



9 Proposed Special Counsel to Debtors and  
10 Debtors in Possession

11 **CHANGES MADE BY COURT**

12 UNITED STATES BANKRUPTCY COURT  
13 CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION

14 In re:  
15 BEVERLY COMMUNITY HOSPITAL  
16 ASSOCIATION, dba BEVERLY  
17 HOSPITAL (A NONPROFIT PUBLIC  
18 BENEFIT CORPORATION), *et al*,<sup>1</sup>

19 Lead Case No.: 2:23-bk-12359-SK  
20 Jointly administered with:  
21 Case No.: 2:23-bk-12360-SK  
22 Case No.: 2:23-bk-12361-SK

23 Debtors,

24 Hon. Sandra R. Klein  
25 Chapter 11 Case

- 26  Affects all Debtors
- 27  Affects Beverly Community Hospital Association
- 28  Montebello Community Health Services, Inc.
- Beverly Hospital Foundation

**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

26 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*

27 <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.



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.

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

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

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

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

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

20 //

21 //

22 //

23 //

24 //

25 //

26 //

27 //

28



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

EXHIBIT A