

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION**

In re:

THE VILLAGES HEALTH SYSTEM, LLC,¹

Debtor.

Case No.: 6:25-bk-04156-LVV

Chapter 11

**DEBTOR'S MOTION FOR RELEASE
OF ADEQUATE ASSURANCE UTILITY DEPOSITS**

The Villages Health System, LLC (“TVH” or the “Debtor”), the debtor and debtor in possession in the above-captioned chapter 11 case (the “Chapter 11 Case”), files this motion (the “Motion”) for entry of an order, substantially in the form attached hereto as Exhibit A (the “Proposed Order”), for release of the adequate assurance utility deposits (the “Adequate Assurance Deposit”)², and in support thereof, states as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and this Court’s *Final Order Pursuant to Section 366 of the Bankruptcy Code: (A) Prohibiting Utilities from Altering, Refusing or Discontinuing Services to, or Discriminating Against, the Debtor on Account of Prepetition Invoices; (B) Determining That the Utilities Are Adequately Assured for Future Payment; and (C) Establishing Procedures for Determining Requests for Additional Assurance* [Doc. No. 7] and the *Final Order Pursuant to Section 366 of the Bankruptcy Code: (A) Prohibiting Utilities from Altering, Refusing or Discontinuing Services to, or Discriminating Against, the Debtor on Account of Prepetition Invoices; (B) Determining That the Utilities Are Adequately Assured for Future Payment; and (C) Establishing Procedures for Determining Requests for Additional Assurance* [Doc. No. 62].

¹ The address of the Debtor is 600 Sunbelt Road, The Villages, Florida 32159. The last four digits of the Debtor’s federal tax identification number is 6436.

² All capitalized terms herein not otherwise defined shall have the same meaning as Debtor’s *Emergency Motion Pursuant to Section 366 of the Bankruptcy Code, for Entry of Interim and Final Orders: (A) Prohibiting Utilities from Altering, Refusing or Discontinuing Services to, or Discriminating Against, the Debtor on Account of Prepetition Invoices; (B) Determining That the Utilities Are Adequately Assured for Future Payment; and (C) Establishing Procedures for Determining Requests for Additional Assurance* [Doc. No. 7] and the *Final Order Pursuant to Section 366 of the Bankruptcy Code: (A) Prohibiting Utilities from Altering, Refusing or Discontinuing Services to, or Discriminating Against, the Debtor on Account of Prepetition Invoices; (B) Determining That the Utilities Are Adequately Assured for Future Payment; and (C) Establishing Procedures for Determining Requests for Additional Assurance* [Doc. No. 62].

Adequately Assured for Future Payment; and (C) Establishing Procedures for Determining Requests for Additional Assurance [Doc. No. 62].

2. This matter is a core proceeding under 28 U.S.C. § 157(b).

3. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The statutory bases for the relief requested herein are sections 105(a) and 366 of title 11 of the United States Code, 11 U.S.C. § 101 *et seq.* (the “Bankruptcy Code”), Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (“Bankruptcy Rules”), and rule 9013-1 of the Local Bankruptcy Rules for the Middle District of Florida (the “Local Rules”).

BACKGROUND

5. On July 3, 2025 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in this Court. The Debtor continues to operate its business and manage its properties as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Court appointed an official committee of unsecured creditors (the “Committee”) on September 4, 2025.

6. Additional details concerning the Debtor and its business, and the facts and circumstances supporting the Debtor’s filing of the voluntary bankruptcy petition are set forth in greater detail in the *Declaration of Neil Luria in Support of Chapter 11 Petition and First Day Motions* (the “First Day Declaration”) [Doc. No. 3].

7. On July 3, 2025, the Debtor filed its *Emergency Motion Pursuant to Section 366 of the Bankruptcy Code, for Entry of Interim and Final Orders: (A) Prohibiting Utilities from Altering, Refusing or Discontinuing Services to, or Discriminating Against, the Debtor on Account of Prepetition Invoices; (B) Determining that the Utilities Are Adequately Assured for Future Payment; and (C) Establishing Procedures for Determining Requests for Additional*

Assurance (the “Utilities Motion”) [Doc. No. 7]. As stated in the Utilities Motion, the Debtor obtained telephone, cable, internet, electric, natural gas, trash, water/sewer, fire sprinkler services, cell phone, and other substantially similar services (the “Utility Services”) from different utility providers (the “Utility Providers”) at the Debtor’s primary and specialty care centers (the “Facilities”). The Debtor attached a list of all known Utility Providers to the Utilities Motion as Exhibit C.

8. As adequate assurance of payment of the Utility Services, the Debtor proposed to provide a deposit for each Utility Provider in an amount equal to the cost of one-half of one month’s average service from that Utility Provider, totaling \$22,116.14 for all Utility Providers (the “Adequate Assurance Deposit”). This Adequate Assurance Deposit was calculated based on the Debtor’s average monthly utility expenses in March 2025, April 2025, and May 2025.

9. The Debtor funded the Adequate Assurance Deposit, which is being held in a segregated account at Regions Bank (ending in 5648) for the benefit of the Utility Providers (the “Adequate Assurance Account”).

10. On July 11, 2025, this Court entered its *Final Order Pursuant to Section 366 of the Bankruptcy Code: (A) Prohibiting Utilities from Altering, Refusing or Discontinuing Services to, or Discriminating Against, the Debtor on Account of Prepetition Invoices; (B) Determining That the Utilities Are Adequately Assured for Future Payment; and (C) Establishing Procedures for Determining Requests for Additional Assurance* (the “Final Order”) [Doc. No. 62].

11. Paragraph 7 of the Final Order states, “[t]he portion of the Adequate Assurance Deposit attributable to each Utility Provider shall be returned to the Debtor after reconciliation and payment by the Debtor of the Utility Provider’s final invoice for services rendered during the Chapter 11 Case in accordance with applicable non-bankruptcy law.”

12. On September 9, 2025, the Court entered an *Order (A) Approving Sale of Substantially all of the Debtor's Assets Free and Clear of all Liens, Claims, Encumbrances, and Interests, (B) Authorizing Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief* (the “Sale Order”) [Doc. No. 222], which, among other things, approved the sale (the “Sale”) of substantially all of the Debtor’s assets to CenterWell Senior Primary Care (Vitality), Inc. (the “Buyer”).

13. The Sale transaction between the Debtor and the Buyer closed on November 7, 2025 (the “Closing”) [See Doc. No. 330]. Following the Closing, the Buyer now operates the primary and specialty care centers (the “Facilities”) described in the First Day Declaration.

14. The Debtor has reconciled and paid its final invoices to the Utility Providers for services rendered to the Debtor during the Chapter 11 Case. The Debtor does not believe that the Adequate Assurance Deposit is subject to any further requests or disputes.

RELIEF REQUESTED

15. By this Motion, the Debtor seeks the release of the Adequate Assurance Deposit from the Adequate Assurance Account and authorization to utilize the Adequate Assurance Deposit in the ordinary course of business.

BASIS FOR RELIEF REQUESTED

16. Pursuant to paragraph 7 of Final Order, the Debtor is entitled to the return of the Adequate Assurance Deposit. The Debtor has reconciled and paid its final invoices to the Utility Providers for services rendered to the Debtor during the Chapter 11 Case. Accordingly, there is no further need for the Debtor to hold the Adequate Assurance Deposit in the Adequate Assurance Account.

17. The Debtor will notice this Motion upon all parties who received notice of the Utilities Motion, including all Utility Providers and their known counsel. The Utility Providers will have an opportunity to object to this Motion if necessary.

18. Accordingly, this Motion should be granted, and the Debtor should be allowed to release the Adequate Assurance Deposit from the Adequate Assurance Account to be used in their ordinary course of business.

CONCLUSION

WHEREFORE, Debtor respectfully requests that this Court enter the Proposed Order allowing the release of the Adequate Assurance Deposit from the Adequate Assurance Account.

[Signature Page to Follow]

Dated: December 26, 2025

BAKER & HOSTETLER LLP

/s/ Elizabeth A. Green
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Counsel for the Debtor and Debtor in Possession

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that notice of this Motion has been provided by email, facsimile or U.S. mail to: (a) the Office of the United States Trustee for the Middle District of Florida; (b) the Debtor; (c) the Utility Providers; (d) other interested parties as identified by the Debtor; and (e) any known counsel for (a)-(d). The method of service for each party will be described more fully in the certificate of service prepared by the Debtor's claims and noticing agent. The Debtor respectfully submits that, based on the circumstances surrounding this Motion and the nature of the relief requested herein, no further notice is required.

/s/ Elizabeth A. Green
Elizabeth A. Green, Esq.

EXHIBIT A

PROPOSED ORDER

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION**

In re:

THE VILLAGES HEALTH SYSTEM, LLC,³

Debtor.

Case No.: 6:25-bk-04156-LVV

Chapter 11

**ORDER GRANTING DEBTOR'S MOTION
FOR RELEASE OF ADEQUATE ASSURANCE UTILITY DEPOSITS**

Upon the Debtor's *Motion for Release of Adequate Assurance Utility Deposits* (the "Motion")⁴; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtor's estate, its creditors, and other parties in interest; and this Court having found that the Debtor's notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other notice need be provided; and this Court having reviewed the Motion; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is

³ The address of the Debtor is 600 Sunbelt Road, The Villages, Florida 32159. The last four digits of the Debtor's federal tax identification number is 6436.

⁴ Capitalized terms used and not defined herein have the meanings ascribed to them in the Motion.

ORDERED:

1. The Motion is granted as set forth herein.
2. The Debtor is authorized to take actions necessary to release the Adequate Assurance Deposit from the Adequate Assurance Account and utilize the Adequate Assurance Deposit in its ordinary course of business.
3. This Bankruptcy Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

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Attorney Elizabeth A. Green is directed to serve a copy of this order on interested parties who do not receive service by CM/ECF and file a proof of service within three days of entry of the order.