

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

In re	X	
	:	
	:	Chapter 11
HOSPITAL FOR SPECIAL SURGERY, LLC	:	
<i>Db</i> a ONECORE HEALTH,	:	Case No. 24-12862-JDL
	:	
Debtor.	:	
	X	

DEBTOR’S EMERGENCY MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS, PURSUANT TO 11 U.S.C. §§ 105, 361, 362, 363, 503, 506, AND 507, (I) AUTHORIZING THE USE OF CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION, (III) MODIFYING THE AUTOMATIC STAY, (IV) SCHEDULING A FINAL HEARING, AND (V) GRANTING RELATED RELIEF WITH BRIEF IN SUPPORT AND NOTICE OF OPPORTUNITY FOR HEARING

NOTICE OF OPPORTUNITY FOR HEARING

Your rights may be affected. You should read this Document carefully and consult your attorney about your rights and the effect of this Document. If you do not want the Court to grant the motion, or you wish to have your views considered, you must file a written response to the motion with the Clerk of the United States Bankruptcy Court for the Western District of Oklahoma, 215 Dean A. McGee Avenue, Oklahoma City, OK 73102 **no later than 12:00 p.m. (CDT) on October 9, 2024.** You should also serve a file-stamped copy of the response to the undersigned [and others who are required to be served] and file a certificate or affidavit of service with the Court.

**NOTICE OF HEARING
(TO BE HELD IF A RESPONSE IS FILED)**

Notice is hereby given that if a response to the Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Payment of Prepetition Claims of Critical Vendors and (II) Authorizing the Payment of Outstanding Orders is filed, the hearing on the matter will be held on October 10, 2024 at 10:00 a.m. (CDT) in the 2nd floor courtroom of the United States Bankruptcy Court for the Western District of Oklahoma, 215 Dean A. McGee Avenue, Oklahoma City, OK 73102. If no response is timely filed and the court grants the requested relief



prior to the above-referenced hearing date, the hearing will be stricken from the docket of the Court.

Hospital for Special Surgery, LLC *dba* OneCore Health (“OneCore” or the “Debtor”) hereby submits this this motion (the “Motion”) for entry of an interim order, substantially in the form attached hereto as Exhibit 1 (the “Interim Order”), and a final order (the “Final Order”), pursuant to sections 105, 361, 362, 363(b), 363(c)(2), 503, 506(c), and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), and rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), (i) authorizing the use of cash collateral, as further defined below, in accordance with the terms of the Interim Order and the budget (the “ Proposed Initial Approved Budget”) attached to the Interim Order as Schedule 1, (ii) granting adequate protection, (iii) modifying the automatic stay, (iv) scheduling a final hearing and (v) granting related relief. In support of this Motion, Debtor relies on the *Declaration of Carrie McEntire in Support of Debtor’s First Day Pleadings* (the “McEntire Declaration”) filed contemporaneously herewith and incorporated herein by reference, and respectfully states as follows:

Background

1. OneCore is a duly licensed hospital that has been specializing in orthopedic and specialty surgeries in the community of central Oklahoma for more than a decade. In late 2021, OneCore completed the construction of its present leased facility in northeast Oklahoma City and has been operating at such location since January 2022.

2. OneCore has focused on a culture of excellence in the delivery of surgical and other health care services such as radiology and orthopedic care with the goal of being one of the top performing surgical hospitals in Oklahoma. In the past four (4) years, OneCore has received many accolades for its excellence and patient care, including the following:

- Healthgrades: Knee Replacement 5-star recipient, 2023 and 2024;
- Healthgrades: Spinal Fusion Surgery 5-star recipient 2021 – 2024;
- Healthgrades: Outstanding Patient Experience 2024; and
- Press Ganey: Guardian of Excellence Award for Outstanding Patient Experience.¹

3. Despite the new hospital and recognition as an esteemed hospital for patient care and focus, difficulties ensued in June of 2022, initially due to the Covid pandemic, with the implementation of a new billing system as the legacy system was sunset by the software provider. This difficult conversion caused disruptions to operations for almost two years as OneCore struggled with calibrating the software, creating appropriate interfaces and then billing/collecting claims. This created several million dollars in lost revenue and difficulty tracking patient claims and accounts receivable during the transition. Due to implementation issues, the hospital could not effectively create patient statements to collect good patient accounts receivable, rendering many of these accounts uncollectible.

4. OneCore continued to fight to resolve billing system issues, and with the help of its management company, began to regain control over the revenue cycle in early 2024. From January through August 2024, the hospital produced break-even results and was beginning to turn the corner toward a pathway to profitability with new physician recruitment.

5. In early September 2024, a former patient obtained a significant jury verdict against the hospital relating to care provided by a physician in 2021. OneCore maintains that the evidence shows that the patient's ongoing injuries were unrelated to the accident. Notwithstanding this evidence, the former patient obtained a judgment in the amount of 15 million dollars, which

¹ The Press Ganey Guardian of Excellence Award® honors organizations that perform in the top 5% of healthcare providers and health plans for patient experience, employee engagement, physician experience, clinical quality performance or consumer experience in one year. Only 501 hospitals and health systems achieved this recognition out of over 10,000.

exceeds the estimated enterprise value of the hospital. OneCore timely has appealed the judgment but was required to initiate this Chapter 11 Case to continue to operate its business, continue to employ its approximately 100 employees, and to maintain the enterprise value of Debtor's assets until a sale pursuant to section 363 of the Bankruptcy Code can be conducted.

6. As of the Petition Date, OneCore employs approximately 60 full-time and 40 contract, or part-time employees.

7. 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.

8. Additional factual background relating to Debtor's business and the commencement of this Chapter 11 Case is set forth in detail in the McEntire Declaration.

Facts Specific to the Relief Requested

I. The Debtor's Prepetition Indebtedness.

9. Debtor, as Borrower, is a party to that certain credit facility number 471621 (the "Credit Facility") evidenced by that certain Business Loan Agreement by and between Hospital For Special Surgery, L.L.C., as Borrower and BOKF, NA d/b/a Bank of Oklahoma ("BOKF"), as Lender, dated as of February 10, 2023, as amended from time to time, (the "Business Loan Agreement"), that certain Commercial Security Agreement by and between Debtor and BOKF dated February 10, 2023 granting liens and security interests in the Prepetition Collateral (as defined below), that certain Promissory Note made by Debtor in favor of BOKF dated February 10, 2023 in the original principal amount of \$1,500,000.00, and the Related Documents, as defined in the Business Loan Agreement (collectively, the "Credit Facility Documents").

10. Pursuant to the Credit Facility Documents, to secure all obligations under the Credit Facility, Debtor granted a first priority security interest in and to all of its tangible and

intangible personal property, including all accounts, instruments, documents, chattel paper, goods (including inventor, equipment, and fixtures), general intangibles, letter-of-credit rights, fixtures, all other property and all proceeds and products of any and all of the foregoing, in each case whether now existing or thereafter acquired (collectively, the “Prepetition Collateral”). As of the Petition Date, the amount due and payable by Debtor to BOKF was approximately \$765,142.41; consisting of: \$750,000.00 in respect of outstanding principal; plus \$4,882.41 in respect of accrued and unpaid interest through the Petition Date; plus \$10,260.00 in respect of fees, reasonable documented out-of-pocket costs and expenses incurred or estimated to be incurred by BOKF (including reasonable attorney fees) (collectively, the “BOKF Prepetition Secured Claim”).

II. The Debtor’s Immediate Need for Access to Cash Collateral.

11. Debtor’s need for access to Cash Collateral is immediate and critical to enable Debtor to continue operations and to administer and preserve the value of its estate until a successful reorganization is completed. Debtor does not have sufficient available sources of working capital and financing to operate its business or maintain its properties in the ordinary course of business without the authorized use of the Cash Collateral.

12. BOKF, N.A. is willing to consent to the use of Cash Collateral on the terms specified in the Interim Order and the Final Order. Debtor believes that the use of Cash Collateral pursuant to such terms will enable Debtor to fund its operations during this Chapter 11 Case.

13. Debtor’s ability to finance its operations, maintain business relationships, pay its employees, protect the value of its assets, maximize value for its creditors and successfully reorganize requires the ability to use Cash Collateral. The absence of such would immediately and irreparably harm the Debtor, its estate, and its creditors, and the possibility for successful

administration of this chapter 11 case, including the Debtor's intended value-maximizing sale of substantially all of its assets.

14. The Proposed Initial Approved Budget reflects Debtor's anticipated revenues and expenses for the 13-week period covered therein. The expenses reflected in the Proposed Initial Approved Budget primarily represent the amounts necessary to (i) continue operations as a going concern, (ii) continue OneCore's high quality of care for its patients and (iii) successfully prosecute this Chapter 11 Case in a manner consistent with sound Debtor's business judgment. Debtor will use Cash Collateral to fund (a) operating expenses, (b) professional fees, (c) insurance, (d) taxes, (e) other ordinary course costs and expenses of the Debtor's operations.

III. Debtor's Proposed Adequate Protection Is Fair and Reasonable.

15. The adequate protection contemplated by the Interim Order is designed to protect the interests of BOKF, N.A. in Debtor's property from any diminution in value caused by the imposition of the automatic stay and Debtor's use of the Prepetition BOK Collateral, including Cash Collateral, during the pendency of this Chapter 11 Case. Specifically, Debtor has agreed to provide to BOKF, N.A. the following forms of adequate protection to the extent of any diminution in value of its collateral and subject, in each case, to the Carve-Out (collectively, the "Adequate Protection Obligations"):

- (a) Replacement Liens and Security Interests. The Indenture Trustee shall have replacement, or, if applicable, new liens and security interests on the BOK Collateral to secure adequate protection claims that are ranking in the same relative priority and right as do the respective prepetition security interests and liens of the BOKF, N.A.;
- (b) Superpriority Claim. BOKF, N.A. shall have superpriority claims as provided for in section 507(b) of the Bankruptcy Code ranking in the same relative priority and right as do the respective claims of BOKF, N.A. as of the Petition Date;

- (c) Financial Information. Debtor shall allow BOKF, N.A. and its professionals and designees reasonable access, during normal business hours and on not less than 24 hours' notice, to the premises of Debtor in order to conduct appraisals, analyses and/or audits of the BOK Collateral (as defined below) and shall otherwise reasonably cooperate in providing any other financial information reasonably requested by BOKF, N.A. for this purpose. From and after the entry of the Proposed Interim Order, the Debtor-in-Possession shall provide to BOKF, N.A. once each week (commencing with the second week after the Petition Date), a weekly report certified by an authorized representative of Debtor and in the same form as the Cash Collateral Budget indicating all receipts received and disbursements made by the Debtor-in-Possession in the week ending the prior Friday compared to the Cash Collateral Budget and detailing any variances of more than 10% and at least \$10,000 from the expenditures and receipts in the Cash Collateral Budget. Debtor and its professionals shall be available once each week (subject to reasonable scheduling conflicts) for a telephonic conference call with BOKF, N.A. to discuss matters pertaining to OneCore and this Chapter 11 Case. Debtor shall provide to BOKF, N.A. such other reports and information as BOKF, N.A. may reasonably request from time to time; and
- (d) Payment of Interest Pursuant to the BOK Loan Documents. OneCore shall continue to pay interest as and when it becomes due under the BOK Loan Documents.

16. Prohibited Use of Cash Collateral. Except as expressly provided in the Proposed Interim Order, no Cash Collateral or proceeds thereof shall be used for the purpose of:

- (i) objecting to, or contesting in any manner, or raising any defense to, the validity, amount, extent, perfection, priority, or enforceability of the BOK Loan Documents, the BOK Collateral, the BOK Claim (each as defined below), or any liens or security interests with respect thereto;
- (ii) asserting any claims or defenses or causes of action against BOKF, N.A., or its respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors including, without limitation, causes of action arising out of, based upon, or related to, in whole or in part, the Loan Documents (as defined below) or any actions under Chapter 5 of the Bankruptcy Code, including with respect to payments made pursuant to the Loan Documents;
- (iii) paying any amounts on

account of claims arising before the Petition Date, except to the extent provided for in the Cash Collateral Budget and approved by the Court; (iv) seeking to modify any of the rights granted to BOKF, N.A. under the Proposed Orders, in each case as entered by the Court, or (v) seeking to bifurcate any claims of BOKF, N.A.

17. The use of Cash Collateral further provides the liquidity necessary to stabilize and fund Debtor's operations during this Chapter 11 Case as it seeks to preserve and maximize the value of its estate for the benefit of all parties in interest, and to efficiently and successfully maximize value for all parties in interest through an orderly liquidation. Without authorization to use Cash Collateral, rather than liquidating in an orderly fashion while maintaining a going concern, the Debtor's estate could be required to undertake a liquidation process on a highly expedited basis and, in that scenario, secured creditor recoveries would likely be materially impaired when compared to recoveries available if the Debtor is able to use Cash Collateral. The use of Cash Collateral therefore eliminates the risk of an expedited liquidation and, by avoiding that possible near-term outcome, provides a direct benefit to BOKF, N.A.

Jurisdiction

18. The Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334 and rule 81.4(a) of the Local Civil Rules of the United States District Court for the Western District of Oklahoma. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper in the Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief requested herein are sections 105, 361, 362, 363(b), 363(c)(2), 503, 506(c), and 507 of the Bankruptcy Code and Bankruptcy Rules 2002, 4001, 6003, 6004, and 9014.

Relief Requested

19. By this Motion, Debtor seeks entry of the Interim Order and the Final Order, granting the following relief:

- (a) Authorizing the Debtor to use Cash Collateral in accordance with the terms of the Interim Order and the Final Order;
- (b) Authorizing Debtor to provide adequate protection to BOKF, N.A., as set forth in the Motion, the Interim Order and the Final Order;
- (c) Modifying the automatic stay as set forth herein to the extent necessary to implement and effectuate the foregoing and the Interim Order and the Final Order;
- (d) Waiving of any applicable stay, including under Bankruptcy Rule 6004, and providing for immediate effectiveness of the Interim Order;
- (e) Subject to entry of a Final Order, waiving any right to surcharge the BOK Collateral pursuant to section 506(c) of the Bankruptcy Code; and
- (f) Scheduling a final hearing (the “Final Hearing”) to be held within 30 days after the Petition Date, to consider entry of the Final Order approving the use of Cash Collateral.

Basis for Relief

I. Debtor Should Be Authorized to Use, and BOKF, N.A. Consents to Its Use of, the Cash Collateral, Subject to the Terms of the Proposed Interim Order.

A. Debtor Should Be Authorized to Use the Cash Collateral.

20. Debtor should be permitted to use Cash Collateral pursuant to section 363(c)(2) of the Bankruptcy Code, which provides, in relevant part, that a debtor “may not use, sell, or lease cash collateral . . . unless: (A) each entity that has an interest in such cash collateral consents; or (B) the court, after notice and a hearing, authorizes such use, sale, or lease in accordance with the provisions of this section.” 11 U.S.C. § 363(c)(2). Section 363(e) of the Bankruptcy Code further provides that “on request of an entity that has an interest in property . . .

to be used, sold, or leased by the trustee, the court . . . shall prohibit or condition such use, sale, or lease as is necessary to provide adequate protection of such interest.” *Id.* § 362(e).

21. The Adequate Protection Obligations, described above, are intended to protect BOKF, N.A. from any diminution in the value of its interests in the BOK Collateral resulting from Debtor’s use thereof during the pendency of this Chapter 11 Case.

22. While section 361 of the Bankruptcy Code provides examples of forms of adequate protection, such as granting replacement liens and administrative claims, courts decide what constitutes adequate protection on a case-by-case basis. *See, e.g., In re Swedeland Dev. Grp., Inc.*, 16 F.3d 552, 564 (3d Cir. 1994) (“[A] determination of whether there is adequate protection is made on a case by case basis.”); *In re Martin*, 761 F.2d 472, 474 (8th Cir. 1985) (“[S]uch matters are [to be] left to case-by-case interpretation and development.” (brackets in original) (quotations omitted)). That said, it is clear that the adequate protection offered here is traditional, appropriate, and routinely granted. *See, e.g., In re Offshore Grp. Inv. Ltd.*, Case No. 15-12422 (BLS) (Bankr. D. Del. Jan. 8, 2016), D.I. 158 (granting secured creditor adequate protection liens, superpriority claims subject to a carve out, fees and expenses, and requiring that the debtors deliver certain financial reports and budget compliance documents); *In re CTI Foods, LLC*, No. 19-10497 (CSS) (Bankr. D. Del. Apr. 05, 2019) (D.I. 141) (granting certain secured creditor indemnification liens, adequate protection liens, superpriority administrative claims, fees and expenses, and requiring the debtors to provide written financial reporting and other periodic reporting).

23. In light of the foregoing, Debtor further submits that the proposed Adequate Protection Obligations to be provided for the benefit of BOKF, N.A. are fair and appropriate under the circumstances to ensure that Debtor can continue using the Cash Collateral, subject to the terms

and conditions set forth in the Interim Order and Final Order, for the benefit of all parties in interest and Debtor's estate.

B. BOKF, N.A. Consents to Debtor's Use of Cash Collateral.

24. BOKF, N.A. consents to Debtor's use of the Cash Collateral, subject to the terms and conditions set forth in the Proposed Interim Order. Specifically, as a condition of consenting to Debtor's use of its Cash Collateral, BOKF, N.A. has agreed to the form of the Proposed Interim Order. Accordingly, Debtor's use of Cash Collateral should be authorized under section 363(c)(2)(A) of the Bankruptcy Code.

III. The Automatic Stay Should Be Modified on a Limited Basis.

25. The proposed Interim Order provides that the automatic stay provisions of section 362 of the Bankruptcy Code will be modified to permit (a) the Debtor to grant the liens and claims provided for as Adequate Protection Obligations, (b) the Debtor to pay all amounts required in accordance with the Interim Order, (c) BOKF, N.A., subject to certain limitations, to exercise remedies upon the occurrence and during the continuation of an event of default under the Interim Order, and (d) BOKF, N.A. to implement all the terms, rights, benefits, privileges, remedies, and provisions of the Interim Order, including allowing BOKF, N.A. to file any financing statements, security agreements, notices of liens, and other similar instruments and documents in order to validate and perfect the liens and security interests granted to them under the Interim Order.²

² Stay modifications of this kind are ordinary and standard features of similar orders, and, in the Debtors' business judgment, are reasonable and fair under the circumstances of these chapter 11 cases. See, e.g., *In re White Star Petroleum Holdings, LLC*, No. 19-12521 (Bankr. W.D. Okla., May 29, 2019) (ECF No. 36); *In re Central Oklahoma Methodist Retirement Facility, Inc.*, Case No. 14-12995 (Bankr. W.D. Okla., July 22, 2014) (ECF No. 36); *In re GMX Resources, Inc.*, Case No. 13-11456 (Bankr. W.D. Okla., April 3, 2013) (ECF No. 80); *In re Paul Transportation, Inc.*, Case No. 10-13022 (Bankr. W.D. Okla., May 20, 2010) (ECF No. 34).

IV. The Scope of the Carve-Out Is Appropriate.

26. The Interim Order subjects the Adequate Protection Obligations to the Carve-Out. Such carve-outs for professional fees have been found to be reasonable and necessary to ensure that a debtor's estate can reimburse its professionals in certain circumstances during an event of default under the terms of the debtor's postpetition financing. *See Ames Dep't Stores, Inc.*, 115 B.R. 34, 38 (Bankr. S.D.N.Y. 1990) ("Absent such protection, the collective rights and expectations of all parties-in-interest are sorely prejudiced"). Additionally, the Carve-Out protects against administrative insolvency during the course of this Chapter 11 Case by ensuring that, notwithstanding the Adequate Protection Obligations, assets remain for the payment of the fees of the Office of the United States Trustee for the Western District of Oklahoma (the "U.S. Trustee") and professional fees of the Debtor.³

Request for Final Hearing

27. Pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2), Debtor requests that the Court set a date for the Final Hearing that is as soon as practicable, and fix the time and date prior to the Final Hearing for parties to file objections to this Motion.

³ Courts in this district and others routinely approve carve-out provisions agreed to by the debtors and their postpetition lenders. *See, e.g., In re White Star Petroleum Holdings, LLC*, No. 19-12521 (Bankr. W.D. Okla., May 29, 2019) (ECF No. 36); *In re Central Oklahoma Methodist Retirement Facility, Inc.*, Case No. 14-12995 (Bankr. W.D. Okla., July 22, 2014) (ECF No. 29); *In re GMX Resources, Inc.*, Case No. 13-11456 (Bankr. W.D. Okla., April 3, 2013) (ECF Nos. 80, 84); *In re Paul Transportation, Inc.*, Case No. 10-13022 (Bankr. W.D. Okla., May 20, 2010) (ECF No. 34); *In re Roma Foods of Oklahoma, Inc.*, Case No. 09-12488 (Bankr. W.D. Okla., May 12, 2009) (ECF No. 34).

Waiver of Bankruptcy Rule 6004(a) and 6004(h)

28. Given the nature of the relief requested herein, Debtor respectfully requests a waiver of (a) the notice requirements under Bankruptcy Rule 6004(a) and (b) the 14-day stay under Bankruptcy Rule 6004(h). Pursuant to Bankruptcy Rule 6004(h), “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until expiration of 14 days after entry of the order, unless the court orders otherwise.” For the reasons described above, the relief that Debtor seeks in this Motion is essential to prevent potentially irreparable damage to Debtor’s operations, value and ability to reorganize.

Bankruptcy Rule 6003 Is Satisfied

29. In order for a debtor to obtain relief to incur an obligation regarding property of the estate within 21 days of the Petition Date, it must establish that incurring such obligation satisfies the requirements mandated by Bankruptcy Rule 6003—namely, the relief requested is necessary to avoid “immediate and irreparable harm.” If a debtor’s prospect of reorganizing is threatened, or swift diminution in value of the debtor’s estate is likely absent the granting of the requested relief, immediate and irreparable harm likely exists. *See In re WorldSpace, Inc.*, No. 08-12412-PJW, 2008 WL 8153639, at *2 (Bankr. D. Del. Oct. 20, 2008) (finding that relief requested by the debtors was necessary to avoid irreparable harm to the debtors and their estates because such relief was essential for the continued operation of the debtors’ businesses).

30. Immediate and irreparable harm would result if the relief requested herein is not granted. As described above, use of Cash Collateral is essential to the preservation of the value of Debtor’s business, properties and assets and its ability to successfully prosecute this chapter 11 case, including without limitation, through confirmation of a plan of reorganization. For the reasons discussed above, the relief requested herein is critical to Debtor’s prospects of

successfully prosecuting this Chapter 11 Case. Without authorization to use Cash Collateral, Debtor will not be able to fund employee payroll, pay its vendors or maintain the value of its business. Accordingly, Debtor respectfully submits that it has satisfied Bankruptcy Rule 6003 as it relates to the relief requested herein.

Reservation of Rights

31. Nothing contained herein is intended or should be construed as an admission as to the validity of any claim against Debtor, a waiver of Debtor's right to dispute any claim, or an approval or assumption of any agreement, contract, or lease under section 365 of the Bankruptcy Code. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any claim or a waiver of the Debtor's rights to dispute such claim subsequently.

Notice

32. No creditors' committee, trustee, or examiner has been appointed in this Chapter 11 Case. Notice of this Motion has been provided to: (a) the United States Trustee for the Western District of Oklahoma (the "U.S. Trustee"); (b) the United States Attorney's Office for the Western District of Oklahoma; (c) the Internal Revenue Service; (d) counsel to BOKF, N.A.; (e) the parties identified on Debtor's list of 20 largest unsecured creditors; and (f) any other party that has requested notice pursuant to Bankruptcy Rule 2002. Debtor submits that, considering the nature of the relief requested, no other or further notice need be provided.

Conclusion

WHEREFORE, for the reasons set forth herein, Debtor respectfully requests that the Court (a) enter the Interim Order, substantially in the form attached hereto as Exhibit 1, (b) enter the Final Order, and (c) grant such other and further relief as is just and proper.

Dated: October 7, 2024

Respectfully submitted,

ONECORE

/s/Craig M. Regens

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Proposed Counsel to Debtor

Exhibit 1

Proposed Interim Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

<hr/>		X
In re	:	
	:	Chapter 11
HOSPITAL FOR SPECIAL SURGERY, LLC	:	
<i>Db</i> a ONECORE HEALTH,	:	Case No. 24-12862-JDL
	:	
Debtor.	:	
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INTERIM ORDER PURSUANT TO 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, 506 AND 507, (I) AUTHORIZING THE USE OF CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION, (III) MODIFYING THE AUTOMATIC STAY, (IV) SCHEDULING A FINAL HEARING AND (V) GRANTING RELATED RELIEF

This matter is before the Court on the Motion dated October 7, 2024 (the “Motion”)⁴ of Hospital for Special Surgery, LLC *dba* OneCore Health (“OneCore” or the “Debtor”) in the above-referenced chapter 11 case (the “Chapter 11 Case”), for entry of an interim order (this “Interim Order”) and a final order (“Final Order”), under sections 105, 361, 362, 363(c)(2), 363(e), 503,

⁴ All defined terms shall have the meaning ascribed to them in the Motion unless otherwise defined herein.

506(c), and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101 – 1532 (as amended, the “Bankruptcy Code”), and rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (as amended, the “Bankruptcy Rules”) and rule 4001-1 and 9013-1 of the Local Rules of the United States Bankruptcy Court for the Western District of Oklahoma, seeking, among other things:

1. Authorization for the Debtor’s use of cash collateral, as such term is defined in section 363(a) of the Bankruptcy Code, including, without limitation, accounts receivable and the proceeds thereof, (“Cash Collateral”) in accordance with the terms and conditions set forth in this Interim Order;

2. Authorization to provide adequate protection of the liens and security interests granted by Debtor for the benefit of the prepetition secured lenders pursuant to credit facility number 471621 (the “Credit Facility”) evidenced by that certain Business Loan Agreement by and between Hospital For Special Surgery, L.L.C., as Borrower and BOKF, NA d/b/a Bank of Oklahoma (“BOKF”), as Lender, dated as of February 10, 2023, as amended from time to time, (the “Business Loan Agreement”), that certain Commercial Security Agreement by and between Debtor and BOKF dated February 10, 2023 granting liens and security interests in the Prepetition Collateral (as defined below), that certain Promissory Note made by Debtor in favor of BOKF dated February 10, 2023 in the original principal amount of \$1,500,000.00, and the Related Documents, as defined in the Business Loan Agreement (collectively, the “Credit Facility Documents”).

3. Authorization for the Debtor to grant, as adequate protection to BOKF: (i) valid, enforceable, nonavoidable and fully perfected replacement security interests and liens on Prepetition Collateral to BOKF to secure all obligations of OneCore under and with respect to the

Credit Facility (collectively, the “BOK Obligations”), and (ii) superpriority claims (including a superpriority administrative expense claim pursuant to section 364(c)(1) of the Bankruptcy Code) to BOKF, having recourse to all prepetition and postpetition property of the Debtor’s estate, now owned or hereafter acquired, excluding, until entry of the Final Order, proceeds of Avoidance Actions (as defined below), whether received by judgment, settlement or otherwise, all such adequate protection subject to the Carve-Out.

4. Subject to entry of a Final Order, approval of certain stipulations by the Debtor as set forth in herein related to the Credit Facility

5. Subject to entry of a Final Order, the waiver of any right to surcharge the Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code;

6. The scheduling of a final hearing (the “Final Hearing”) on the Motion no later than 30 days after the entry of this Interim Order, to consider entry of the Final Order granting the relief requested in the Motion on a final basis in form and substance reasonably acceptable to BOKF and adequate protection;

7. Modification of the automatic stay imposed under section 362 of the Bankruptcy Code to the extent necessary to permit the (i) Debtor and (ii) BOKF to implement the terms of this Interim Order; and

8. Waiver of any applicable stay (including under Bankruptcy Rule 6004) and provision for immediate effectiveness of this Interim Order.

An interim hearing having been held by this Court on October 10, 2024; and this Court having found that, under the circumstances, due and sufficient notice of the Motion and Interim Hearing was provided by the Debtor as set forth in Paragraph C below, and this Court having considered all the pleadings filed with this Court; and having overruled all unresolved objections

(if any) to the relief granted in this Interim Order; and upon the record made by the Debtor at the Interim Hearing; and where necessary and permissible, based upon the representations of counsel; and after due deliberation and consideration and good and sufficient cause appearing therefor:

THE COURT HEREBY FINDS AND CONCLUDES AS FOLLOWS⁵:

A. **Petition Date.** On October 7, 2024 (the “Petition Date”), Debtor filed a voluntary petition (the “Petition”) with this Court commencing the Chapter 11 Case. Debtor is continuing to operate its business and manage its properties as debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

B. **Jurisdiction; Venue.** This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334 and LCvR 81.4(a) of the United States District Court for the Western District of Oklahoma. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper in the Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief requested herein are sections 105, 361, 362, 363(c)(2), 363(e), 364(c)(1), 364(c)(2), 503, 506(c), and 507 of the Bankruptcy Code and Bankruptcy Rules 2002, 4001, 6003, 6004, and 9014.

C. **Notice.** The Interim Hearing was held pursuant to the authorization of Bankruptcy Rule 4001. Notice of the Interim Hearing and the emergency relief requested in the Motion has been provided by Debtor, whether by facsimile, electronic mail, overnight courier or hand delivery, on October 7, 2024, to certain parties-in-interest, including: (i) the Office of the United States Trustee for the Western District of Oklahoma (the “U.S. Trustee”), (ii) the 20 largest non-insider unsecured creditors of the Debtor, (iii) counsel to BOKF, (iv) the Internal Revenue Service, and (v) the United States Attorney’s Office for the Western District of Oklahoma. Under the

⁵ Findings of fact shall be construed as conclusions of law, and conclusions of law shall be construed as findings of fact, pursuant to Bankruptcy Rule 7052.

circumstances, such notice of the Motion, the relief requested therein and the Interim Hearing complies with Bankruptcy Rule 4001(b), (c) and (d) and the Local Rules.

D. **Debtor's Stipulations.** Debtor has made the following stipulations, to be effective upon entry of the Final Order: Pursuant to the Credit Facility Documents, to secure all obligations under the Credit Facility, Debtor granted a first priority security interest in and to all of its tangible and intangible personal property, including all accounts, instruments, documents, chattel paper, goods (including inventor, equipment, and fixtures), general intangibles, letter-of-credit rights, fixtures, all other property and all proceeds and products of any and all of the foregoing, in each case whether now existing or thereafter acquired (collectively, the "Prepetition Collateral"). As of the Petition Date, the amount due and payable by Debtor to BOKF was approximately \$765,142.41; consisting of: \$750,000.00 in respect of outstanding principal; plus \$4,882.41 in respect of accrued and unpaid interest through the Petition Date; plus \$10,260.00 in respect of fees, reasonable documented out-of-pocket costs and expenses incurred or estimated to be incurred by BOKF (including reasonable attorney fees) (collectively, the "BOKF Prepetition Secured Claim"). The BOKF Prepetition Secured Claim constitutes the legal, valid, and binding obligation of Debtor, enforceable against it in accordance with the terms of the Credit Facility Documents (other than in respect of the stay imposed by Section 362 of the Bankruptcy Code). No portion of the Credit Facility, the BOKF Prepetition Secured Claim, the liens and security interests granted thereby, or any payment on account thereof is subject to avoidance, recharacterization, recovery, reduction, subordination, disallowance, impairment or any other challenges pursuant to the Bankruptcy Code or applicable nonbankruptcy law, and the Debtors do not have, hereby forever release, and are forever barred from bringing any "claims" (as such term is defined in the Bankruptcy Code), counterclaims, cross claims, causes of action, defenses, recoupment, or setoff

rights, whether arising under the Bankruptcy Code or otherwise, against BOKF, whether arising at law or in equity.

E. **Budget.** Debtor has delivered a cash-flow budget setting forth all projected unencumbered and unrestricted cash receipts and cash disbursements (by line item) on a weekly basis for the 13-week period commencing on the Petition Date (the “Initial Approved Budget”). BOKF has stipulated and agreed that: (i) the Initial Approved Budget may be modified or supplemented from time to time by additional budgets prepared by Debtor in the form of the Initial Budget or in such other form as BOKF may agree in its reasonable discretion (the “Proposed Budget”); (ii) to the extent such Proposed Budget is approved by BOKF in its reasonable discretion, such Proposed Budget shall thereafter be the supplemental approved budget, without subsequent notice to or order of the Court (each such additional budget, a “Supplemental Approved Budget” and together with the Initial Approved Budget, the “Approved Budget”); and (iii) in the event that any Proposed Budget is not so approved, the last Approved Budget without giving effect to any update, modification or supplement shall apply to the projection period (with appropriate adjustments for the timing of monthly or semi-monthly disbursements). The Initial Approved Budget has been relied upon by BOKF to provide consent to the use of Cash Collateral and, further, to consent to this Interim Order.

F. **Adequate Protection.** BOKF is entitled to the adequate protection provided in this Interim Order as and to the extent set forth herein pursuant to sections 361, 362, and 363 of the Bankruptcy Code. Based on the Motion and on the record presented to the Court, the terms of the proposed adequate protection arrangements and of the use of the Cash Collateral are fair and reasonable, reflect Debtor’s prudent exercise of business judgment and constitute reasonably equivalent value and fair consideration for the use of the Cash Collateral.

G. **Good Cause Shown; Best Interest.** Debtor has requested immediate entry of this Interim Order pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2) and Local Rule 4001-2(b). Absent entry of this Interim Order, Debtor's business, property and estate will be immediately and irreparably harmed. This Court concludes that good cause has been shown and that entry of this Interim Order is in the best interest of Debtor's estate and creditors as its implementation will, among other things, allow for the continued operation of Debtor's existing business and enhance Debtor's prospects for either a successful reorganization or the sale of all or substantially all of its assets pursuant to any subsequent orders of this Court.

H. **Section 552.** In light of the subordination of their liens and superpriority administrative claims to the Carve-Out, BOKF is entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and, subject to the entry of the Final Order, the "equities of the case" exception shall not apply to BOKF with respect to the proceeds, products, rents, issues or profits of any of the BOK Collateral, and no expenses of administration of the Chapter 11 Case or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, may be charged against proceeds, products, offspring or profits from any of the BOK Collateral under section 552(b) of the Bankruptcy Code. Subject to and immediately upon entry of the Final Order, Debtor shall be deemed to have irrevocably waived, and to have agreed not to assert, any claim or right under sections 552 or 726 of the Bankruptcy Code seeking to avoid the imposition of the Prepetition BOK Liens or the Adequate Protection Liens on any property acquired by any of the Debtor or its estate.

I. **Immediate Entry.** Sufficient cause exists for immediate entry of this Interim Order pursuant to Bankruptcy Rule 4001(c)(2).

Based on the foregoing, and upon the record made before this Court at the Interim Hearing, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. **Approval of Interim Order.** The Motion is approved on the terms and conditions set forth in this Interim Order. Any objections to the relief granted in this Interim Order that have not previously been withdrawn are hereby overruled. This Interim Order shall become effective immediately upon its entry.

2. **Authorization to Use Cash Collateral.** Debtor is hereby authorized to use all Cash Collateral pursuant to the Budget and subject to the terms and conditions of this Interim Order.

3. **Collections and Disbursements.** From the Petition Date until the BOK Obligations have been paid in full in cash, all cash receipts, Cash Collateral, and all proceeds from the sale or other disposition of, or other revenue of any kind attributable to, any BOK Collateral that is now in, or shall hereafter come into, the possession or control of Debtor, or to which Debtor is now or shall hereafter become entitled shall be (i) subject to the BOK Liens and the Adequate Protection Liens (and shall be treated in accordance with this Interim Order).

4. **BOKF's Adequate Protection.** BOKF is entitled to adequate protection of its interests in the BOK Collateral on account of and in equal amount to the diminution in value thereof as a result of (a) the authorization of the use of Cash Collateral and other BOK Collateral; (c) the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code; and/or (d) otherwise, pursuant to sections 361(a) and 363(c) of the Bankruptcy Code (collectively, the "Adequate Protection Claims"). BOKF is hereby granted the following (collectively, the "Adequate Protection Obligations"):

(a) Adequate Protection Liens. Valid, enforceable and fully perfected replacement liens and security interests in Debtor's property, including upon entry of the Final Order, proceeds of Avoidance Actions (the "Adequate Protection Liens") in the amount sufficient to secure such Prepetition Secured Party's Adequate Protection Claims, which shall be subject to the Carve-Out, which Adequate Protection Liens shall rank in the same relative priority and right as do the respective security interests and liens in respect of the Prepetition Mortgage and Security Interests as of the Petition Date. The Adequate Protection Liens shall be deemed to be legal, valid, binding, enforceable, perfected liens, not subject to subordination or avoidance, for all purposes in the Chapter 11 Case. Except as set forth in this paragraph 4 or otherwise in this Interim Order, the Adequate Protection Liens shall not be subordinated to or be made *pari passu* with any other lien under section 364(d) of the Bankruptcy Code or otherwise. The Adequate Protection Liens shall be deemed to be perfected automatically upon the entry of this Interim Order, without the need for (x) filing any UCC-1 financing statement, state or federal notice, or other similar instrument or document in any state or public record or office, (y) taking possession or control of any collateral, or (z) further action of any kind (including entry into any security agreements, pledge agreements, control agreements, lockbox agreements, or escrow agreements); provided, however, that, upon the request of the BOKF, OneCore shall enter into any such agreement, and, if BOKF determines, in its sole discretion, to file any financing statements, notice of liens or similar instruments, OneCore will cooperate and assist in such filings and the automatic stay shall be lifted without the need for further order of this Court to allow such filings.

(b) Adequate Protection Superpriority Claims. BOKF is hereby granted superpriority administrative expense claims (the “Adequate Protection Superpriority Claims”) in the amount of its respective Adequate Protection Claim under sections 503 and 507 of the Bankruptcy Code against the Debtor’s estate, excluding proceeds of Avoidance Actions until entry of the Final Order, which Adequate Protection Superpriority Claims, if any, shall have priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including, but not limited to, Bankruptcy Code sections 105, 326, 328, 330, 331, 503(b), 506(c) (subject to and effective upon entry of a Final Order), 507(a), 507(b), 726, 1113 and 1114, or otherwise and including those resulting from the conversion of the Chapter 11 Case pursuant to section 1112 of the Bankruptcy Code.

5. **No Waiver of BOK Loan Documents; Reservation of Rights.** Except as otherwise specifically provided in this Interim Order, nothing contained in this Interim Order shall be deemed a waiver or constitute a consent to the modification of any provision contained in the Credit Facility Documents by BOKF, including, but not limited to, the incurrence or issuance of any indebtedness by Debtor, the incurrence of any lien in connection therewith or the making of any payment by Debtor. Nothing in this Interim Order shall impair, and BOKF has reserved all rights, claims, and defenses it may have thereby against Debtor and any of its officers, directors and employees in regard of any statements, warranties and representations made to BOKF at any time. Nothing in this Interim Order shall impair, and BOKF has reserved all rights to credit bid (pursuant to 363(k) or otherwise) at any sale of any or all of the Prepetition Collateral.

6. **Carve-Out.**

(a) The Adequate Protection Superpriority Claims and Adequate Protection Liens shall be subject to the payment of: (i) all fees required to be paid to the clerk of the Bankruptcy Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United State Code (plus any applicable interest at the statutory rate), (ii) prior to the delivery (by email or otherwise) by BOKF of a written notice to Debtor, Debtor's counsel, the U.S. Trustee, and lead counsel for the Committee (as defined below), if any, of the occurrence and continuance of an Event of Default with respect to Debtor's compliance with the Approved Budget (the "Carve-Out Notice"), the fees, costs and expenses accrued or incurred by any person or firm retained by Debtor as an estate professional (collectively, the "Professionals") and payable under sections 328, 330 and/or 331 of the Bankruptcy Code, to the extent allowed by an order of this Court (whether allowed prior to or after the delivery of the Carve-Out Notice); (iii) up to a maximum amount of \$200,000 of fees, costs and expenses accrued or incurred by Professionals following the delivery of the Carve-Out Notice, payable under sections 328, 330 and/or 331 of the Bankruptcy Code and allowed by order of this Court; and (d) all reasonable and documented fees and expenses incurred by a trustee under section 726(b) of the Bankruptcy Code not to exceed \$150,000 (collectively, the "Carve-Out"). So long as a Carve-Out Notice has not been delivered: (i) the Debtor shall be permitted to pay administrative expenses allowed and payable under sections 328, 330 and/or 331 of the Bankruptcy Code, as the same may become due and payable; and (ii) such payments shall not be applied to reduce the Carve-Out (to the extent such payments are ultimately permitted by the Court); provided, however, that following a Carve-Out Notice any amounts actually paid to

Professionals by any means will reduce the Carve-Out on a dollar-for-dollar basis. Notwithstanding the foregoing, nothing contained herein is intended to constitute, nor should be construed as consent to, the allowance of any Professional's fees, costs or expenses by any party and shall not affect the right of the Debtor, BOKF, the U.S. Trustee, or any other party-in-interest to object to the allowance and payment or any amounts incurred or requested.

(b) Notwithstanding anything to the contrary herein, the Carve-Out shall be senior to the Adequate Protection Obligations, the Adequate Protection Liens and all other liens and claims granted under this Interim Order, the DIP Loan Documents, or otherwise securing or in respect of the Adequate Protection Obligations.

7. **Limitation on Use of Collateral and Cash Collateral.** No portion of the Carve-Out, BOK Collateral or Cash Collateral shall include, apply to, or be available for any fees, costs or expenses incurred by any party, including the Debtor or any Committee, in connection with the initiation or prosecution of any claims, causes of action, adversary proceedings, or other litigation against BOKF, including, without limitation, (i) challenging the amount, validity, extent, perfection, priority, or enforceability of, or asserting any defense, counterclaim, or offset to the BOK Collateral, the Adequate Protection Liens, or the BOK Claim in respect thereof, or (ii) asserting any claims or causes of action, including, without limitation, claims or actions to hinder or delay BOKF's assertion, enforcement or realization on the BOK Collateral or postpetition collateral subject to the Adequate Protection Liens. Furthermore, none of the Carve-Out, BOK Collateral, or Cash Collateral shall be used to prevent, hinder or delay BOK from enforcing or realizing upon the BOK Collateral once an Event of Default has been determined by the Court to have occurred and to be continuing under this Interim Order.

8. **Compliance With Approved Budget.** The Debtors' aggregate expenditures under the Approved Budget will be tested weekly on each Friday, on which day the Debtors shall deliver to BOKF a weekly variance report (the "Variance Report"). The Variance Report shall measure performance, on a cumulative basis for all receipts and disbursements made in such prior four weeks (or, if applicable, such shorter number of weeks elapsed since the delivery of the initial Approved Budget) against the amount budgeted therefor in the Approved Budget and shall include calculations that demonstrate that the Debtors are in compliance with the Permitted Variance (as defined below). On each Test Date, the Debtors shall demonstrate in each such Variance Report that, in the period covered by such Variance Report, the aggregate actual receipts and disbursements for the applicable time period (the "Net Cash Flow"), shall not, be less than, and in the case of disbursement, exceed, the sum of the aggregate amount budgeted therefor in the Approved Budget for the applicable time period by more than ten percent (10%) of the budgeted amount (the "*Permitted Variance*") on a cumulative basis for Net Cash Flow or disbursements during the applicable time period. Certification of compliance shall be provided on such Test Date, concurrently with delivery of each Variance Report, and shall have been certified by the Debtor's chief restructuring officer as being true and correct in all material respects (except with respect to any forward-looking statements or information), and be in a form and substance reasonably satisfactory to BOKF.

9. **Further Assurances.** Debtor is authorized to execute and deliver to BOKF all such agreements, financing statements, instruments and other documents as BOKF may reasonably request to evidence, confirm, validate or perfect the Adequate Protection Liens granted pursuant hereto. If BOKF hereafter reasonably requests that Debtor execute and deliver to BOKF financing statements, security agreements, collateral assignments, or other instruments and documents

considered by such agent to be reasonably necessary or desirable to further evidence the perfection of the Adequate Protection Liens, Debtor is hereby authorized to execute and deliver such financing statements, security agreements, collateral assignments, instruments and documents, and BOKF is hereby authorized to file or record such documents in its discretion without seeking modification of the automatic stay under section 362 of the Bankruptcy Code, in which event all such documents shall be deemed to have been filed or recorded at the time and on the date of entry of this Interim Order.

10. **506(c) Waiver.** Upon the entry of the Final Order, except to the extent of the Carve-Out, Debtor, on behalf of itself and its estate, shall irrevocably waive and shall be prohibited from asserting any surcharge claim, under section 506(c) of the Bankruptcy Code or otherwise, for any costs and expenses incurred in connection with the preservation, protection or enhancement of, or realization by BOKF upon the BOK Bond Collateral.

11. **Automatic Effectiveness of Liens.** Automatically upon entry of this Interim Order, the Adequate Protection Liens shall be deemed to be valid, perfected, enforceable, nonavoidable and effective by operation of law, and not subject to challenge as of the Petition Date, without the need for (a) executing any control agreements, landlord waivers (unless required by law or contract), mortgagee waivers, bailee waivers or warehouseman waivers; (b) giving, filing or recording of any UCC-1 financing statements, mortgages, deeds of trust, leasehold mortgages, notices to account debtors or other third parties, notices of lien or similar instruments in any jurisdiction (including filings with the United States Patent and Trademark Office, the United States Copyright Office or any similar agency in respect of trademarks, copyrights, trade names or patents with respect to intellectual property), (c) taking possession or control of any collateral, or

(d) further action of any kind (including execution of any security agreements, pledge agreements, control agreements, lockbox agreements or escrow agreements).

12. **Binding Effect.** To the extent permitted by law, the provisions of this Interim Order shall be binding upon and inure to the benefit of BOKF, Debtor, any Committee appointed in this Chapter 11 Case, and their respective successors and assigns (including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for the estate of Debtor, an examiner appointed pursuant to section 1104 of the Bankruptcy Code or any other fiduciary appointed as a legal representative of Debtor or with respect to the property of the estate of Debtor). To the extent permitted by applicable law, this Interim Order shall bind any trustee hereafter appointed for the estate of Debtor, whether in this Chapter 11 Case or in the event of the conversion of the Chapter 11 Case to a liquidation under chapter 7 of the Bankruptcy Code. Such binding effect is an integral part of this Interim Order.

13. **Limits on Lender Liability.** Nothing in this Interim Order or any other documents related thereto shall in any way be construed or interpreted to impose or allow the imposition upon BOKF of any liability for any claims arising from any activities by Debtor in the operation of its business or in connection with the administration of this Chapter 11 Case. Nothing in this Interim Order shall in any way be construed or interpreted to impose or allow the imposition upon BOKF of any liability for any claims arising from the prepetition or postpetition activities of the Debtor.

14. **Protection Under Section 364(e).** If any or all of the provisions of this Interim Order are hereafter reversed, modified, vacated or stayed, such reversal, modification, vacation or stay shall not affect the validity or enforceability of any Adequate Protection Superpriority Claim or Adequate Protection Lien or Adequate Protection Obligations owing to BOKF incurred prior to the actual receipt by BOKF of written notice of the effective date of such reversal, modification,

vacation or stay. Notwithstanding any such reversal, modification, vacation or stay, any use of Cash Collateral or the incurrence of Adequate Protection Obligations owing to the BOKF by Debtor prior to the actual receipt by BOKF of written notice of the effective date of such reversal, modification, vacation or stay, shall be governed in all respects by the provisions of this Interim Order, and BOKF shall be entitled to all of the rights, remedies, protections and benefits granted under section 364(e) of the Bankruptcy Code and this Interim Order with respect to all uses of Cash Collateral and the incurrence of Adequate Protection Obligations owing to BOKF

15. **Order Effective.** This Interim Order shall be effective as of the date of the signature by the Court.

16. **Controlling Effect of Interim Order.** To the extent any provision of this Interim Order conflicts or is inconsistent with any provision of the Motion or any prepetition agreement, the provisions of this Interim Order shall control.

17. **Final Hearing.** The final hearing (the “Final Hearing”) on the Motion shall be held on _____, 2024, at __:__.m., prevailing Central Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before __:__.m., prevailing Central Time on _____, 2024. Objections must be filed and served on: (i) proposed counsel to Debtor, Crowe & Dunlevy, Braniff Building, 324 N. Robinson Ave., Suite 100, Oklahoma City, OK 73102, Attn: William H. Hoch (will.hoch@crowedunlevy.com) and Craig M. Regens (craig.regens@crowedunlevy.com); (ii) the Office of the United States Trustee for the Western District of Oklahoma, 215 Dean A. McGee Ave., Room 408, Oklahoma City, OK 73102, Attn: Marjorie Creasey (Marjorie.Creasey@usdoj.gov) and Jeff Tate (Jeff.Tate@usdoj.gov); (iii) counsel to BOKF, Frederic Dorwart, Lawyers PLLC, 124 E. 4th St., Tulsa, OK 74103, Attn: Samuel S. Ory (Sory@fdlaw.com); and (iv) counsel to any statutory committee appointed in this

Chapter 11 Case. If no objections are filed to the Motion, the Court may enter a Final Order without further notice or a hearing.

18. IT IS SO ORDERED.

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Approved for Entry:

ONECORE HEALTH

/s/Craig M. Regens

William H. Hoch, OBA #15788

Craig M. Regens, OBA #22894

Mark A. Craige, OBA #1992

Kaleigh Ewing, OBA #35598

-Of the Firm-

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Proposed Counsel to the Debtor

Exhibit 2

13 Week Budget

OneCore Health
13 Week DIP Budget

	1	2	3	4	5	6	7	8
	October 7th - 13th	October 14th - 20th	October 21st - 27th	October 28th - November 3rd	November 4th - 10th	November 11th - 17th	November 18th - 24th	November 25th - December 1st
Receipts:	\$ 670,000.00	\$ 670,000.00	\$ 670,000.00	\$ 670,000.00	\$ 670,000.00	\$ 670,000.00	\$ 670,000.00	\$ 670,000.00
Disbursements:								
Medical Supplies								
Medical Supplies	-	-	-	-	(68,475.05)	(68,475.05)	(68,475.05)	(68,475.05)
Implants	-	-	-	-	(233,613.82)	(233,613.82)	(233,613.82)	(233,613.82)
Pharmaceuticals	-	-	-	-	(6,250.00)	(6,250.00)	(6,250.00)	(6,250.00)
Total Medical Supplies	-	-	-	-	(308,338.87)	(308,338.87)	(308,338.87)	(308,338.87)
Employee Expenses								
Salaries & Taxes	-	-	(242,649.00)	-	(242,649.00)	-	(242,649.00)	-
Employee Benefits	-	-	(30,501.00)	(15,000.00)	-	-	(30,501.00)	(15,000.00)
Total Employee Expenses	-	-	(273,150.00)	(15,000.00)	(242,649.00)	-	(273,150.00)	(15,000.00)
General & Administrative								
Advertising/Promotions	-	-	-	-	(81.71)	(81.71)	(81.71)	(81.71)
Bank Charges	-	-	-	(10,000.00)	-	-	-	(10,000.00)
Consulting	-	-	-	-	(1,539.40)	(1,539.40)	(1,539.40)	(1,539.40)
Contract Service	-	-	-	-	(23,814.16)	(23,814.16)	(23,814.16)	(23,814.16)
Dues & Subscriptions	-	-	-	-	(218.29)	(218.29)	(218.29)	(218.29)
Insurance	-	-	-	-	-	-	(33,976.65)	-
Laundry & Linen	-	-	-	-	(1,928.49)	(1,928.49)	(1,928.49)	(1,928.49)
Late Fees	-	-	-	-	(247.94)	(247.94)	(247.94)	(247.94)
Legal	-	-	-	-	-	-	-	-
Licenses	-	-	-	-	(522.92)	(522.92)	(522.92)	(522.92)
Management Fees	-	-	-	-	-	-	-	(184,092.00)
Medical Director	-	-	-	-	(7,312.50)	(7,312.50)	(7,312.50)	(7,312.50)
Minor Equipment	(128.29)	(128.29)	(128.29)	(128.29)	(128.29)	(128.29)	(128.29)	(128.29)
Postage & Delivery	(302.55)	(302.55)	(302.55)	(302.55)	(302.55)	(302.55)	(302.55)	(302.55)
Professional Fees	-	-	-	-	(2,483.19)	(2,483.19)	(2,483.19)	(2,483.19)
Software	-	-	-	-	(3,159.50)	(3,159.50)	(3,159.50)	(3,159.50)
Supplies-Patient Food	(668.97)	(668.97)	(668.97)	(668.97)	(668.97)	(668.97)	(668.97)	(668.97)
Supplies - Office	(1,752.31)	(1,752.31)	(1,752.31)	(1,752.31)	(1,752.31)	(1,752.31)	(1,752.31)	(1,752.31)
Taxes - Sales & Use	-	(13,000.00)	-	(13,000.00)	-	(13,000.00)	-	(13,000.00)
Travel/Meals/Entertain	(100.56)	(100.56)	(100.56)	(100.56)	(100.56)	(100.56)	(100.56)	(100.56)
Total General & Administrative	(2,952.68)	(15,952.68)	(2,952.68)	(25,952.68)	(44,260.78)	(57,260.78)	(78,237.43)	(251,352.78)
Occupancy Expenses								
Rent	-	(172,889.51)	-	-	-	(172,889.51)	-	-
Equipment Rental	-	(80,609.44)	-	-	-	(80,609.44)	-	-

**OneCore Health
13 Week DIP Budget**

	1	2	3	4	5	6	7	8
	October 7th - 13th	October 14th - 20th	October 21st - 27th	October 28th - November 3rd	November 4th - 10th	November 11th - 17th	November 18th - 24th	November 25th - December 1st
Maintenance & Repairs	-	(26,945.44)	-	-	-	(26,945.44)	-	-
Taxes-Property	-	-	-	-	-	-	-	-
Telephone	-	-	-	(3,200.00)	-	-	-	(3,200.00)
Utilities	-	-	-	-	-	(22,019.84)	-	-
Total Occupancy Expense	-	(280,444.39)	-	(3,200.00)	-	(302,464.23)	-	(3,200.00)
Total Operating Expenses	(2,952.68)	(296,397.07)	(276,102.68)	(44,152.68)	(595,248.65)	(668,063.88)	(659,726.30)	(577,891.65)
Other Income and (Expense)								
Interest	(10,648.00)	-	-	-	(10,648.00)	-	-	-
Total Other Income and Expense	(10,648.00)	-	-	-	(10,648.00)	-	-	-
Total Ordinary Expenses	(13,600.68)	(296,397.07)	(276,102.68)	(44,152.68)	(605,896.65)	(668,063.88)	(659,726.30)	(577,891.65)
Pre-Petition Payments								
Employee Wages, Taxes & Expenses	(375,000.00)	-	-	-	-	-	-	-
Critical Vendors - Contracted Services	-	(200,000.00)	-	-	(200,000.00)	-	-	-
Critical Vendors - Other	-	(1,000,000.00)	-	-	(500,000.00)	(500,000.00)	-	-
Insurance	-	(34,000.00)	-	-	-	-	-	-
Utilities	-	(23,000.00)	-	-	-	-	-	-
Total Pre-Petition Payments	(375,000.00)	(1,257,000.00)	-	-	(700,000.00)	(500,000.00)	-	-
Restructuring Costs								
Chief Restructuring Officer	-	-	-	-	-	-	-	-
Legal Fees	-	-	-	-	-	-	-	(75,000.00)
Noticing Agent	-	-	-	(100,000.00)	-	-	-	(50,000.00)
Total Restructuring Costs	-	-	-	(100,000.00)	-	-	-	(125,000.00)
Total Disbursements	(388,600.68)	(1,553,397.07)	(276,102.68)	(144,152.68)	(1,305,896.65)	(1,168,063.88)	(659,726.30)	(702,891.65)
US Trustee Fees	-	-	-	-	-	-	-	-
DIP Financing	-	-	-	-	-	-	-	-
Net Cash Flow	281,399.32	(883,397.07)	393,897.32	525,847.32	(635,896.65)	(498,063.88)	10,273.70	(32,891.65)
Beginning Cash	1,211,254.36	1,492,653.68	609,256.61	1,003,153.93	1,529,001.25	893,104.60	395,040.72	405,314.42
Ending Cash	1,492,653.68	609,256.61	1,003,153.93	1,529,001.25	893,104.60	395,040.72	405,314.42	372,422.77

**OneCore Health
13 Week DIP Budget**

	9 December 2nd - 8th	10 December 9th - 15th	11 December 16th - 22nd	12 December 23rd - 29th	13 December 30th - January 5th	Total
<u>Receipts:</u>	\$ 670,000.00	\$ 670,000.00	\$ 670,000.00	\$ 670,000.00	\$ 670,000.00	8,710,000.00
<u>Disbursements:</u>						
Medical Supplies						
Medical Supplies	(68,475.05)	(68,475.05)	(68,475.05)	(68,475.05)	(68,475.05)	(616,275.45)
Implants	(233,613.82)	(233,613.82)	(233,613.82)	(233,613.82)	(233,613.82)	(2,102,524.38)
Pharmaceuticals	(6,250.00)	(6,250.00)	(6,250.00)	(6,250.00)	(6,250.00)	(56,250.00)
Total Medical Supplies	(308,338.87)	(308,338.87)	(308,338.87)	(308,338.87)	(308,338.87)	(2,775,049.83)
Employee Expenses						
Salaries & Taxes	(242,649.00)	-	(242,649.00)	-	(242,649.00)	(1,455,894.00)
Employee Benefits	(30,501.00)	-	(30,501.00)	-	(15,000.00)	(167,004.00)
Total Employee Expenses	(273,150.00)	-	(273,150.00)	-	(257,649.00)	(1,622,898.00)
General & Administrative						
Advertising/Promotions	(81.71)	(81.71)	(81.71)	(81.71)	(81.71)	(735.39)
Bank Charges	-	-	-	-	(10,000.00)	(30,000.00)
Consulting	(1,539.40)	(1,539.40)	(1,539.40)	(1,539.40)	(1,539.40)	(13,854.60)
Contract Service	(23,814.16)	(23,814.16)	(23,814.16)	(23,814.16)	(23,814.16)	(214,327.44)
Dues & Subscriptions	(218.29)	(218.29)	(218.29)	(218.29)	(218.29)	(1,964.61)
Insurance	-	-	(33,976.65)	-	-	(67,953.30)
Laundry & Linen	(1,928.49)	(1,928.49)	(1,928.49)	(1,928.49)	(1,928.49)	(17,356.41)
Late Fees	(247.94)	(247.94)	(247.94)	(247.94)	(247.94)	(2,231.46)
Legal	-	-	-	-	-	-
Licenses	(522.92)	(522.92)	(522.92)	(522.92)	(522.92)	(4,706.28)
Management Fees	-	-	-	(184,092.00)	-	(368,184.00)
Medical Director	(7,312.50)	(7,312.50)	(7,312.50)	(7,312.50)	(7,312.50)	(65,812.50)
Minor Equipment	(128.29)	(128.29)	(128.29)	(128.29)	(128.29)	(1,667.77)
Postage & Delivery	(302.55)	(302.55)	(302.55)	(302.55)	(302.55)	(3,933.15)
Professional Fees	(2,483.19)	(2,483.19)	(2,483.19)	(2,483.19)	(2,483.19)	(22,348.71)
Software	(3,159.50)	(3,159.50)	(3,159.50)	(3,159.50)	(3,159.50)	(28,435.50)
Supplies-Patient Food	(668.97)	(668.97)	(668.97)	(668.97)	(668.97)	(8,696.61)
Supplies - Office	(1,752.31)	(1,752.31)	(1,752.31)	(1,752.31)	(1,752.31)	(22,780.03)
Taxes - Sales & Use	-	(13,000.00)	-	(13,000.00)	-	(78,000.00)
Travel/Meals/Entertain	(100.56)	(100.56)	(100.56)	(100.56)	(100.56)	(1,307.28)
Total General & Administrative	(44,260.78)	(57,260.78)	(78,237.43)	(241,352.78)	(54,260.78)	(954,295.04)
Occupancy Expenses						
Rent	-	(172,889.51)	-	-	-	(518,668.53)
Equipment Rental	-	(80,609.44)	-	-	-	(241,828.32)

**OneCore Health
13 Week DIP Budget**

	9 December 2nd - 8th	10 December 9th - 15th	11 December 16th - 22nd	12 December 23rd - 29th	13 December 30th - January 5th	Total
Maintenance & Repairs	-	(26,945.44)	-	-	-	(80,836.32)
Taxes-Property	-	-	-	-	-	-
Telephone	-	-	-	-	(3,200.00)	(9,600.00)
Utilities	-	(22,019.84)	-	-	-	(44,039.68)
Total Occupancy Expense	-	(302,464.23)	-	-	(3,200.00)	(894,972.85)
Total Operating Expenses	(625,749.65)	(668,063.88)	(659,726.30)	(549,691.65)	(623,448.65)	(6,247,215.72)
Other Income and (Expense)						
Interest	(10,648.00)	-	-	-	(10,648.00)	(42,592.00)
Total Other Income and Expense	(10,648.00)	-	-	-	(10,648.00)	(42,592.00)
Total Ordinary Expenses	(636,397.65)	(668,063.88)	(659,726.30)	(549,691.65)	(634,096.65)	(6,289,807.72)
Pre-Petition Payments						
Employee Wages, Taxes & Expenses	-	-	-	-	-	(375,000.00)
Critical Vendors - Contracted Services	-	-	-	-	-	(400,000.00)
Critical Vendors - Other	-	-	-	-	-	(2,000,000.00)
Insurance	-	-	-	-	-	(34,000.00)
Utilities	-	-	-	-	-	(23,000.00)
Total Pre-Petition Payments	-	-	-	-	-	(2,832,000.00)
Restructuring Costs						
Chief Restructuring Officer	-	-	-	-	-	-
Legal Fees	-	-	-	-	(75,000.00)	(150,000.00)
Noticing Agent	-	-	-	-	(50,000.00)	(200,000.00)
Total Restructuring Costs	-	-	-	-	(125,000.00)	(350,000.00)
Total Disbursements	(636,397.65)	(668,063.88)	(659,726.30)	(549,691.65)	(759,096.65)	(9,471,807.72)
US Trustee Fees	-	-	-	-	-	-
DIP Financing	-	-	-	-	-	-
Net Cash Flow	33,602.35	1,936.12	10,273.70	120,308.35	(89,096.65)	(761,807.72)
Beginning Cash	372,422.77	406,025.12	407,961.24	418,234.94	538,543.29	1,211,254.36
Ending Cash	406,025.12	407,961.24	418,234.94	538,543.29	449,446.64	449,446.64