

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
Lafayette Division**

IN RE:

CASE NO. 16-50740

PROGRESSIVE ACUTE CARE, LLC, et al.

CHAPTER 11

DEBTORS

JOINTLY ADMINISTERED

**THIRD NOTICE OF (I) DEBTORS' REQUEST FOR AUTHORITY TO ASSUME AND
ASSIGN CERTAIN ADDITIONAL EXECUTORY CONTRACTS AND UNEXPIRED
LEASES, AND (II) DEBTORS' PROPOSED CURE AMOUNTS**

TO CERTAIN ADDITIONAL COUNTERPARTIES TO EXECUTORY CONTRACTS AND
UNEXPIRED LEASES PLEASE TAKE NOTICE THAT:

PLEASE TAKE NOTICE that on July 14, 2016, the Debtors filed *Motion Under 11 U.S.C. §§ 363(b) and (f) and 365 for: (I) Preliminary Order (i) Approving Bidding Procedures and Stalking Horse Bid and Fee, (ii) Prescribing Notice Requirements, and (iii) Setting Hearing Date, Time and Place for Auction of Debtors' Property; and, for (II) Order Approving Sale of Assets and Assumption and Assignment of Certain Contracts and Leases and Amounts of Cure, if any, Related Thereto* (Docket No. 183) (the "Motion") seeking, among other things, entry of an order (the "Sale Order") authorizing and approving the sale of property and intangible personal property (collectively "the Purchased Assets"), and specifically excluding cash and certain other assets of the Debtors' estates (collectively "the Excluded Assets") and seeking authority to assume and assign certain Contracts ("the Assumed Contracts").¹

PLEASE TAKE FURTHER NOTICE THAT on July 29, 2016, the Court entered an order (Docket No. 226) (the "Bidding Procedures Order"), approving the Motion. A copy of the Bidding Procedures Order is attached hereto.

PLEASE TAKE FURTHER NOTICE that a hearing to consider approval of the Sale and the assumption and assignment of Assumed Contracts to the Stalking Horse Bidder, or the Successful Bidder, as applicable (the "Sale and Assignment Hearing"), is presently scheduled to take place on August 26, 2016 at 10:00 a.m. (Central Time), or as soon thereafter as counsel may be heard, before the Honorable Robert Summerhays, United States Bankruptcy Judge, Western District of Louisiana, at the United States Bankruptcy Court, 214 Jefferson Street, Suite 100, Lafayette, LA 70501-7050.

¹ The Purchased Assets, the Excluded Assets, and Assumed Contracts as those terms are used in this Notice are more particularly described in Sections 2.1 and 2.2 of the Asset Purchase Agreement ("the proposed Stalking Horse APA") attached to the Motion as Exhibit "B." The initial list of Assumed Contracts was previously supplemented on August 5, 2016 [P-240] and on August 18, 2016 [P-271].

PLEASE TAKE FURTHER NOTICE THAT, in addition to the Assumed Contracts, upon the closing of the Sale of Assets, the Debtors also shall seek to assume and assign to the Successful Bidder for the Assets at the Auction (as defined in the Bidding Procedures Order) (the “Assignee”) the additional Contracts and any modifications thereto set forth on **Exhibit A** hereto (collectively, the “Additional Assumed Contracts”). In addition, the cure amounts, if any, necessary for the assumption and assignment of the Additional Assumed Contracts (the “Cure Amounts”) are set forth on **Exhibit A**.

PLEASE TAKE FURTHER NOTICE that Objections, if any, to the assumption and assignment of the Additional Assumed Contracts, including the Cure Amount, must be filed and served no later than 5:00 p.m. (Central Time) on August 24, 2016. Each objection shall state the legal and factual basis of such objection and may be orally supplemented at the relevant hearing. Any objection to the Debtors’ proposed Cure Amount or the provision of adequate assurance of future performance under any Additional Assumed Contract pursuant to Bankruptcy Code § 365 (“Adequate Assurance”) must: (a) be filed and served on or before the deadline set forth above or any such Objection will be deemed waived; (b) identify the Contract(s) or Lease(s) to which the objector is party; (c) describe with particularity any cure the claimant contends is required under Bankruptcy Code § 365 (the “Cure Claim”) and identify the basis of the alleged Cure Claim under the Contract or Lease; (d) attach all documents supporting or evidencing the Cure Claim; and (e) if the response contains an objection to Adequate Assurance, state with specificity what the objecting party believes is required to provide Adequate Assurance.

Dated August 22, 2016.

STEFFES, VINGIELLO & McKENZIE, L.L.C.

By: /s/ Barbara B. Parsons
William E. Steffes (La. Bar No. 12426)
Barbara B. Parsons (La. Bar No. 28714)
Noel Steffes Melancon (La. Bar No. 30072)
STEFFES, VINGIELLO & McKENZIE, LLC
13702 Coursey Boulevard Building 3
Baton Rouge, Louisiana 70817
Telephone: (225) 751-1751
Facsimile: (225) 751-1998
E-mail: bparsons@steffeslaw.com
*Counsel for Progressive Acute Care, LLC,
Progressive Acute Care Avoyelles, LLC,
Progressive Acute Care Oakdale, LLC, and
Progressive Acute Care Winn, LLC, Debtors*

THIRD SUPPLEMENTAL NOTICE - EXHIBIT A

Cure Amount Schedule

AVOYELLES CONTRACTS AND LEASES			
Debtor Party to Contract	Contract Counterparty	Description of Contract or Lease	Proposed Cure Amount
PAC Avoyelles	Aetna	Managed care contract	No Cure Amount is known to be due at this time; however, Aetna shall retain the right to recoup and seek from the Purchaser the satisfaction of unidentified overpayments that are not presently curable defaults under the Assumed Contract.
PAC	GE Capital	Personal property lease no. 7808494-001: Copiers	\$14,464.87 ² The Cure Amount is subject to payment on or before 8/31/16; if payment is made thereafter, then both the monthly lease payments and late charges will continue to accrue under the terms of the lease.
PAC Avoyelles	eClinicalworks, LLC	Billing service agreement	\$3,293.72

² This lease is included in this 3rd supplemental notice for the sole purpose of updating the Cure Amount originally scheduled on Exhibit A; and, to acknowledge said Cure Amount is subject to change under the conditions specified herein.

OAKDALE CONTRACTS AND LEASES			
Debtor Party to Contract	Contract Counterparty	Description of Contract or Lease	Proposed Cure Amount
PAC Oakdale	Aetna	Managed care contract	No Cure Amount is known to be due; however, Aetna shall retain the right to recoup and seek from the Purchaser the satisfaction of unidentified overpayments that are not presently curable defaults under the Assumed Contract
PAC	GE Capital	Personal property lease no. 7808494-005: Copier	\$10,256.11 ³ The Cure Amount is subject to payment on or before 8/31/16; if payment is made thereafter, then both the monthly lease payments and late charges will continue to accrue under the terms of the lease.
PAC Oakdale	eClinicalworks, LLC	Billing service agreement	\$9,128.84

³This lease is included in this 3rd supplemental notice for the sole purpose of updating the Cure Amount originally scheduled on Exhibit A; and, to acknowledge said Cure Amount is subject to change under the conditions specified herein.

WINN CONTRACTS AND LEASES			
Debtor Party to Contract	Contract Counterparty	Description of Contract or Lease	Proposed Cure Amount
PAC	GE Capital	Personal property lease no. 7808494-006: Copier	\$9,373.18 ⁴ The Cure Amount is subject to payment on or before 8/31/16; if payment is made thereafter, then both the monthly lease payments and late charges will continue to accrue under the terms of the lease.
PAC Winn	Aetna	Managed care contract	\$2,400.67 Aetna shall retain the right to recoup and seek from the Purchaser the satisfaction of unidentified overpayments that are not presently curable defaults under the Assumed Contract.-
PAC Winn	eClinicalworks, LLC	Billing service agreement	\$3,054.47

⁴ This lease is included in this 3rd supplemental notice for the sole purpose of updating the Cure Amount originally scheduled on Exhibit A; and, to acknowledge said Cure Amount is subject to change under the conditions specified herein.