

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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<b>In re</b>	:	<b>Chapter 11</b>
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<b>CANO HEALTH, INC., et al.,</b>	:	<b>Case No. 24-10164 (KBO)</b>
	:	
<b>Debtors.<sup>1</sup></b>	:	<b>(Jointly Administered)</b>
	:	
	:	<b>Re: Docket No. 5</b>
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**INTERIM ORDER PURSUANT TO 11 U.S.C. §§ 366 AND 105(a) AND FED. R. BANKR. P. 6003 AND 6004 (I) APPROVING DEBTORS’ PROPOSED FORM OF ADEQUATE ASSURANCE OF PAYMENT TO UTILITY PROVIDERS, (II) ESTABLISHING PROCEDURES FOR DETERMINING ADEQUATE ASSURANCE OF PAYMENT FOR FUTURE UTILITY SERVICES, (III) PROHIBITING UTILITY PROVIDERS FROM ALTERING, REFUSING, OR DISCONTINUING UTILITY SERVICE, AND (IV) GRANTING RELATED RELIEF**

Upon the motion, dated February 5, 2024 (the “**Motion**”)<sup>2</sup> of Cano Health, Inc. and certain of its subsidiaries, as debtors and debtors in possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases, pursuant to sections 366 and 105(a) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), for entry of interim and final orders (i) approving the Debtors’ proposed form of adequate assurance of payment to Utility Providers, (ii) establishing procedures for determining adequate assurance of payment for future Utility Services, (iii) prohibiting Utility Providers from altering, refusing, or discontinuing Utility

<sup>1</sup> The last four digits of Cano Health, Inc.’s tax identification number are 4224. A complete list of the Debtors in the chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.kccllc.net/CanoHealth>. The Debtors’ mailing address is 9725 NW 117th Avenue, Miami, Florida 33178.

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



Services on account of the commencement of these chapter 11 cases and/or outstanding prepetition invoices, and (iv) granting related relief, all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157(a)–(b) 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 consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties; and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having held a hearing to consider the relief requested in the Motion on an interim basis (the “**Hearing**”); and upon the First Day Declarations and the record of the Hearing; and all objections to the relief requested in the Motion on an interim basis, if any, having been withdrawn, resolved, or overruled; and the Court having determined the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates as contemplated by Bankruptcy Rule 6003, and is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is granted on an interim basis to the extent set forth herein.
2. Absent compliance with the procedures set forth in the Motion and this Interim Order, the Utility Providers are prohibited from altering, refusing, or discontinuing service on account of the commencement of these chapter 11 cases and/or any unpaid prepetition charges

and are deemed to have received adequate assurance of payment in accordance with section 366 of the Bankruptcy Code.

3. As adequate assurance for the payment of Utility Services, within twenty (20) calendar days after the Petition Date, the Debtors shall deposit cash in an amount equal to approximately \$186,106 (the “**Adequate Assurance Deposit**”) into the Adequate Assurance Account, which shall be at a bank that is party to a Uniform Depository Agreement (a “**UDA**”) with the United States Trustee for the District of Delaware or that is immediately willing to execute such UDA.

4. The Adequate Assurance Deposit, in conjunction with the Debtors’ cash on hand, cash flow from operations, and their proposed use of cash collateral and debtor-in-possession financing, demonstrate the Debtors’ ability to pay for future Utility Services in the ordinary course of business (together, the “**Proposed Adequate Assurance**”) and constitute sufficient adequate assurance to the Utility Providers as required by section 366 of the Bankruptcy Code.

5. The following Adequate Assurance Procedures are hereby approved in their entirety on an interim basis:

- a. The Debtors will serve copy of the Motion and this Interim Order, which include the Adequate Assurance Procedures, on each Utility Provider within two (2) business days after entry of this Interim Order.
- b. The funds in the Adequate Assurance Account shall constitute adequate assurance for each Utility Provider in the amount set forth for such Utility Provider in the column labeled “Adequate Assurance Deposit” on the Utility Service List.
- c. Any Utility Provider seeking additional assurances of payment in the form of deposits, prepayments or otherwise must serve a request for additional assurance (an “**Additional Assurance Request**”) on following parties: (i) Cano Health, Inc., 9725 NW 117th Avenue, Miami, Florida 33178 (Attn: Jonathan Biggert (Jonathan.Biggertf@canohealth.com)); (ii) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn:

Jessica Liou, Esq. (jessica.liou@weil.com), Matthew P. Goren, Esq. (matthew.goren@weil.com), and Rachael L. Foust, Esq. (rachael.foust@weil.com)); (iii) Richards, Layton & Finger, P.A., One Rodney Square, 920 N. King Street, Wilmington, DE 19801 (Attn: Michael J. Merchant, Esq. (merchant@rlf.com) and Amanda R. Steele, Esq. (steele@rlf.com)); (iv) Gibson, Dunn & Crutcher LLP, 200 Park Avenue, New York, NY 10166 (Attn: Scott J. Greenberg, Esq. (SGreenberg@gibsondunn.com), Michael J. Cohen, Esq. (MCohen@gibsondunn.com) and Christina M. Brown, Esq. (christina.brown.gibsondunn.com)); and (v) Pachulski, Stang, Ziehl & Jones LLP, 919 North Market Street #1700, Wilmington, DE 19801 (Attn: Laura Davis Jones, Esq. (ljones@pszjlaw.com) and James O'Neill, Esq. (joneill@pszjlaw.com)) (collectively, the “**Adequate Assurance Notice Parties**”).

- d. Any Additional Assurance Request must (i) be made in writing, (ii) set forth the location for which Utility Services are provided, the account number(s) for such location(s), and the outstanding balance for each such account, (iii) include a summary of the Debtors’ payment history relevant to the affected account(s), including the amounts of any security deposits, and (iv) set forth why the Utility Provider believes the Proposed Adequate Assurance is not sufficient adequate assurance of future payment.
- e. Any Additional Assurance Request must be made and actually received by the Adequate Assurance Notice Parties. If a Utility Provider fails to serve on the Adequate Assurance Notice Parties an Additional Assurance Request, such Utility Provider shall be (i) deemed to have received adequate assurance of payment “satisfactory” to such Utility Provider in compliance with section 366 of the Bankruptcy Code; and (ii) prohibited from discontinuing, altering, or refusing service to, or discriminating against, the Debtors on account of the commencement of the Debtors’ chapter 11 cases or any unpaid prepetition charges, or requiring additional assurance of payment other than the Proposed Adequate Assurance.
- f. The Debtors may, in their sole discretion and without further order of the Court, resolve any Additional Assurance Request by mutual agreement with a Utility Provider, and may, in connection with any such agreement, in their sole discretion, provide a Utility Provider with additional adequate assurance of future payment, which may include, but shall not be limited to, cash deposits, prepayments or other forms of security, in each case, without further order of the Court.

- g. If the Debtors and the Utility Provider are not able to reach an alternative resolution within 20 days receipt of the Additional Assurance Request, or such greater period as may be agreed to by the Debtors and the relevant Utility Provider, the Debtors will request a hearing before the court at the next regularly scheduled omnibus hearing to determine the adequacy of assurances of payment with respect to a particular Utility Provider pursuant to section 366(c)(3) of the Bankruptcy Code (the “**Determination Hearing**”).
- h. Absent compliance with the Adequate Assurance Procedures and the terms of this Interim Order, the Debtors’ Utility Providers are prohibited from altering, refusing, or discontinuing service on account of the commencement of these chapter 11 cases and/or any unpaid charges for prepetition services provided to any of the Debtors and are deemed to have received adequate assurance of payment in accordance with section 366 of the Bankruptcy Code.
- i. The portion of the Adequate Assurance Deposit attributable to each Utility Provider shall be returned to the Debtors by no later than five (5) business days following the earlier of (i) reconciliation and payment by Debtors of the Utility Provider’s final invoice in accordance with applicable nonbankruptcy law following the Debtors’ termination of Utility Services from such Utility Provider and (ii) the effective date of any chapter 11 plan confirmed in these chapter 11 cases.

6. The inclusion of any entity in, or the omission of any entity from, the Utility Service List shall not be deemed an admission by the Debtors that such entity is or is not a “utility” within the meaning of section 366 of the Bankruptcy code, and the Debtors reserve all rights and defenses with respect thereto.

7. The Debtors are authorized, in their sole discretion, to amend the utility service list attached as **Exhibit C** to the Motion (the “**Utility Service List**”) to add or delete any Utility Provider, and this Interim Order shall apply to any Utility Provider that is subsequently added to the Utility Service List. Any such amended Utility Service List shall be filed with the Court.

8. For those Utility Providers that are subsequently added to the Utility Service List, the Debtors shall serve a copy of this Interim Order and an amended Utility Service List, which such list shall be filed with the Court, on the subsequently added Utility Provider and deposit two (2) weeks' worth of estimated utility costs, calculated as a historical average over the twelve (12) months preceding the Petition Date, in the Adequate Assurance Account for the benefit of such Utility Provider, and any such subsequently added entities shall make an Additional Assurance Request in accordance with the Adequate Assurance Procedures.

9. The Debtors may terminate the services of any Utility Provider and amend the Utility Service List to reflect such termination. The Debtors are authorized to reduce the Adequate Assurance Deposit by the amount held on account of such terminated Utility Provider upon three (3) business days' notice of such reduction and having not received a response thereto by such deadline.

10. The Debtors shall have the right to reduce the Adequate Assurance Deposit to the extent that any Utility Provider has instead been provided with a letter of credit, cash deposit, or some other form of security acceptable to the Utility Provider in accordance with the Adequate Assurance Procedures.

11. Nothing contained herein is intended to be or shall be construed as (a) an implication or admission as to the validity of any claim against the Debtors or any liens satisfied pursuant to this Motion, (b) an agreement or obligation to pay any claims, (c) a waiver of any claims or causes of action that may exist against any creditor or interest holder, (d) a waiver of the Debtors' or any appropriate party in interest's rights to dispute any claim, (e) a concession by the Debtors that any lien (contractual, common, statutory or otherwise) satisfied pursuant to the Motion is valid (and all rights to contest the extent, validity or perfection or seek avoidance of all

such liens are expressly reserved; (f) an approval, assumption, or rejection of any agreement, contract, program, policy, or lease under section 365 of the Bankruptcy Code; or (g) a waiver of the obligation of any party in interest to file a proof of claim. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended to be and should not be construed as an admission to the validity of any claim or a waiver of the Debtors' rights to dispute such claim subsequently.

12. Notwithstanding entry of this Interim Order, nothing herein shall create, nor is intended to create, any rights in favor of or enhance the status of any claim held by, any party.

13. The requirements of Bankruptcy Rule 6003(b) have been satisfied.

14. Under the circumstances of these chapter 11 cases, notice of the Motion is adequate under Bankruptcy Rule 6004(a) and Local Bankruptcy Rule 9013-1(m).

15. Notwithstanding Bankruptcy Rule 6004(h), this Interim Order shall be immediately effective and enforceable upon its entry.

16. A hearing to consider entry of an order granting the relief requested in the Motion on a final basis, if necessary, shall be held on March 7, 2024 at 10:00 a.m. (Eastern Time) and any objections or responses to the Motion shall be in writing, filed with the Court, and served by no later than **4:00 p.m. (Eastern Time) on February 29, 2024** on the following:

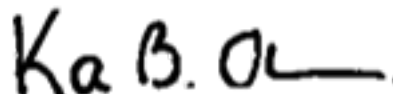
- a. proposed attorneys for the Debtors: (i) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Gary T. Holtzer, Esq. (gary.holtzer@weil.com), Jessica Liou, Esq. (jessica.liou@weil.com), Matthew P. Goren, Esq. (matthew.goren@weil.com), and Rachael Foust, Esq. (rachael.foust@weil.com)); and (ii) proposed co-counsel for the Debtors: Richards, Layton & Finger, P.A., One Rodney Square, 920 N. King Street, Wilmington, DE, 19801 (Attn: Michael J. Merchant, Esq. (merchant@rlf.com) and Amanda R. Steele, Esq. (steele@rlf.com));

- b. counsel to the DIP Agent: ArentFox Schiff LLP, 1301 Avenue of the Americas, 42nd Floor, New York, NY 10019 (Attn: Jeffrey R. Gleit, Esq. (jeffrey.gleit@afslaw.com));
- c. counsel to the Ad Hoc First Lien Group: Gibson, Dunn & Crutcher LLP, 200 Park Ave, New York, NY 10166 (Attn: Scott J. Greenberg, Esq. (SGreenberg@gibsondunn.com), Michael J. Cohen, Esq. (MCohen@gibsondunn.com) and Christina M. Brown, Esq. (christina.brown@gibsondunn.com)) and Pachulski, Stang, Ziehl & Jones LLP, 919 North Market Street #1700, Wilmington, Delaware 19801 (Attn: Laura Davis Jones, Esq.) (ljones@pszjlaw.com) and James O'Neill, Esq. (joneill@pszjlaw.com));
- d. counsel to the Agent under the CS Credit Agreement: Freshfields Brukhaus Deringer US LLP, 601 Lexington Avenue, New York, NY 10022 (Attn: Mark F. Liscio, Esq. (mark.liscio@freshfields.com) and Scott D. Talmadge, Esq. (scott.talmadge@freshfields.com));
- e. counsel to the Agent under the Side-Car Credit Agreement: Proskauer Rose LLP, 70 West Madison, Suite 3800, Chicago, IL 60602 (Attn: Evan Palenschat, Esq. (EPalenschat@proskauer.com));
- f. Indenture Trustee under the Senior Note Indenture: U.S. Bank National Association, West Side Flats, 60 Livingston Ave. EP-MN-WS3C, Saint Paul, MN 55107 (Attn: Global Corporate Trust Services); and
- g. the Office of the United States Trustee for the District of Delaware: 844 King Street, Suite 2207, Lockbox 35, Wilmington Delaware 19801] (Attn: Benjamin A. Hackman, Esq. (Benjamin.A.Hackman@usdoj.gov) and Jon Lipshie, Esq. (Jon.Lipshie@usdoj.gov)).

17. The Debtors are authorized to take all actions necessary or appropriate to effectuate the relief granted in this Interim Order.

18. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Interim Order.

Dated: February 6th, 2024  
Wilmington, Delaware

  
KAREN B. OWENS  
UNITED STATES BANKRUPTCY JUDGE