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

In re HOSPITAL FOR SPECIAL SURGERY, LLC *Dba* ONECORE HEALTH, Debtor.	:	Chapter 11 Case No. 24-12862-JDL

DEBTOR'S EMERGENCY MOTION FOR ENTRY OF FINAL ORDER, PURSUANT TO 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, 506, AND 507, (I) AUTHORIZING DEBTOR TO OBTAIN SENIOR SECURED SUPERPRIORITY POSTPETITION FINANCING, (II) GRANTING LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS, (III) AUTHORIZING THE USE OF CASH COLLATERAL, (IV) DETERMINING ADEQUATE PROTECTION NEED NOT BE PROVIDED, (V) MODIFYING THE AUTOMATIC STAY, AND (VI) 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 5:00 p.m. prevailing Central Time on Thursday, February 13, 2025.** 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 this Motion is filed, the hearing on the matter will be held on Tuesday, February 18, 2025 at 10:00 a.m. prevailing Central Time 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 a final order, substantially in the form attached hereto as Exhibit 1 (the "Final Order"), pursuant to sections 105, 361, 362, 363(b), 363(c)(2), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e), 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 OneCore to obtain senior secured superpriority postpetition financing, (ii) granting liens and superpriority administrative expense claims, (iii) authorizing the use of cash collateral, as further defined below, in accordance with the terms of the Final Order and the budget (the "Proposed Approved Budget") attached to the Final Order as Schedule 1, (iv) determining adequate protection need not be provided to any prepetition secured party, (v) modifying the automatic stay, and (vi) granting related relief. In support of its Motion, Debtor 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 successfully reorganize.

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 OneCore, 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 inventory, 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"). At the 1st Day Hearings held in this Chapter 11 Case, the Court was informed (and later commented) that the Debtor's use of cash and BOKF's consent thereto was significantly restricted. At that time it was also made clear that Debtor may need to file a later pleading seeking additional availability as a result of the restrictions under the agreed use of cash with BOKF.

11. Through this Motion, OneCore proposes that the BOKF Prepetition Secured Claim shall be fully satisfied by proceeds of the DIP Loan; therefore, the liens securing the BOKF Prepetition Secured Claim shall be released upon satisfaction of such claim.

12. On January 10, 2025, U.S. Bank, N.A. *dba* U.S. Bank Equipment Finance ("U.S. Bank") filed Proof of Claim No. 16 in this Chapter 11 Case. U.S. Bank asserts that, after the Petition Date, it took by assignment from Flex Financial, a division of Stryker Sales, LLC, a secured prepetition claim in the amount of $53,424.00. U.S. Bank's security interest arises out of the prepetition financing of OneCore's purchase of certain equipment from Stryker Sales Corporation. According to the relevant UCC filing, U.S. Bank does not claim any security interest in cash accounts of OneCore or any other collateral of OneCore constituting "cash collateral." *See* Proof of Claim No. 16, at 16.

13. Stryker Sales Corporation also claims liens in certain equipment of Debtor by and through purchase money security interests.

II. Debtor's Immediate Need for Postpetition Financing and Access to Cash Collateral.

14. Debtor's need to obtain credit pursuant to postpetition financing is immediate and critical to enable OneCore to continue operations and to administer and preserve the value of its estate until a successful reorganization is completed. Debtor is operating with extremely limited access to liquidity due to cash constraints imposed by the *Final Cash Collateral Order* [Dkt. No. 101].

15. 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 debtor-in-possession financing and the authorized use of the Cash Collateral as proposed herein.

16. Solara Surgical Partners, LLC ("Solara")[2] is willing to provide liquidity on the terms provided in the DIP Documents (as defined below and attached to the Final Order as Schedule 2) and the Final Order (each as defined below). Debtor, moreover, believes that the liquidity to be provided by the DIP Facility (as defined below), together with the use of Cash Collateral, will enable Debtor to fund its operations and propose a confirmable plan of reorganization during this chapter 11 case.

17. 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 availability of working capital from the DIP Facility and the ability to use

[2] Solara is an equity holder in Debtor and, therefore, an "insider" as that term is defined at 11 U.S.C. § 101(31). Solara also holds a general unsecured claim against Debtor.

Cash Collateral. The absence of such would immediately and irreparably harm Debtor, its estate, and its creditors, and the possibility for successful administration of this Chapter 11 Case, including Debtor's intended reorganization.

18. The Proposed Approved Budget reflects Debtor's anticipated revenues and expenses for the period covered therein. The expenses reflected in the Proposed Approved Budget primarily represent the amounts necessary to (i) satisfy the BOKF Prepetition Secured Claim, so that the liens related thereto may be released and the onerous restrictions on use of Cash Collateral dissolved, (ii) continue OneCore's high quality of care, (iii) protect patients, (iv) preserve existing standards of health and human services during this Chapter 11 Case, and (v) successfully prosecute this Chapter 11 Case through confirmation of a plan of reorganization. In concert with its use of the DIP Loan proceeds for the same purposes, Debtor will also use Cash Collateral to fund (a) operating expenses, (b) professional fees, (c) insurance, (d) taxes, (e) other ordinary course costs and expenses of Debtor's operations.

III. Debtor's Debtor-in-Possession Financing Marketing Efforts.

19. Prior to commencing this Chapter 11 Case, Debtor requested DIP financing from BOKF. BOKF refused Debtor's request.

20. After commencing this Chapter 11 Case, Debtor had renewed discussions with BOKF and several other lenders. Each declined to provide DIP financing on terms equal or superior to those offered by Solara.

21. More specifically, forty-two (42) prospective third-party lenders were contacted, six (6) of which were either already subject to non-disclosure agreements with Debtor or entered into new non-disclosure agreements to evaluate the financing opportunity. Debtor ultimately received one (1) indicative term proposal(s) for DIP financing, other than that of Solara.

The alternative term proposal received had a significantly higher interest rate and closing requirements which were not suitable for the Debtor. Debtor believes that the marketing process used to determine the most viable postpetition financing facility was appropriate under the circumstances, including without limitation, in light of Debtor's condition, timing concerns and existing capital structure.

22. Concurrently, with these marketing efforts, Debtor, with the assistance of its Chief Restructuring Officer and other professionals (collectively, its "Advisors"), has been engaged in discussions with Solara regarding its interest in providing debtor-in-possession financing. Debtor does not have unencumbered assets of sufficient value to support enough collateralized financing to meet Debtor's cash needs during this Chapter 11 Case, and, as is the case with respect to this DIP Facility, all of the proposals received by the third-parties contacted only expressed an interest in providing Debtor with debtor-in-possession financing with a superpriority priming lien on the existing first lien interests other than the collateral as to which (i) U.S. Bank has a security interest in (the "U.S. Bank Collateral") and (ii) Stryker Sales Corporation has a security interest (the "Stryker Collateral"). Solara intends to take a second lien on the U.S. Bank Collateral and the Stryker Collateral.

23. The negotiations among the Debtor and Solara with respect to the DIP Loan were conducted at arm's length. Negotiations over the economic terms, milestones and structure of the DIP Facility continued until February 6, 2025.

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

24. Because Debtor is paying BOKF in full on its BOKF Prepetition Secured Claim utilizing proceeds of the DIP Loan, no prepetition secured party shall have a secured interest in "cash collateral" following funding of the DIP Loan. Debtor has continued to pay US Bank

postpetition in relation to its secured claim. Accordingly, Debtor respectfully submits that no further adequate protection requirement exists with respect to prepetition secured creditors.

25. The proposed DIP Facility, as contemplated by the DIP Documents, in each case subject to customary exclusions including the Carve-Out (as defined in the Final Order) will provide Solara continuing, valid, binding, enforceable, non-avoidable, and automatically and properly perfected postpetition security interests in and liens on the DIP Collateral (as defined in the Final Order), which liens will prime and be senior to all Prepetition Liens (as defined in the Final Order). In addition, the Final Order authorizes Debtor to use Prepetition Collateral (including such Prepetition Collateral consisting of Cash Collateral), subject to the terms and conditions set forth therein. Notably, BOKF's Prepetition Liens and Postpetition Liens shall be released upon payment in full of the BOKF Prepetition Secured Claim. Upon satisfaction of such claim, Solara's liens shall simply be first and senior liens covering the DIP Collateral, except to the extent set forth herein. The DIP Collateral includes any collateral of U.S. Bank and Stryker Sales Corporation; however, Solara intends to take a second lien position with respect to the U.S. Bank Collateral and the Stryker Collateral. Thus, to the extent that Solara primes any prepetition secured party, such priming is only temporary.

26. The adequate protection contemplated by the DIP Facility and the Final Order is designed to protect the interests of Solara in Debtor's property from any diminution in value caused by the imposition of the automatic stay and Debtor's use of the DIP Collateral, including Cash Collateral, during the pendency of this Chapter 11 Case. Specifically, Debtor has agreed to provide to Solara 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) Financial Information. Debtor shall allow Solara and its professionals and designees reasonable access, during normal business hours and on not less than 24 hours' notice, to the premises of the Debtor in order to conduct appraisals, analyses and/or audits of the DIP Collateral (as defined below), and shall otherwise reasonably cooperate in providing any other financial information reasonably requested by Solara for this purpose. From and after the entry of the Final Order, OneCore shall provide to Solara once every two weeks (commencing with the second week after entry of the Final Order), a 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 20% and at least $20,000 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 Solara to discuss matters pertaining to the Facility and this Chapter 11 Case. Debtor shall provide to Solara such other reports and information as Solara may reasonably request from time to time; and

(b) Interest Only Payments. Debtor shall pay monthly interest accruals on the DIP Loan through the Effective Date of a confirmed plan of reorganization.

27. Prohibited Use of Cash Collateral. Except as expressly provided in the Final Order, no Cash Collateral or proceeds thereof shall be used for the purpose of: (i) asserting any claims or defenses or causes of action against Solara, 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 DIP Documents (as defined below) or any actions under Chapter 5 of the Bankruptcy Code, including with respect to payments made pursuant to any agreement between Solara and Debtor; (iii) paying any amounts on account of claims arising before the Petition Date, except to the extent provided for in the Cash Collateral Budget or the Interim or Final Critical Vendors Orders and approved by the Court; (iv) seeking to modify any of the rights granted to Solara under the First Day Orders or the Final Order, in each case as entered by the Court, or (v) seeking to bifurcate any claims of Solara.

28. The DIP Facility and 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 reorganize. Without the proposed DIP Facility and authorization to use Cash Collateral, rather than reorganizing, Debtor's estate could be required to undertake a liquidation process on a highly expedited basis and, in that scenario, secured (and unsecured) creditor recoveries would likely be materially impaired when compared to recoveries available if Debtor is able to access the proposed DIP Facility and use Cash Collateral. The proposed DIP Facility and 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 the estate and its creditors.

V. The DIP Facility Is in the Best Interest of the Estate.

28. The DIP Facility will provide Debtor with immediate access to the liquidity necessary to stabilize its business during the pendency of this chapter 11 case. Moreover, the liquidity provided under the DIP Facility is necessary to facilitate the administration of this Chapter 11 Case, fund remaining Critical Vendor payments contemplated by Debtor's "first day motions" and ensure that Debtor may conduct and consummate a strategy to reorganize its business and restructure its indebtedness to creditors in a manner consistent with the Bankruptcy Code. Debtor believes that the immediate approval of the DIP Facility is critical to sending a signal to Debtor's patients, vendors, suppliers, regulators and 100 employees that Debtor intends, and will have the ability, to maintain current operations and successfully reorganize.

29. For these reasons, and for the reasons set forth below, and in the McEntire DIP Declaration, Debtor believes that entering into the DIP Credit Agreement will maximize the

value of Debtor's estate and is a sound exercise of Debtor's business judgment. Accordingly, Debtor respectfully requests that the Court enter the Final Order.

Jurisdiction

30. 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. § 1 57(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

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

(a) Authorizing Debtor to obtain debtor-in-possession credit financing in an aggregate principal amount of up to $2 million to be funded by the DIP Lender under the DIP Facility;

(b) Authorizing Debtor, in connection with the DIP Facility, to (i) execute and enter into the DIP Credit Agreement, substantially in the form attached to the Final Order as Schedule 2 and (ii) to perform all such other and further acts as may be required in connection with the DIP Document;

(c) Granting to Solara valid, enforceable, non-avoidable and fully perfected liens and security interests, subject to the Carve-Out, to secure the DIP Obligations (as defined in the Final Order), which liens and security interests shall have the rankings and priorities set forth herein;

(d) Granting superpriority administrative claims to Solara payable from, and having recourse to, all prepetition and postpetition property of Debtor's estate and all proceeds thereof, subject to the Carve-Out;

(e) Authorizing Debtor (i) upon entry of the Final Order, to incur in a single draw on the Closing Date (as defined in the DIP Credit Agreement), a term loan in the amount of $2 million (the "DIP Loan") subject to the terms and conditions set forth in the DIP Documents and the Final Order;

(f) Authorizing Debtor to satisfy the BOKF Prepetition Secured Claim utilizing proceeds of the DIP Loan;

(g) Authorizing Debtor to use Cash Collateral in accordance with the DIP Credit Agreement;

(h) Determining that there are no liens or security interests as to which Debtor must provide adequate protection in exchange for the use of Cash Collateral;

(i) Modifying the automatic stay as set forth herein to the extent necessary to implement and effectuate the foregoing and the other terms and provisions of the DIP Documents and the Final Order; and

(j) Waiving of any applicable stay and providing for immediate effectiveness of the Final Order.

Concise Summary of Terms of the DIP Facility

32. Under the disclosure requirements of Bankruptcy Rule 4001(b), (c), and (d), the following table concisely summarizes the significant terms of the DIP Facility and the Final Order:[3]

Summary of Relevant Provisions	
BANKRUPTCY CODE/BANKRUPTCY RULE	**SUMMARY OF MATERIAL TERMS**
FUNDING COMMITMENTS Bankruptcy Rule 4001(c)(1)(B)	Up to $2 million (the "DIP Loan Funding Commitment Amount") in cash for the purpose of funding a DIP Loan

[3] This summary, including the defined terms it uses (whether or not defined within the summary), is qualified in its entirety by the provisions of the DIP Documents and the Final Order, as applicable. To the extent that there are any conflicts between this summary, on the one hand, and any DIP Document or the Final Order, as applicable, on the other, the terms of such DIP Document or the Final Order, as applicable, shall govern.

DIP LOAN	
LENDER Bankruptcy Rule 4001(c)(1)(B)	Solara
BORROWER Bankruptcy Rule 4001(c)(1)(B)	Hospital for Special Surgery, LLC *dba* OneCore Health ("Debtor")
STRUCTURE Bankruptcy Rule 4001(c)(1)(B)	Cash loan. Senior liens in priority as to collateral, payment, cash flow and enforcement of rights and remedies to all other debt of OneCore (with the exception of the U.S. Bank Collateral and the Stryker Collateral in which it will have a 2nd lien). All proceeds funded at closing; no draw down structure.
COLLATERAL Bankruptcy Rule 4001(c)(1)(B)(i)	Senior lien on all collateral securing all other debt of Issuer. Super senior lien on all estate collateral. Interest only payments during bankruptcy; DIP Loan to be repaid in installments upon the exit from bankruptcy. Financing documents to contain standard confession of judgment language.
PRINCIPAL AMOUNT	Up to $2,000,000
INTEREST RATE Bankruptcy Rule 4001(c)(1)(B)	Interest rate set at 7.00%. Interest rate fixed through maturity.
DEFAULT RATE Bankruptcy Rule 4001(c)(1)(B)	Highest interest rate on the DIP Loan +3%.
MATURITY Bankruptcy Rule 4001(c)(1)(B)	Up to 2 years.
PURPOSE/FUNDING USE OF PROCEEDS Bankruptcy Rule 4001(c)(1)(B)	DIP Loan to provide funds during the bankruptcy proceeding for working capital and other uses as approved by Solara pursuant to a cash collateral budget.
SOLARA FEE AND EXPENSES Bankruptcy Rule 4001(c)(1)(B)	Solara waives any fee payable by Borrower at closing of the DIP Loan. Solara expenses of not to exceed $5,000 to be paid by Borrower at closing of the DIP Loan.
TRUSTEE Bankruptcy Rule 4001(c)(1)(B)	Trustee bank subject to Solara approval. Solara approves BOKF, N.A.

Release of Claims Belonging to the Estates or the Trustee Bankruptcy Rule 4001(c)(1)(B)(viii)	Subject to entry of the Final Order, the Debtor releases and discharge Solara, in its capacity as a secured party, together with its respective affiliates, agents, attorneys, officers, directors and employees, from any and all claims and causes of action arising out of, based upon or related to, in whole or in part, any of the DIP Loan Documents (as defined in the Final Order) or any loans under the DIP Facility, any aspect of the relationship between the Debtor, on the one hand, and any or all of the released parties, on the other hand, relating to any of the DIP Loan Documents or any transaction contemplated thereby or any other acts or omissions by any or all of the released parties in connection with the DIP Facility or any of the DIP Loan Documents or their prepetition relationship with such Debtor or any affiliate thereof relating to any of the DIP Loan Documents or any transaction contemplated thereby, including, without limitation, any claims or defenses under chapter 5 of the Bankruptcy Code or any other causes of action. *See* Final Order ¶ 33
Carve-Out Bankruptcy Rule 4001(c)(1)(B)	The "***Carve-Out***" means the sum of: (a) 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 States Code; (b) to the extent allowed by the Bankruptcy Court, (i) prior to and as of the date of delivery of the Carve-Out Notice (as defined below), all accrued and unpaid fees and expenses incurred by persons or firms retained by the Debtor as estate professionals (collectively, the "***Professionals***") and payable under sections 328, 330 and/or 331 of the Bankruptcy Code; (c) up to a maximum amount of $500,000.00 of fees, costs and expenses accrued or incurred by Professionals following the delivery of a Carve-Out Notice, payable under sections 328, 330 and/or 331 of the Bankruptcy Code and allowed by the order of the Bankruptcy 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. For purposes of the foregoing, "***Carve-Out Notice***" shall mean a written notice delivered by the DIP Agent to the Debtor and its counsel, and the Office of the United States Trustee, which notice may be delivered following the occurrence and during the continuance of an Event of Default. The Debtor shall also fund a reserve in an amount equal to the Carve-Out (the "***Carve-Out Reserve***") from all cash on hand for the benefit of the Debtors in a segregated non-interest bearing account at the DIP Agent or another financial institution agreed to by the Debtors and the DIP Lenders in trust to pay the fees to the Professionals and other obligations benefitting from the Carve-Out until paid in full. *See* Final Order ¶ 15

Basis for Relief

I. Debtor Should Be Authorized to Obtain Postpetition Financing on a Senior Secured and Superpriority Basis.

A. Debtor Exercised Sound and Reasonable Business Judgment in Deciding to Enter into the DIP Facility.

33. Provided that an agreement to obtain postpetition credit is consistent with the provisions of, and policies underlying, the Bankruptcy Code, courts grant a debtor considerable deference in exercising its sound business judgment in obtaining such credit. *See, e.g.*, *In re L.A. Dodgers LLC*, 457 B.R. 308, 313 (Bankr. D. Del. 2011) ("[C]ourts will almost always defer to the business judgment of a debtor in the selection of the lender."); *In re Trans World Airlines, Inc.*, 163 B.R. 964, 974 (Bankr. D. Del. 1994) (approving postpetition loan and receivables facility because such facility "reflect[ed] sound and prudent business judgment"); *In re Dura Auto Sys. Inc.*, 2007 WL 7728109, at *97 (Bankr. D. Del. Aug. 15, 2007) ("To determine if the business judgement test is met, the court 'is required to examine whether a reasonable businessperson would make a similar decision under similar circumstances.'") (citation omitted); *In re Ames Dep't Stores, Inc.*, 115 B.R. 34, 40 (Bankr. S.D.N.Y. 1990) ("[C]ases consistently reflect that the court's discretion under section 364 [of the Bankruptcy Code] is to be utilized on grounds that permit [a debtor's] reasonable business judgment to be exercised so long as the financing agreement does not contain terms that leverage the bankruptcy process and powers or its purpose is not so much to benefit the estate as it is to benefit a party-in interest.").

34. Courts emphasize that the business judgment rule is not an onerous standard and may be satisfied "as long as the proposed action *appears* to enhance the debtor's estate." *Crystalin, LLC* v. *Selma Props. Inc.* (*In re Crystalin, LLC*), 293 B.R. 455, 463-64 (B.A.P. 8th Cir. 2003) (quoting *Four B. Corp.* v. *Food Barn Stores, Inc.* (*In re Food Barn Stores, Inc.*), 107 F.3d

558, 566 n.16 (8th Cir. 1997) (emphasis in original, internal alterations, and quotations omitted)). Courts require only that a debtor "show that a sound business purpose justifies such actions." *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999) (citations omitted). *See also In re Phx. Steel Corp.*, 82 B.R. 334, 335–36 (Bankr. D. Del. 1987).

35. Further, in determining whether Debtor has exercised sound business judgment in deciding to enter into the DIP Documents, the Court may appropriately take into consideration non-economic benefits to the debtor offered by a proposed postpetition facility. For example, in *In re ION Media Networks, Inc.*, the Bankruptcy Court for the Southern District of New York observed that:

> Although all parties, including the Debtors and the Committee, are naturally motivated to obtain financing on the best possible terms, a business decision to obtain credit from a particular lender is almost never based purely on economic terms. Relevant features of the financing must be evaluated, including noneconomic elements such as the timing and certainty of closing, the impact on creditor constituencies and the likelihood of a successful reorganization. This is particularly true in a bankruptcy setting where cooperation and established allegiances with creditor groups can be a vital part of building support for a restructuring that ultimately may lead to a confirmable reorganization plan. That which helps foster consensus may be preferable to a notionally better transaction that carries the risk of promoting unwanted conflict.

No. 09-13125, 2009 WL 2902568, at *4 (Bankr. S.D.N.Y. July 6, 2009).

36. Under the circumstances, Debtor's determination to proceed with the DIP Facility is a sound exercise of its business judgment following a thorough process and careful evaluation of alternatives. *First*, and most importantly, without access to the DIP Facility, Debtor will not be able to pay expenses necessary to sustain its ongoing operations and, thus, it could be forced to shut down, which would irreparably impair the value of Debtor during this Chapter 11 Case. *See* McEntire DIP Decl., at ¶ 20. *Second*, Debtor is operating with limited access to

liquidity, and the DIP Facility would provide a source of liquidity to make such payments. *Id.* ¶ 21. *Third*, Debtor negotiated the DIP Credit Agreement and other DIP Documents with the DIP Lenders in good faith, at arms' length and with the assistance of its Advisors. *Id*. ¶ 19. Debtor's management team and legal and financial advisors were actively involved throughout the process of negotiating the DIP Credit Agreement and other DIP Documents with Solara. *Id.* ¶ 19. Debtor believes that it has obtained the best financing option presently available given Debtor's marketing process for alternative debtor-in-possession financing proposals and Debtor's stated urgent need for liquidity. *Id.* ¶ 22. *Fourth*, Debtor believes that the terms of the DIP Facility are reflective of the market for financings of this type. The pricing, fees, interest rate, default rate, and other economic terms provided for in the proposed DIP Facility are generally consistent with the cost of debtor-in-possession financings in comparable circumstances, particularly for a distressed borrower with a stated urgent need for liquidity and without access to alternative proposals on an unsecured or non-superpriority basis. *Id.* ¶ 23. Accordingly, the Court should authorize Debtor's entry into the DIP Documents as it is a reasonable exercise of Debtor's business judgment.

B. Debtor Meets the Conditions Necessary Under Section 364(c) and (d) to Obtain Postpetition Financing on a Senior Secured and Superpriority Basis.

37. Debtor propose to obtain financing under the DIP Facility by providing Solara superpriority claims and liens pursuant to section 364(c) and (d)(1) of the Bankruptcy Code. Specifically, Debtor proposes to provide to Solara first priority liens on substantially all of the Debtor's assets and administrative expense claims in this chapter 11 case with priority over all other claims (subject in each case only to the Carve-Out).

38. Debtor meets the requirements for relief under section 364(c) of the Bankruptcy Code, which permits a debtor, with Court authorization, to obtain postpetition

financing and, in return, to grant superpriority administrative status and liens on its property. Specifically, section 364(c) of the Bankruptcy Code provides as follows:

> If the trustee is unable to obtain unsecured credit allowable under section 503(b)(1) of this title as an administrative expense, the court, after notice and a hearing, may authorize the obtaining of credit or the incurring of debt:
>
> (1) with priority over any or all administrative expenses of the kind specified in section 503(b) or 507(b) of this title;
>
> (2) secured by a lien on property of the estate that is not otherwise subject to a lien; or
>
> (3) secured by a junior lien on property of the estate that is subject to a lien.

11 U.S.C. § 364(c). In evaluating proposed postpetition financing under section 364(c) of the Bankruptcy Code, courts perform a qualitative analysis and consider whether (a) unencumbered credit or alternative financing without superpriority status is available to the debtor, (b) the credit transactions are necessary to preserve assets of the estate, and (c) the terms of the credit agreement are fair, reasonable, and adequate. *See*, *e.g.*, *In re Los Angeles Dodgers LLC*, 457 B.R. 308, 312 (Bankr. D. Del. 2011); *In re Aqua Assoc.*, 123 B.R. 192, 195–99 (Bankr. E.D. Pa. 1991); *In re St. Mary Hosp.*, 86 B.R. 393, 401-02 (Bankr. E.D. Pa. 1988); *In re Crouse Group, Inc.*, 71 B.R. 544, 549–51 (Bankr. E.D. Pa. 1987). In this instance, (a) unencumbered credit or alternative financing without superpriority status is unavailable to Debtor, the credit transactions are necessary to preserve assets of the estate, without which, such estate would need to immediately liquidate, and (c) the terms of the credit agreement are consistent with market terms and, thus, are fair, reasonable and adequate.

39. Further, Debtor meets the requirements for relief under section 364(d) of the Bankruptcy Code, which permits a debtor, with Court authorization, to obtain postpetition

financing secured by liens that are senior to prepetition liens. Specifically, section 364(d) of the Bankruptcy Code provides as follows:

> (1) The court, after notice and a hearing, may authorize the obtaining of credit or the incurring of debt secured by a senior or equal lien on property of the estate that is subject to a lien only if:
>
> (A) the trustee is unable to obtain such credit otherwise; and
>
> (B) there is adequate protection of the interest of the holder of the lien on the property of the estate on which such senior or equal lien is proposed to be granted.
>
> (2) In any hearing under this subsection, the trustee has the burden of proof on the issue of adequate protection.

11 U.S.C. § 364(d). Accordingly, Debtor may incur "priming" liens under the DIP Facility if either (a) prepetition secured parties have consented or (b) prepetition secured parties' interests in collateral are adequately protected. In this instance, BOKF consents *and*, even if BOKF did not consent, it is being paid in full on the BOKF Prepetition Secured Claim; therefore, at closing, BOKF shall lack any interest in collateral which must be adequately protected. Additionally, U.S. Bank and Stryker Sales Corporation hold security interests in certain equipment and, postpetition, Debtor has been and will continue to make monthly payments as they are due and owing under such finance agreements.

40. Here, Debtor has amply satisfied the necessary conditions under section 364(c) and (d) of the Bankruptcy Code for authority to enter into the DIP Documents. Given the circumstances, Debtor could not obtain credit on an unsecured, junior secured, or administrative expense basis. For all the reasons discussed further below, Debtor respectfully submits that the Court should grant its request to enter into the DIP Facility pursuant to sections 364(c) and 364(d) of the Bankruptcy Code.

(i) Debtor Is Unable to Obtain Financing on More Favorable Terms Than the DIP Facility.

41. To satisfy this test, a debtor need only demonstrate "by a good faith effort that credit was not available without" the protections afforded to potential lenders by section 364(c) or 364(d) of the Bankruptcy Code. *In re Snowshoe Co., Inc.*, 789 F.2d 1085, 1088 (4th Cir. 1986) ("The statute imposes no duty to seek credit from every possible lender before concluding that such credit is unavailable"); *In re Pearl-Phil GMT (Far East) Ltd.* v. *Caldor Corp.*, 266 B.R. 575, 584 (S.D.N.Y. 2001) (superpriority administrative expenses authorized where debtor could not obtain credit as an administrative expense); *In re Ames Dep't Stores, Inc.*, 115 B.R. 34, 40 (Bankr. S.D.N.Y. 1990) (approving financing facility and holding that debtor made reasonable efforts to satisfy the standards of section 364(c), to obtain less onerous terms where debtor approached four lending institutions, was rejected by two and selected the least onerous financing option from the remaining two lenders). This is especially true where time is of the essence. *See In re Reading Tube Indus.*, 72 B.R. 329, 332 (Bankr. E.D. Pa. 1987). Time is of the essence here.

42. Moreover, in circumstances where only a few lenders likely can or will extend the necessary credit to a debtor on an unsecured or administrative priority basis, "it would be unrealistic and unnecessary to require [the debtor] to conduct such an exhaustive search for financing." *Sky Valley, Inc.*, 100 B.R. 107, 113 (Bankr. N.D. Ga. 1988), *aff'd sub nom. Anchor Sav. Bank FSB v. Sky Valley, Inc.*, 99 B.R. 117, 120 n.4 (N.D. Ga. 1989); *see also In re Snowshoe Co.*, 789 F.2d 1085, 1088 (4th Cir. 1986) (demonstrating that credit was unavailable absent the senior lien by establishment of unsuccessful contact with other financial institutions in the geographic area); *In re Stanley Hotel, Inc.*, 15 B.R. 660, 663 (D. Colo. 1981) (bankruptcy court's

finding that two national banks refused to grant unsecured loans was sufficient to support conclusion that the requirements of section 364 of the Bankruptcy Code were met).

43. As described more fully above and in the McEntire DIP Declaration, Debtor sought financing from multiple market sources and engaged in extensive and good faith negotiations with numerous entities, including Solara to obtain the best financing terms available. *See* McEntire DIP Decl. ¶¶ 16-19. However, none of the prospective third-party lenders contacted in connection with Debtor's inquiries into debtor-in-possession financing alternatives were willing to provide postpetition financing to meet Debtor's immediate cash need in the timing required on an unsecured, junior secured, or administrative priority basis, or otherwise on terms better than those under the DIP Documents. *See id.* ¶ 16-18. Simply put, the DIP Facility provides Debtor with the liquidity it needs at the lowest cost available, and, therefore, Debtor has concluded that it represents Debtor's best (and only) available postpetition financing option. For these reasons, Debtor submits that it has met the standard for obtaining the proposed DIP Facility.

ii. The DIP Facility Is Necessary to Preserve the Value of Debtor's Estate.

44. Debtor, as debtor-in-possession, has a fiduciary duty to protect and maximize its estate's assets. *See In re Mushroom Transp. Co.*, 382 F.3d 325, 339 (3d Cir. 2004). Debtor's immediate access to postpetition financing is essential to its ability to effectively carry out that duty. Debtor currently has approximately $550,000 in unrestricted cash on hand. *See* McEntire DIP Decl. ¶ 24. Without the proceeds of the DIP Facility, Debtor (a) would be unable to fund critical payments, including obligations such as employee payroll and vendor payments, in the ordinary course of business that are essential to Debtor's operational viability and (b) could be rapidly destabilized and forced to shut down its facilities in the near term, which would have irreparable consequences to Debtor's restructuring and to Debtor's stakeholders. McEntire DIP

Decl. ¶ 25. The DIP Facility will provide Debtor with sufficient liquidity to fund its operations and maximize the value of its assets as it works toward an efficient reorganization in this Chapter 11 Case. *Id.* ¶ 26.

iii. The Terms of the DIP Facility and the Proposed Adequate Protection Are Fair, Reasonable and Adequate Under the Circumstances.

45. In considering whether the terms of postpetition financing are fair and reasonable, courts consider the terms in light of the relative circumstances of both the debtor and the potential lender. *See In re Farmland Indus., Inc.*, 294 B.R. 855, 886 (Bankr. W.D. Mo. 2003); *see also Unsecured Creditors' Comm. Mobil Oil Corp.* v. *First Nat'l Bank & Trust Co.* (*In re Ellingsen MacLean Oil Co.*), 65 B.R. 358, 365 (W.D. Mich. 1986) (a debtor may have to enter into hard bargains to acquire funds). The appropriateness of a proposed financing facility should also be considered in light of current market conditions. *See* Transcript of Record at 740:4-6, *In re Lyondell Chem. Co.*, No. 09-10023 (REG) (Bankr. S.D.N.Y. Feb. 27, 2009) ("[B]y reason of present market conditions, as disappointing as the [postpetition financing] pricing terms are, I find the provisions [of the financing] reasonable here and now.").

46. Here, the terms of the DIP Facility are fair, appropriate, reasonable, and adequate under the circumstances, and in the best interests of Debtor, its estate and its creditors. As set forth in the McEntire DIP Declaration, the financial terms included in the DIP Documents are customary and usual for debtor-in-possession financings of this type. *See* McEntire DIP Decl. ¶ 23. The terms of the DIP Facility are also fair and reasonable under the circumstances, including, most notably, that there was only one viable, committed provider of incremental postpetition financing for Debtor: the DIP Lenders. *Id.* ¶ 17.

47. As set forth in the McEntire DIP Declaration, Debtor believes that the financial terms proposed under the DIP Facility are customary and usual (if not better) for debtor-in-possession financings of this type and are in the aggregate generally consistent with the cost of debtor-in-possession financings in comparable circumstances. *See id.* ¶ 23.

48. The economic terms of the DIP Facility were the subject of arm's length, good faith negotiations between Debtor, with the assistance of its Advisors, and Solara, and Debtor believes that such terms are appropriate for the critical financing being provided by Solara and its advisors. Id. ¶¶ 19 & 23. Accordingly, the fees provided for under the DIP Facility are reasonable and within market practice for debtor-in-possession financings of this size and type, and the Court should authorize Debtor to pay the fees provided under the DIP Documents in connection with the DIP Facility.

49. Although the Bankruptcy Code does not define "adequate protection," section 361 of the Bankruptcy Code delineates a non-exhaustive list of the available types of adequate protection, which include additional liens, replacement liens, and the "indubitable equivalent of such entity's interest in such property." 11 U.S.C. § 361. The focus of the requirement is to protect a secured creditor from the diminution in the value of its interest in the particular collateral during the period of use. *See In re Swedeland Dev. Group, Inc.*, 16 F.3d 552, 564 (3d Cir. 1994) ("The whole purpose of adequate protection for a creditor is to insure that the creditor receives the value for which he bargained prebankruptcy.") (internal citations omitted). When priming of liens is sought under section 364(d) of the Bankruptcy Code, the courts also examine whether the prepetition secured creditors are being provided adequate protection for the value of their liens. *See In re Utah 7000, LLC*, No. 08-21869, 2008 WL 2654919, at *3 (Bankr. Utah July 3, 2008); *In re Beker Indus. Corp.*, 58 B.R. 725, 737 (Bankr. S.D.N.Y. 1986).

50. As described more fully above, Debtor requests a finding that, because no prepetition secured creditor has a secured interest in Cash Collateral, adequate protection need not be provided in connection with Debtor's use of Cash Collateral pursuant to the terms of the DIP Facility and the Final Order. Further, Debtor's continued postpetition payment of U.S. Bank and Stryker Sales Corporation as payment becomes due constitutes sufficient adequate protection of U.S. Bank and Stryker Sales Corporation's respective interests in Prepetition Collateral that Debtor intends to continue to use.

51. The critical liquidity provided by the proposed DIP Facility permits the Debtor to avoid a damaging and disorderly chapter 7 liquidation and instead conduct a strategy to maximize value for its creditors in an orderly manner, including without limitation, through reorganization. To the extent any adequate protection arguably must be provided, courts have held enhancement of collateral is a critical component of adequate protection and have considered "whether the value of the debtor's property will increase as a result of the" use of the collateral. *In re 495 Cent. Park Ave. Corp.*, 136 B.R. 626 (Bankr. S.D.N.Y. 1992) (finding that improvements to collateral financed by postpetition financing proceeds would improve collateral value in excess of loans and, therefore, provided adequate protection); *see In re Hubbard Power & Light*, 202 B.R. 680 (Bankr. E.D.N.Y. 1996) (approving postpetition financing to be used, in part, to fund cleanup costs of encumbered property anticipated to improve the value of the collateral, thereby serving the goal of adequate protection). Debtor submits that its continued operation enhances the value of the collateral. Debtor further submits that the adequate protection as described herein is fair and reasonable, and is sufficient to satisfy the requirements of section 364(d)(1)(B) of the Bankruptcy Code.

II. Debtor Should Be Authorized to Use, and Solara Consents to Its Use of, the Cash Collateral, Subject to the Terms of the Proposed Final Order.

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

52. 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).

53. The Adequate Protection Obligations, described herein and in the Final Order, are intended to protect Solara from any diminution in the value of its interests in the DIP Collateral resulting from Debtor's use thereof during the pendency of this Chapter 11 Case.

54. 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).

55. In light of the foregoing, Debtor further submits that the proposed Adequate Protection Obligations to be provided for the benefit of Solara 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 Final Order, for the benefit of all parties in interest and Debtor's estate.

B. Solara Consents to Debtor's Use of Cash Collateral.

56. Solara consents to Debtor's use of the Cash Collateral, subject to the terms and conditions set forth in the Proposed Final Order. Specifically, as a condition of consenting to Debtor's use of its Cash Collateral, Solara has agreed to the form of the Proposed Final 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.

57. The Proposed Final Order provides that the automatic stay provisions of section 362 of the Bankruptcy Code will be modified to permit (a) Debtor to grant the liens and claims provided for as Adequate Protection Obligations, (b) Debtor to pay all amounts required in accordance with the Final Order, (c) Solara, subject to certain limitations, to exercise remedies upon the occurrence and during the continuation of an event of default under the Final Order, and (d) Solara to implement all the terms, rights, benefits, privileges, remedies, and provisions of the Final Order, including allowing Solara 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 Final Order.[4]

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

58. The Final 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.[5]

V. Debtor Should Be Authorized to Satisfy the BOKF Prepetition Secured Claim and, Relatedly, the Interim and Final Cash Collateral Orders Should Be Vacated.

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[4] 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).

[5] 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).

59. As stated herein, upon approval of the Motion by the Bankruptcy Court, Solara and Debtor will close on the DIP Loan. Upon closing, Debtor shall be able to draw on the DIP Facility up to an amount of $2,000,000.00 in a single draw. Debtor should be authorized to, thereafter, immediately pay BOKF in full satisfaction of the BOKF Prepetition Secured Claim. Accordingly, cause exists to vacate the (a) *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* [Dkt. No. 48] (the "Interim Cash Collateral Order") and (b) *Final 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, and (IV) Granting Related Relief* [Dkt. No. 101] (the "Final Cash Collateral Order"). Since the BOKF Prepetition Secured Claim will have been satisfied, cause does not exist to maintain the protections in favor of BOKF or the restrictions upon Debtor imposed by the Interim and/or Final Cash Collateral Orders. Similarly, to the extent any of the relief granted by the First Day Orders is limited by the Interim and/or Final Cash Collateral Orders, such provisions should be vacated.

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

60. 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.

Reservation of Rights

61. 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

62. No creditors' committee, trustee, or examiner has been appointed in this Chapter 11 Case. Notice of this Motion has been provided to: (a) the Distribution Service List; (b) U.S. Bank; (c) Stryker Sales Corporation; and (d) 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 Final Order, substantially in the form attached hereto as Exhibit 1 and (b) grant such other and further relief as is just and proper.

Dated: February 10, 2025

Respectfully submitted,

ONECORE

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Exhibit 1

Proposed Interim Order

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

In re HOSPITAL FOR SPECIAL SURGERY, LLC *Dba* ONECORE HEALTH, Debtor.	:	Chapter 11 Case No. 24-12862-JDL

FINAL ORDER PURSUANT TO 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, 506 AND 507, (I) AUTHORIZING DEBTOR TO OBTAIN SENIOR SECURED SUPERPRIORITY POSTPETITION FINANCING, (II) GRANTING LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS, (III) AUTHORIZING THE USE OF CASH COLLATERAL, (IV) GRANTING ADEQUATE PROTECTION, (V) MODIFYING THE AUTOMATIC STAY, AND (VI) GRANTING RELATED RELIEF

This matter is before the Court on the Motion dated _____ __, 2025 (the "Motion")[1] 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 a final order (this "Final Order"),

[1] All defined terms shall have the meaning ascribed to them in the Motion or DIP Credit Agreement (as defined below) unless otherwise defined herein.

under sections 105, 361, 362, 363(c)(2), 363(e), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e), 503, 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 OneCore, as debtor and debtor-in-possession (the "DIP Borrower"), to obtain postpetition financing (the "DIP Facility") consisting of a term loan facility in the aggregate maximum principal amount of up to $2 million, all of which may be advanced immediately following the entry of this Final Order, with Solara, as the DIP Lender (subject and pursuant to the terms of this Final Order), that certain Debtor-in-Possession Credit Agreement by and among the DIP Borrower and Solara (the "DIP Lender"), which shall be in form and substance acceptable to the DIP Lender and substantially similar to the form attached hereto as Exhibit 1 (as the same may be amended, restated, supplemented or otherwise modified from time to time pursuant to the terms thereof, the "DIP Credit Agreement") and any related documents and instruments delivered pursuant to or in connection therewith (collectively, and together with the DIP Credit Agreement, the "DIP Loan Documents");

2. Authorization for Debtor to (i) execute and enter into the DIP Loan Documents and (ii) perform such other and further acts as may be required in connection with the DIP Loan Documents;

3. Authorization for Debtor to grant (i) valid, enforceable, nonavoidable and fully perfected security interests and liens (including liens pursuant to sections 364(c)(2) and 364(c)(3) of the Bankruptcy Code and priming liens pursuant to section 364(d) of the Bankruptcy Code on

Prepetition Collateral to the DIP Lender (also referred to herein as the "DIP Secured Party") to secure all obligations of OneCore under and with respect to the DIP Facility (collectively, the "DIP Obligations"), subject to (i) the Carve-Out and (ii) superpriority claims (including a superpriority administrative expense claim pursuant to section 364(c)(1) of the Bankruptcy Code) to the DIP Lender, having recourse to all prepetition and postpetition property of the Debtor's estate, now owned or hereafter acquired, including proceeds of Avoidance Actions (as defined below), whether received by judgment, settlement or otherwise, subject to the Carve-Out;

4. Authorization for the Debtor's use of cash collateral, as such term is defined in section 363(a) of the Bankruptcy Code ("Cash Collateral") in accordance with the terms and conditions set forth in this Final Order and the DIP Credit Agreement;

5. Authorization for Debtor to satisfy the BOKF Prepetition Secured Claim upon receipt of the DIP Loan proceeds.

6. Determining that, upon satisfaction of the BOKF Prepetition Secured Claim with the proceeds of the DIP Loan, Debtor may immediately utilize Cash Collateral subject only to this Final Order and the DIP Documents and such Cash Collateral is otherwise unencumbered; therefore, Debtor need not provide adequate protection of the liens and security interests granted by Debtor for the benefit of any prepetition secured party;

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) DIP Lender to implement the terms of this Final Order; and

8. Waiver of any applicable stay and provision for immediate effectiveness of this Final Order.

A final hearing having been held by this Court on _____ __, 2025; and this Court having found that, under the circumstances, due and sufficient notice of the Motion and Final 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 Final Order; and upon the record made by Debtor at the Final 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 FOLLOWS[2]:

A. **Petition Date.** On October 7, 2024 (the "Petition Date"), Debtor filed a voluntary petition (the "Petition") with this Court commencing this 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), 364(d)(1), 364(e), 503, 506(c), and 507 of the Bankruptcy Code and Bankruptcy Rules 2002, 4001, 6003, 6004, and 9014.

C. **Notice.** The Final Hearing was held pursuant to the authorization of Bankruptcy Rule 4001. Notice of the Final Hearing and the emergency relief requested in the Motion has been

[2] 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.

provided by the Debtor, whether by facsimile, electronic mail, overnight courier or hand delivery, on February 7, 2025, to certain parties-in-interest, including: (i) the Distribution Service List, (ii) U.S. Bank and Stryker Sales Corporation, and (iii) any other party that has requested notice pursuant to Bankruptcy Rule 2002. Under the circumstances, such notice of the Motion, the relief requested therein and the Final Hearing complies with Bankruptcy Rule 4001(b), (c) and (d) and the Local Rules.

D. **DIP Facility Budget.** The DIP Credit Agreement requires that Debtor deliver a cash-flow budget setting forth all projected unencumbered and unrestricted cash receipts and cash disbursements (by line item) on a bi-weekly basis for the 13 week period commencing on the date of entry of the Final Order (the "Initial Approved Budget"). The DIP Credit Agreement further provides 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 the DIP Lender may agree in its reasonable discretion (the "Proposed Budget"); (ii) to the extent such Proposed Budget is approved by the DIP Lender 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). From and after the entry of the Final Order, OneCore shall provide to Solara once every two weeks (commencing with the second week after entry of the Final Order), a 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 20% and at least $20,000 from the expenditures and receipts in the Cash Collateral Budget. The Initial Approved Budget is an integral part of the DIP Credit Agreement and has been relied upon by the DIP Lender to provide the DIP Facility and consent to this Final Order.

E. **Immediate Need for Funding.** Based upon the pleadings and proceedings of record in the Chapter 11 Cases, Debtor does not have sufficient available sources of working capital and financing to carry on the operation of its business without the DIP Facility and authorized use of Cash Collateral. As a result of Debtor's financial condition, the use of Cash Collateral alone will be insufficient to meet Debtor's immediate postpetition liquidity needs. Debtor's ability to maintain business relationships with its vendors, suppliers and distributors, pay its employees, pursue a strategy of reorganization and otherwise finance its operations prior to the consummation of any such strategy is essential to Debtor's continued viability and to its ability to maximize the value of its assets and maintain a going concern. In the absence of the DIP Facility and the authorization by this Court to use Cash Collateral, Debtor's businesses and estates would suffer immediate and irreparable harm, including, without limitation, the potential cessation of substantially all of its operations.

F. **No Credit on More Favorable Terms.** Based upon the pleadings and proceedings of record in the Chapter 11 Case, Debtor is unable to obtain sufficient interim and long-term financing from sources other than the DIP Lender on terms more favorable than under the DIP Facility and the DIP Loan Documents, and is not able to obtain unsecured credit allowable as an administrative expense under section 503(b)(1) of the Bankruptcy Code. Debtor is also unable to obtain secured credit allowable under sections 364(c)(1), 364(c)(2) and 364(c)(3) of the

Bankruptcy Code for the purposes set forth in the DIP Credit Agreement without Debtor granting to the DIP Lender, subject to the Carve-Out, (i) the DIP Superpriority Claims (as defined below) and (ii) the DIP Liens (as defined below) in the DIP Collateral (as defined below), in each case under the terms and conditions set forth in this Final Order and the DIP Loan Documents.

G. **Reasonable; Good Faith.** The DIP Lender has indicated a willingness to provide postpetition secured financing to Debtor but solely on the terms and conditions set forth in this Final Order and the DIP Loan Documents. After considering all of its alternatives, Debtor has concluded, in an exercise of its sound business judgment, that the DIP Facility to be provided by the DIP Lender represents the best financing presently available to Debtor. Based upon the pleadings and proceedings of record in the Chapter 11 Case, (i) the terms and conditions of the DIP Facility are fair and reasonable, reflect Debtor's exercise of prudent business judgment consistent with its fiduciary duty and is supported by reasonably equivalent value and fair consideration, (ii) the DIP Facility has been negotiated in good faith and at arm's length among the Debtor and the DIP Lender and (iii) any credit extended, loans made and other financial accommodations extended to the Debtor by the DIP Lender has been extended, issued or made, as the case may be, in "good faith" within the meaning of section 364(e) of the Bankruptcy Code.

H. **Consent of Prepetition Secured Parties.** The Prepetition Secured Parties[3] have consented or have not objected to Debtor's use of Cash Collateral and the other Prepetition Collateral, and Debtor's entry into the DIP Loan Documents solely in accordance with and subject to the terms and conditions in this Final Order and the DIP Loan Documents.

I. **Adequate Protection.** The Prepetition Secured Parties are entitled to the adequate protection provided in this Final Order as and to the extent set forth herein pursuant to sections

[3] The Prepetition Secured Parties consist of BOKF, N.A.; Stryker; and U.S. Bank.

361, 362, 363 and 364 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 Prepetition Collateral are fair and reasonable, reflect the Debtor's prudent exercise of business judgment and constitute reasonably equivalent value and fair consideration for the use of the Prepetition Collateral.

J. **Good Cause Shown; Best Interest.** Debtor has requested immediate entry of this Final Order pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2) and Local Rule 4001-2(b). Absent entry of this Final Order, Debtor's businesses, properties and estate will be immediately and irreparably harmed. This Court concludes that good cause has been shown and that entry of this Final 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.

K. **No Liability to Third Parties**. Debtor stipulates and the Court finds that in making decisions to advance loans to Debtor, in administering any loans, in accepting the Interim Approved Budget or any future Supplemental Approved Budget or in taking any other actions permitted by this Final Order or the DIP Loan Documents in its capacity as DIP Lender, the DIP Secured Party shall not be deemed to be in control of the operations of the Debtor or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of Debtor.

L. **Section 552.** In light of the subordination of their liens and superpriority administrative claims (i) in the case of the DIP Secured Party, to the Carve-Out and (ii) in the case of the Prepetition Secured Parties, to the Carve-Out and the DIP Liens, each of the DIP Secured

Party and the Prepetition Secured Parties 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 any of the DIP Secured Party or the Prepetition Secured Parties with respect to the proceeds, products, rents, issues or profits of any of the DIP Collateral or Prepetition 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 DIP Collateral or Prepetition 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 DIP Liens, Prepetition Liens or the Adequate Protection Liens on any property acquired by any of Debtor or its estate.

M. **Findings Regarding Corporate Authority.** Debtor has all requisite corporate power and authority to execute and deliver the DIP Loan Documents and to perform its obligations thereunder.

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

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

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. **Approval of Final Order.** The Motion is approved on the terms and conditions set forth in this Final Order. Any objections to the relief granted in this Final Order that have not

previously been withdrawn are hereby overruled. This Final Order shall become effective immediately upon its entry.

2. **Approval of DIP Loan Documents; Authority Thereunder.** Debtor is hereby authorized to enter into the DIP Loan Documents, including the DIP Credit Agreement, and such additional documents, instruments and agreements as may be reasonably required or requested by the DIP Lender to implement the terms or effectuate the purposes of this Final Order. Debtor is authorized to comply with and perform all of the terms and conditions contained in the DIP Loan Documents, and to repay amounts borrowed, together with interest and fees thereon, as well as any other outstanding DIP Obligations to the DIP Lender in accordance with and subject to the terms and conditions set forth in the DIP Loan Documents and this Final Order.

3. **Authorization to Borrow DIP Facility Loans.** Upon finalizing and executing the DIP Credit Agreement and the other DIP Loan Documents, the DIP Borrower is immediately authorized to borrow from the DIP Lender an initial draw under the DIP Facility of a principal amount of up to $2,000,000.00 of DIP Facility Loans, subject to and in accordance with the terms of this Final Order and the DIP Credit Agreement.

4. **Authorization to Use Cash Collateral.** Debtor is hereby authorized to use all Cash Collateral solely in accordance with the terms of the DIP Loan Documents and subject to the terms and conditions of this Final Order.

5. **Authorization to Satisfy BOKF Prepetition Secured Claim.** Upon receipt of the DIP Loan proceeds, Debtor is authorized but not directed to utilize such proceeds to satisfy in full the BOKF Prepetition Secured Claim.

6. **Collections and Disbursements.** From the date of entry of this Final Order until the DIP 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 DIP Collateral that is now in, or shall hereafter come into, the possession or control of the Debtor, or to which the Debtor is now or shall hereafter become entitled shall be (i) subject to the DIP Liens and the Adequate Protection Liens (and shall be treated in accordance with this Final Order and the DIP Credit Agreement).

7. **Interest on DIP Facility Loans.** The rate of interest to be charged for the DIP Facility Loans and any other extensions of credit to Debtor pursuant to the DIP Credit Agreement shall be the rates set forth in the DIP Credit Agreement and shall be payable at the times set forth in the DIP Credit Agreement.

8. **Payment of DIP Fees and Expenses.** Debtor is authorized to pay (i) all fees when due under the DIP Credit Agreement in the amounts set forth in the DIP Credit Agreement and (ii) all costs, expenses and any other fees or other amounts payable under the terms of the DIP Loan Documents, whether incurred before or after the Petition Date, including, without limitation, costs, expenses and any other fees or other amounts payable to the professional advisors to the DIP Lender, pursuant to the terms of the DIP Loan Documents. Subject to the review procedures set forth below, none of such fees, costs and expenses shall be subject to Court approval or U.S. Trustee guidelines, and no recipient of any such payment shall be required to file with respect thereto any interim or final fee application with this Court. Copies of any invoices of legal counsel with respect to such fees, expenses and costs shall be provided (in summary form and redacted, as necessary, to protect any applicable privilege) to the U.S. Trustee, which shall have ten (10) days from the date of such notice within which to object in writing to such payment. In addition, Debtor is hereby authorized to indemnify the DIP Lender (and each of its respective directors, officers, employees, agents, representatives, attorneys, consultants, advisors and controlling persons)

against any liability arising in connection with the DIP Loan Documents, to the extent set forth in the DIP Loan Documents. All such unpaid fees, costs, expenses and indemnities of the DIP Lender shall (i) constitute DIP Obligations, (ii) be secured by the DIP Collateral, and (iii) be afforded all of the priorities and protections afforded to DIP Obligations under this Final Order and the DIP Loan Documents.

9. **Validity of the DIP Loan Documents.** Upon execution and delivery of the DIP Loan Documents, the DIP Loan Documents shall constitute, and are hereby deemed to be the legal, valid and binding obligations of Debtor, enforceable against Debtor in accordance with the terms thereof for all purposes during the Chapter 11 Case, in any subsequently converted case of Debtor under chapter 7 of the Bankruptcy Code, or after dismissal of the Chapter 11 Case. Any DIP Facility Loans advanced under the DIP Credit Agreement pursuant to this Final Order will be made by the DIP Lender only for the purposes of funding post-petition administrative expenses, the Debtor's working capital and the Debtor's reorganization efforts to the extent permitted under the DIP Credit Agreement, and paying such other amounts as are required or permitted to be paid pursuant to the DIP Credit Agreement, this Final Order and any other orders of this Court, including, without limitation, the fees, costs, expenses and indemnities described in Paragraph 8 hereof, all subject to and solely in accordance with the Approved Budget. No obligation, payment, transfer or grant of security under the DIP Loan Documents or this Final Order shall be stayed, restrained, voided, voidable or recoverable under the Bankruptcy Code or under any applicable non-bankruptcy law, or subject to any defense, reduction, setoff, recoupment or counterclaim. Except as set forth in this Final Order, no other superpriority claims shall be granted or allowed in this Chapter 11 Case.

10. **DIP Superpriority Claims.** In accordance with section 364(c)(1) of the Bankruptcy Code, the DIP Obligations shall constitute superpriority administrative expense claims (the "DIP Superpriority Claims") against Debtor with priority in payment over any and all administrative expenses, adequate protection claims, diminution claims and all other claims against Debtor, now existing or hereafter arising, of any kind whatsoever, including, without limitation, any and all administrative expenses or other claims of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including, but not limited to, sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 726, 1113 and 1114 of the Bankruptcy Code or otherwise, including those resulting from the conversion of this Chapter 11 Case pursuant to section 1112 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment; provided, however, that the DIP Superpriority Claims shall be subject to the Carve-Out. The DIP Superpriority Claims shall for purposes of section 1129(a)(9)(A) of the Bankruptcy Code be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code and shall be payable from and have recourse to all prepetition and postpetition property of OneCore, including, the Avoidance Actions, if any, and proceeds thereof.

11. **DIP Priming Liens.** As security for the DIP Obligations, the DIP Secured Party is hereby granted (effective upon the date of this Final Order, without the necessity of the execution by Debtor or the filing or recordation of security agreements, lockbox or control agreements, financing statements, or any other instruments or otherwise) valid, binding and fully-perfected security interests in and liens upon (the "DIP Liens") all present and after-acquired property of OneCore of any nature whatsoever, including such property of OneCore in which U.S. Bank and Stryker Sales Corporation claim a lien (including, without limitation, "Collateral," as defined in

the DIP Credit Agreement), including, without limitation, licenses issued by any federal or state regulatory authority, any leasehold or other real property interests, and commercial tort claims of Debtor; all cash and cash equivalents contained in any account maintained by Debtor (collectively with all proceeds and products of any or all of the foregoing, the "DIP Collateral"); and, for the avoidance of doubt, expressly including all proceeds of Avoidance Actions of Debtor or its estate, subject only to the payment of the Carve-Out, which shall consist of:

(a) Priming Liens. Pursuant to section 364(d)(1) of the Bankruptcy Code, a first priority, priming security interest in and lien on all encumbered property of OneCore and its estate, which shall be senior to any existing liens or claims other than the U.S. Bank Collateral and the Stryker Collateral, as to which Solara shall have a lien junior in priority only to the liens held by U.S. Bank and Stryker Sales Corporation, respectively.

(b) First Priority Lien on Unencumbered Property. Pursuant to section 364(c)(2) of the Bankruptcy Code, a continuing, enforceable, first priority, fully-perfected lien and security interest upon all of OneCore's right, title and interest in, to, and under all property of OneCore and its estate that was not, as of the Petition Date, encumbered by a validly perfected, enforceable, and non-avoidable security interest or lien (collectively, the "Unencumbered Property"). The DIP Lender's Lien on Unencumbered Property shall include the proceeds of estate causes of action under chapter 5 of the Bankruptcy Code and any other avoidance actions under the Bankruptcy Code, whether now existing or hereafter acquired or arising and whether pursuant to federal law or applicable state law, nor any proceeds thereof, recoveries related thereto, or property received thereby, whether by judgment, settlement, or otherwise (collectively, "Avoidance Actions").

(c) Liens Senior to Certain Other Liens. The DIP Liens shall not be subject or subordinate to any lien or security interest that is avoidable for the benefit of Debtor and its estate under section 551 of the Bankruptcy Code.

12. **Carve-Out.**

(a) The DIP Liens, DIP Superpriority Claims, and Adequate Protection Superpriority Claims 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 the DIP Lender of a written notice to Debtor, Debtor's counsel, the U.S. Trustee, and counsel to the Patient Care Ombudsman of the occurrence and continuance of an Event of Default (the "Carve-Out Notice"), the fees, costs and expenses accrued or incurred by any person or firm retained by Debtor or the Patient Care Ombudsman 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 $500,000.00 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 $150,000.00 (collectively, the "Carve-Out"); provided, however, that the Carve-Out shall be applied in accordance with paragraph 16 of this Interim Order. 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 Debtor, the DIP Lender, 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 or in the DIP Loan Documents, the Carve-Out shall be senior to the DIP Obligations, the DIP Superpriority Claims, the DIP Liens, and all other liens and claims granted under this Final Order, the DIP Loan Documents, or otherwise securing or in respect of the DIP Obligations.

13. **Protection of DIP Lender's Rights.** So long as there are any DIP Facility Loans or DIP Obligations outstanding or the DIP Lender has any outstanding commitments under the DIP Credit Agreement, the Prepetition Secured Parties (i) shall not take any action to foreclose upon or recover in connection with their respective liens and security interests, other agreements, or operation of law of this Final Order, or otherwise exercise remedies against any DIP Collateral, except to the extent authorized herein or by any other order of this Court, (ii) shall be deemed to have consented to any release of DIP Collateral authorized under the DIP Loan Documents, (iii) shall not file any further financing statements, mortgages, notices of lien or similar instruments, enter into any control agreement, or otherwise take any action to perfect their security interests in

the DIP Collateral unless, solely as to this clause (iv), the DIP Lender files financing statements or other documents to perfect the liens granted pursuant to this Final Order and (v) shall not seek to terminate or modify the use of Cash Collateral.

14. **Limitation on Use of DIP Financing Proceeds and Collateral, and Cash Collateral.** No portion of the Carve-Out, DIP Facility, DIP Collateral, or Cash Collateral shall include, apply to, or be available for any fees, costs or expenses incurred by any party, including Debtor or any Committee, if any is appointed, in connection with the initiation or prosecution of any claims, causes of action, adversary proceedings, or other litigation against the DIP Secured Party, including, without limitation, (i) challenging the amount, validity, extent, perfection, priority, or enforceability of, or asserting any defense, counterclaim, or offset to the DIP Loan Documents, DIP Obligations, DIP Superpriority Claims or DIP Liens in respect thereof, or (ii) asserting any claims or causes of action, including, without limitation, claims or actions to hinder or delay the DIP Lender's assertion, enforcement or realization on the DIP Collateral in accordance with the DIP Loan Documents or this Final Order. Furthermore, none of the Carve-Out, DIP Collateral, Cash Collateral or any proceeds of the DIP Facility shall be used to prevent, hinder or delay the DIP Secured Party from enforcing or realizing upon the DIP Collateral once an Event of Default has been determined by the Court to have occurred and to be continuing under the DIP Loan Documents or this Final Order.

15. **Further Assurances.** Debtor is authorized to execute and deliver to the DIP Lender all such agreements, financing statements, instruments and other documents as the DIP Lender may reasonably request to evidence, confirm, validate or perfect the DIP Liens granted pursuant hereto. Further, Debtor is authorized to do and perform all acts, to make, execute and deliver all instruments and documents, and to pay all fees and expenses that may be required or

necessary for OneCore's performance under the DIP Loan Documents, including, without limitation, (i) the execution of the DIP Loan Documents and (ii) the payment of the fees, costs and other expenses described in the DIP Loan Documents as such become due. If the DIP Lender hereafter reasonably requests that Debtor execute and deliver to the DIP Lender financing statements, security agreements, collateral assignments, or other instruments and documents considered by such DIP Secured Party to be reasonably necessary or desirable to further evidence the perfection of the DIP Liens, Debtor is hereby authorized to execute and deliver such financing statements, security agreements, collateral assignments, instruments and documents, and the DIP Lender 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 Final Order.

16. **506(c) Waiver.** Upon the entry of this 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 the DIP Secured Party upon the DIP Collateral.

17. **Restrictions on Granting Postpetition Liens.** Except as expressly permitted by the DIP Loan Documents, Debtor will not, at any time during this Chapter 11 Case, grant mortgages, security interests or liens in the DIP Collateral (or any portion thereof) having a priority senior to the DIP Liens to any other parties pursuant to section 364(d) of the Bankruptcy Code or otherwise.

18. **Automatic Effectiveness of Liens.** Automatically upon entry of this Final Order, the DIP 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).

19. **Automatic Stay.** As provided herein, subject only to the provisions of the DIP Credit Agreement and without further order from this Court, the automatic stay provisions of section 362 of the Bankruptcy Code are vacated and modified to the extent necessary to permit the DIP Secured Party to exercise, upon the occurrence and during the continuance of any Event of Default, all rights and remedies provided for in the DIP Loan Documents, and to take any or all of the following actions, so long as the DIP Lender has provided ten (10) business days' prior written notice to Debtor, its bankruptcy counsel, and the U.S. Trustee: (a) foreclose on the DIP Collateral; (b) enforce all of the guaranty rights; (c) accelerate all Loans and other outstanding obligations under the DIP Facility; and (d) declare the principal of and accrued interest, premiums, fees and expenses constituting the obligations under the DIP Facility Loans to be due and payable. The rights and remedies of the DIP Secured Party specified herein are cumulative and not exclusive of

any rights or remedies that the DIP Secured Party may have under the DIP Loan Documents or otherwise. Debtor is authorized to cooperate fully with the DIP Secured Party in its exercise of rights and remedies, whether against the DIP Collateral or otherwise. This Court shall retain exclusive jurisdiction to hear and resolve any disputes and enter any orders required by the provisions of this paragraph and relating to the application, re-imposition or continuance of the automatic stay as provided hereunder.

20. **Binding Effect.** To the extent permitted by law, the provisions of this Final Order shall be binding upon and inure to the benefit of the DIP Secured Party, Debtor, 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). Such binding effect is an integral part of this Final Order.

21. **Survival.** The provisions of this Final Order and any actions taken pursuant hereto shall survive the entry of any order: (i) confirming any plan of reorganization or liquidation in the Chapter 11 Case (and, to the extent not satisfied in full in cash, the DIP Obligations shall not be discharged by the entry of any such order, pursuant to section 1141(d)(4) of the Bankruptcy Code, Debtor having hereby waived such discharge); (ii) converting the Chapter 11 Case to a chapter 7 case; or (iii) dismissing the Chapter 11 Case, and the terms and provisions of this Final Order as well as the DIP Superpriority Claims and the DIP Liens in the DIP Collateral granted pursuant to this Final Order and the DIP Loan Documents shall continue in full force and effect notwithstanding the entry of any such order. Such claims and liens shall maintain their priority as provided by this Final Order and the DIP Loan Documents, and to the maximum extent permitted by law, until all of the DIP Obligations are indefeasibly paid in full in cash and discharged.

22. **Amendments and Modifications of DIP Loan Documents.** Debtor is expressly authorized and empowered to enter into amendments or other modifications of the DIP Loan Documents without further order of the Court, in each case, in such form as the DIP Lender may agree with Debtor in writing; provided that notice of any modification or amendment shall be provided by Debtor to the U.S. Trustee, and counsel to any Committee, if any Committee is appointed, which parties may object to such modification or amendment, in writing, within three (3) business days from the date of the transmittal of such notice (which, to the extent such contact information for such parties is known to Debtor, shall be transmitted by fax or e-mail, and, if not known, by overnight mail); further provided that, notwithstanding the foregoing, any material modification of the DIP Loan Documents shall require Court approval; and further provided that, if such objection is timely provided, then such modification or amendment shall be permitted only pursuant to an order of the Court, the entry of which may be sought on an expedited basis.

23. **Limits on Lender Liability.** Nothing in this Final Order, any of the DIP Loan Documents, or any other documents related thereto shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Secured Party 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. The DIP Secured Party shall not, solely by reason of having made loans under the DIP Facility, be deemed in control of the operations of Debtor or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of Debtor (as such terms, or any similar terms, are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 *et seq.*, as amended, or any similar federal or state statute). Nothing in this Final Order or the DIP Loan Documents shall in any way be construed or interpreted to impose or allow the imposition

upon the DIP Secured Party of any liability for any claims arising from the prepetition or postpetition activities of Debtor.

24. **Protection Under Section 364(e).** If any or all of the provisions of this Final Order are hereafter reversed, modified, vacated or stayed, such reversal, modification, vacation or stay shall not affect the validity or enforceability of any DIP Obligation, DIP Lien, or any other claim, lien, security interest or priority authorized or created hereby or pursuant to the DIP Loan Documents incurred prior to the actual receipt by the DIP Lender 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 DIP Obligations, by Debtor prior to the actual receipt by the DIP Lender 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 Final Order.

25. **Discharge.** The DIP Obligations provided herein shall not be discharged by the entry of an order confirming any plan of reorganization in the Chapter 11 Case, notwithstanding the provisions of section 1141(d) of the Bankruptcy Code, unless such obligations have been indefeasibly paid in full in cash or cash equivalent (other than contingent indemnification obligations for which no claim has been asserted), on or before the effective date of such confirmed plan, unless the DIP Lender has agreed in writing.

26. **Jurisdiction.** The Bankruptcy Court shall have exclusive jurisdiction with respect to any and all disputes or matters under, or arising out of or in connection with, either the DIP Facility or the DIP Loan Documents.

27. **Authorized Signatories.** The signature of any Authorized Officer (as defined in the Debtor's corporate resolution filed with the Petition) or Debtor's attorneys, appearing on any

one or more of the DIP Loan Documents shall be sufficient to bind Debtor. No board of directors or other approval shall be necessary.

28. **Order Effective.** This Final Order shall be effective as of the date of the signature by the Court.

29. **Controlling Effect of Final Order.** To the extent any provision of this Final Order conflicts or is inconsistent with any provision of the Motion, any prepetition agreement or any DIP Loan Document, the provisions of this Final Order shall control.

30. **Effect on Interim and Final Cash Collateral Orders, and Other First Day Orders.** The (a) *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* [Dkt. No. 48] (the "Interim Cash Collateral Order") and (b) *Final 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, and (IV) Granting Related Relief* [Dkt. No. 101] (the "Final Cash Collateral Order") are hereby VACATED and of no further force or effect. For the avoidance of doubt, to the extent any First Day Orders are subject to the Interim and/or Final Cash Collateral Orders, such provisions of such orders are also vacated and of no further force or effect. If Debtor fails to pay the BOKF Prepetition Secured Claim in full within ten (10) days of entry of this Order, BOKF may file an *ex parte* application for reinstatement of the Interim Cash Collateral Order and the Final Cash Collateral Order.

31. Findings of fact are based on representations of counsel.

32. Debtor shall effectuate service of this Order on (i) the Distribution Service List, (ii) U.S. Bank, (iii) Stryker Sales Corporation, and (iv) any other party that has requested notice pursuant to Bankruptcy Rule 2002.

IT IS SO ORDERED.

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Approved for Entry:

ONECORE

/s/Craig M. Regens
William H. Hoch, OBA #15788
Craig M. Regens, OBA #22894
Mark A. Craige, OBA #1992
Kaleigh M. Ewing, OBA #35598
-Of the Firm-
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Counsel to Debtor

Schedule 1

Proposed DIP Budget

OneCore Health
13 Week DIP Budget

	1 January 27th - February 2nd	2 February 3rd - 9th	3 February 10th - 16th	4 February 17th - 23rd	5 February 24th - March 2nd	6 March 3rd - 9th	7 March 10th - 16th	8 March 17th - 23rd	9 March 24th - 31st	Total
Receipts:	$ 536,000.00	$ 536,000.00	$ 536,000.00	$ 536,000.00	$ 536,000.00	$ 536,000.00	$ 536,000.00	$ 536,000.00	$ 536,000.00	4,824,000.00
Disbursements:										
Medical Supplies										
Medical Supplies	(70,000.00)	(70,000.00)	(70,000.00)	(70,000.00)	(70,000.00)	(70,000.00)	(70,000.00)	(70,000.00)	(70,000.00)	(630,000.00)
Implants	(180,000.00)	(180,000.00)	(180,000.00)	(180,000.00)	(180,000.00)	(180,000.00)	(180,000.00)	(180,000.00)	(180,000.00)	(1,620,000.00)
Pharmaceuticals	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(90,000.00)
Total Medical Supplies	(260,000.00)	(260,000.00)	(260,000.00)	(260,000.00)	(260,000.00)	(260,000.00)	(260,000.00)	(260,000.00)	(260,000.00)	(2,340,000.00)
Employee Expenses										
Salaries & Taxes	(225,000.00)	-	(225,000.00)	-	(225,000.00)	-	(225,000.00)	-	(225,000.00)	(1,125,000.00)
Employee Benefits	(70,000.00)	-	-	-	(70,000.00)	-	-	-	(70,000.00)	(210,000.00)
Total Employee Expenses	(295,000.00)	-	(225,000.00)	-	(295,000.00)	-	(225,000.00)	-	(295,000.00)	(1,335,000.00)
General & Administrative										
Advertising/Promotions	(81.71)	(81.71)	(81.71)	(81.71)	(81.71)	(81.71)	(81.71)	(81.71)	(81.71)	(735.39)
Bank Charges	(8,000.00)	-	-	-	(8,000.00)	-	-	-	(8,000.00)	(24,000.00)
Contract Service	(35,000.00)	(35,000.00)	(35,000.00)	(35,000.00)	(35,000.00)	(35,000.00)	(35,000.00)	(35,000.00)	(35,000.00)	(315,000.00)
Dues & Subscriptions	(218.29)	(218.29)	(218.29)	(218.29)	(218.29)	(218.29)	(218.29)	(218.29)	(218.29)	(1,964.61)
Insurance	(44,074.00)	-	-	-	(248,136.20)	-	-	-	-	(292,210.20)
Laundry & Linen	(3,000.00)	(3,000.00)	(3,000.00)	(3,000.00)	(3,000.00)	(3,000.00)	(3,000.00)	(3,000.00)	(3,000.00)	(27,000.00)
Licenses	(522.92)	(522.92)	(522.92)	(522.92)	(522.92)	(522.92)	(522.92)	(522.92)	(522.92)	(4,706.28)
Management Fees	(150,080.00)	-	-	-	(150,080.00)	-	-	-	(150,080.00)	(450,240.00)
Medical Director	-	(8,000.00)	-	-	-	(8,000.00)	-	-	-	(16,000.00)
Minor Equipment	(128.29)	(128.29)	(128.29)	(128.29)	(128.29)	(128.29)	(128.29)	(128.29)	(128.29)	(1,154.61)
Postage & Delivery	(302.55)	(302.55)	(302.55)	(302.55)	(302.55)	(302.55)	(302.55)	(302.55)	(302.55)	(2,722.95)
Professional Fees	(3,000.00)	-	-	-	(3,000.00)	-	-	-	(3,000.00)	(9,000.00)
Software	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(9,000.00)
Supplies-Patient Food	(668.97)	(668.97)	(668.97)	(668.97)	(668.97)	(668.97)	(668.97)	(668.97)	(668.97)	(6,020.73)
Supplies - Office	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(9,000.00)
Taxes - Sales & Use	-	(25,000.00)	-	-	-	(25,000.00)	-	-	-	(50,000.00)
Travel/Meals/Entertain	(400.00)	(400.00)	(400.00)	(400.00)	(400.00)	(400.00)	(400.00)	(400.00)	(400.00)	(3,600.00)
Total General & Administrative	(247,476.73)	(75,322.73)	(42,322.73)	(42,322.73)	(451,538.93)	(75,322.73)	(42,322.73)	(42,322.73)	(203,402.73)	(1,222,354.77)
Occupancy Expenses										
Rent	(172,889.51)	-	-	-	(172,889.51)	-	-	-	(172,889.51)	(518,668.53)
Equipment Rental	(80,609.44)	-	-	-	(80,609.44)	-	-	-	(80,609.44)	(241,828.32)
Maintenance & Repairs	-	(26,945.44)	-	-	-	(26,945.44)	-	-	-	(53,890.88)
Taxes-Property	-	-	-	-	(96,704.00)	-	-	-	-	(96,704.00)
Telephone	-	(1,750.00)	-	-	-	(1,750.00)	-	-	-	(3,500.00)
Utilities	-	(22,019.84)	-	-	-	(22,019.84)	-	-	-	(44,039.68)
Total Occupancy Expense	(253,498.95)	(50,715.28)	-	-	(350,202.95)	(50,715.28)	-	-	(253,498.95)	(958,631.41)
Total Operating Expenses	(1,055,975.68)	(386,038.01)	(527,322.73)	(302,322.73)	(1,356,741.88)	(386,038.01)	(527,322.73)	(302,322.73)	(1,011,901.68)	(5,855,986.18)

OneCore Health
13 Week DIP Budget

	1 January 27th - February 2nd	2 February 3rd - 9th	3 February 10th - 16th	4 February 17th - 23rd	5 February 24th - March 2nd	6 March 3rd - 9th	7 March 10th - 16th	8 March 17th - 23rd	9 March 24th - 31st	Total
Other Income (Expense)										
Interest	(5,300.00)	-	-	-	(5,300.00)	-	-	-	(8,333.33)	(18,933.33)
Total Other Income and Expense	(5,300.00)	-	-	-	(5,300.00)	-	-	-	(8,333.33)	(18,933.33)
Total Ordinary Expenses	(1,061,275.68)	(386,038.01)	(527,322.73)	(302,322.73)	(1,362,041.88)	(386,038.01)	(527,322.73)	(302,322.73)	(1,020,235.01)	(5,874,919.51)
Pre-Petition Payments										
Employee Wages, Taxes & Expenses	-	-	-	-	-	-	-	-	-	-
Critical Vendors	-	(75,000.00)	(75,000.00)	(150,000.00)	(150,000.00)	(100,000.00)	-	-	-	(550,000.00)
Insurance	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-
Total Pre-Petition Payments	-	(75,000.00)	(75,000.00)	(150,000.00)	(150,000.00)	(100,000.00)	-	-	-	(550,000.00)
Restructuring Costs										
Chief Restructuring Officer	(25,000.00)	-	-	-	(25,000.00)	-	-	-	(25,000.00)	(75,000.00)
Legal Fees	(80,000.00)	-	-	-	(150,000.00)	-	-	-	(150,000.00)	(380,000.00)
Legal Fees - Conflicts Counsel	(360.00)	-	-	-	(10,000.00)	-	-	-	(10,000.00)	(20,360.00)
Noticing Agent	(45,000.00)	-	-	-	(75,000.00)	-	-	-	(75,000.00)	(195,000.00)
Patient Ombudsman	-	-	-	-	(7,500.00)	-	-	-	(7,500.00)	(15,000.00)
Patient Ombudsman Legal	(10,000.00)	-	-	-	(2,500.00)	-	-	-	(2,500.00)	(15,000.00)
Total Restructuring Costs	(160,360.00)	-	-	-	(270,000.00)	-	-	-	(270,000.00)	(700,360.00)
Total Disbursements	(1,221,635.68)	(461,038.01)	(602,322.73)	(452,322.73)	(1,782,041.88)	(486,038.01)	(527,322.73)	(302,322.73)	(1,290,235.01)	(7,125,279.51)
US Trustee Fees	-	-	-	-	-	-	-	-	-	-
DIP Financing	-	-	-	-	1,250,000.00	-	-	-	-	1,250,000.00
Net Cash Flow	(685,635.68)	74,961.99	(66,322.73)	83,677.27	3,958.12	49,961.99	8,677.27	233,677.27	(754,235.01)	(1,051,279.51)
Beginning Cash	1,196,140.10	510,504.42	585,466.41	519,143.68	602,820.95	606,779.07	656,741.06	665,418.33	899,095.60	1,196,140.10
Ending Cash	510,504.42	585,466.41	519,143.68	602,820.95	606,779.07	656,741.06	665,418.33	899,095.60	144,860.58	144,860.58

Schedule 2

DIP Loan Documents

DEBTOR-IN-POSSESSION LOAN AND SECURITY AGREEMENT

THIS DEBTOR-IN-POSSESSION LOAN AND SECURITY AGREEMENT (this "Agreement") is entered into as of _____, 2025, by and among **SOLARA SURGICAL PARTNERS, LLC**, an Oklahoma limited liability company ("Lender"), and **HOSPITAL FOR SPECIAL SURGERY, L.L.C.**, d/b/a **One Core Health**, an Oklahoma limited liability company, debtor and debtor-in-possession ("Borrower").

RECITALS

WHEREAS, on October 7, 2024 (the "Petition Date"), Borrower commenced Chapter 11 Case No. 24-12862 (the "Bankruptcy Case") by filing a voluntary petition for reorganization under the Bankruptcy Code, with the Bankruptcy Court. Borrower continues to operate its businesses and manage its properties as debtor and debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code;

WHEREAS, Borrower has requested that Lender provide a senior secured, super-priority revolving line of credit to Borrower of up to Two Million Dollars ($2,000,000.00) in the aggregate;

WHEREAS, the Advances shall be used for any purpose consistent with the Budget; and

WHEREAS, Borrower has agreed to secure all of its Obligations under this Agreement and the other Loan Documents by granting to Lender a security interest in and lien upon certain of its existing and after-acquired personal property, as more fully set forth in this Agreement and in the Final Borrowing Order.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, and for other good and valuable consideration, the parties hereto agree as follows:

1. DEFINITIONS AND CONSTRUCTION.

1.1 Definitions. As used in this Agreement, the following terms shall have the following definitions:

"Account Debtor" means any Person who is or who may become obligated under, with respect to, or on account of, an Account, Chattel Paper, or a General Intangible.

"Accounts" means all of Borrower's now owned or hereafter acquired right, title, and interest with respect to "accounts" (as such term is defined from time to time in the Code), and any and all supporting obligations in respect thereof.

"Additional Documents" has the meaning set forth in Section 4.6.

"Advances" means all advances made by Lender to Borrower under the Note.

"Affiliate" means, as applied to any Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with, such Person. For purposes of this

definition, "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person, whether through the ownership of Stock, by contract, or otherwise.

"Agreement" has the meaning set forth in the preamble hereto and includes such agreement as the same may be amended, modified, supplemented, increased or restated from time to time.

"Authorized Person" means _____, as _____, or any other person(s) authorized in writing thereby or pursuant to written actions or resolutions duly adopted by Borrower's managers/members to direct the voluntary prepayment of the Note as permitted hereby or otherwise act on behalf of Borrower.

"Bankruptcy Case" has the meaning set forth in the recitals to this Agreement.

"Bankruptcy Code" means Title 11 of the United States Bankruptcy Code (11 U.S.C. §§ 101 et seq.), as in effect from time to time, and any successor statute.

"Bankruptcy Court" means the United States Bankruptcy Court for the Western District of Oklahoma.

"Bankruptcy Recoveries" means any claim or recovery realized by Borrower or which Borrower may be entitled to assert by reason of any avoidance or other power vested in or on behalf of Borrower or the estate of Borrower under Chapter 5 of the Bankruptcy Code, other than recoveries pursuant to Section 549 of the Bankruptcy Code.

"BOKF Pre-petition Secured Claim" means all obligations of Borrower pursuant to that Business Loan Agreement by and between Borrower and BOKF, NA dba Bank of Oklahoma, as amended, and the other loan documents executed in connection therewith.

"Books" means all of Borrower's now owned or hereafter acquired books and records (including all of its Records indicating, summarizing, or evidencing its assets (including the Collateral) or liabilities, all of Borrower's Records relating to its or their business operations or financial condition, and all of its goods or General Intangibles related to such information).

"Borrower" has the meaning set forth in the preamble to this Agreement.

"Borrowing" means a borrowing hereunder consisting of Advances made on the same day by Lender.

"Borrowing Order" means the Final Borrowing Order, or an order (in form and substance acceptable to Lender in its reasonable discretion) entered by the Bankruptcy Court in the Bankruptcy Case authorizing the credit facilities contemplated by this Agreement, which shall not have been stayed, modified in an adverse manner (as determined by Lender in its reasonable discretion), vacated or reversed.

"Budget" means Borrower's 13-week cash flow projection, in form and substance satisfactory to Lender, in the Lender's sole and exclusive direction, reflecting on a line-item basis anticipated unencumbered and unrestricted cash receipts and cash disbursements on a bi-weekly

basis, which may be amended, modified or extended from time to time solely with the written consent of Lender.

"Business Day" means any day that is not a Saturday, Sunday, or other day on which national banks are authorized or required to close.

"Capital Lease" means a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

"Carve-Out" has the meaning defined in the Borrowing Order.

"Carve-Out Amount" has the meaning defined in the Borrowing Order.

"Chattel Paper" means all of Borrower's now owned or hereafter acquired right, title, and interest with respect to "chattel paper", including, without limitation, "tangible chattel paper" and "electronic chattel paper", as such terms are defined from time to time in the Code, and any and all supporting obligations in respect thereof.

"Closing Date" means the date of the making of the initial Advance (or other extension of credit) hereunder.

"Code" means the Uniform Commercial Code, as in effect from time to time in the State of Oklahoma.

"Collateral" means collectively, all of Borrower's now owned or hereafter acquired right, title, and interest in and to the following described personal property:

(a) Accounts,

(b) Chattel Paper,

(c) General Intangibles,

(d) Inventory,

(e) Equipment,

(f) all Bankruptcy Recoveries, and

(g) all accessions, attachments, accessories, tools, parts, supplies, replacements of and additions to any of the Collateral, whether added now or later,

(h) all products and produce of any of the property described as Collateral,

(i) all accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, consignment or other disposition of any of the property described as Collateral,

(j) all proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described as Collateral, and sums due from a third party who has damages or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process, and

(k) all records or data relating to any of the property described as Collateral, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Borrower's right, title and interest in and all to all computer software required to utilize, create, maintain, and process and such records or data on electronic media.

"Collections" means all cash, checks, credit card slips or receipts, notes, instruments, and other items of payment (including insurance proceeds, proceeds of cash sales, rental proceeds, and tax refunds) of Borrower.

"Commitment" means $2,000,000.00.

"Contract Rate" means 7.00%.

"Default" means an event, condition, or default that, with the giving of notice, the passage of time, or both, would be an Event of Default.

"Document" means all of Borrower's now owned or hereafter acquired right, title, and interest with respect to any "document" as such term is defined in the Code, and any and all supporting obligations in respect thereof.

"Disclosure Statement" means a disclosure statement, if any, filed in the Bankruptcy Case in connection with a Plan, as may be amended, supplemented or modified from time to time.

"Dollars" or "$" means United States dollars.

"Effect of Bankruptcy" means, with respect to the provision of any agreement, contract or other undertaking to which Borrower is a party or any property of Borrower is subject, any default or other legal consequences arising solely on account of filing the Bankruptcy Case (including, but not limited to the imposition of the automatic stay) or from the rejection of any such agreement, contract or other undertaking, with the Bankruptcy Court's approval.

"Equipment" means all of Borrower's now owned or hereafter acquired right, title, and interest with respect to "equipment" (as such term is defined from time to time in the Code), "fixtures" (as such term is defined from time to time in the Code) and vehicles (including motor vehicles), including all attachments, accessories, accessions, replacements, substitutions, additions, and improvements to any of the foregoing.

"Event of Default" has the meaning set forth in Section 8.

"Final Borrowing Order" means the Borrowing Order entered in the Bankruptcy Case after notice and a final hearing pursuant to Rule 4001(c) of the Federal Rules of Bankruptcy Procedure.

The Final Borrowing Order shall be substantially in the form attached hereto as Exhibit A (or in such other form as is acceptable to Lender in its reasonable discretion).

"Funding Date" means the date on which a Borrowing occurs.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States, consistently applied.

"General Intangibles" means all of Borrower's now owned or hereafter acquired right, title, and interest with respect to "general intangibles" (as such term is defined from time to time in the Code), and any and all supporting obligations in respect thereof.

"Governing Documents" means, with respect to any Person, the certificate or articles of incorporation, by-laws, or other organizational documents of such Person.

"Governmental Authority" means any federal, state, local, or other governmental or administrative body, instrumentality, department, or agency or any court, tribunal, administrative hearing body, arbitration panel, commission, or other similar dispute-resolving panel or body.

"Hazardous Materials" means (a) substances that are defined or listed in, or otherwise classified pursuant to, any applicable laws or regulations as "hazardous substances," "hazardous materials," "hazardous wastes," "toxic substances," or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity, or "EP toxicity", (b) oil, petroleum, or petroleum derived substances, natural gas, natural gas liquids, synthetic gas, drilling fluids, produced waters, and other wastes associated with the exploration, development, or production of crude oil, natural gas, or geothermal resources, (c) any flammable substances or explosives or any radioactive materials, and (d) asbestos in any form or electrical equipment that contains any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million.

"Indebtedness" means (a) all obligations for borrowed money, (b) all obligations evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit, bankers acceptances, interest rate swaps, or other financial products, (c) all obligations under Capital Leases, (d) all trade payables incurred in the ordinary course of business and are repayable in accordance with customary trade practices that remain unpaid more than 30 days past their originally specified due dates, (e) all obligations or liabilities of others secured by a Lien on any asset of Borrower, irrespective of whether such obligation or liability is assumed, (f) all obligations for the deferred purchase price of assets (other than trade debt incurred in the ordinary course of business and repayable in accordance with customary trade practices that are subject to clause (d) preceding), and (g) any obligation guaranteeing or intended to guarantee (whether directly or indirectly guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of any other Person.

"Indemnified Liabilities" has the meaning set forth in Section 11.3.

"Indemnified Person" has the meaning set forth in Section 11.3.

"Intangible Assets" means, with respect to any Person, that portion of the book value of all of such Person's assets that would be treated as intangibles under GAAP.

"Instruments" means all of Borrower's now owned or hereafter acquired right, title, and interest with respect to "instruments", including, without limitation, any "promissory notes", as such terms are defined from time to time in the Code, and any and all supporting obligations in respect thereof.

"Inventory" means all Borrower's now owned or hereafter acquired right, title, and interest with respect to inventory, including goods held for sale or lease or to be furnished under a contract of service, goods that are leased by Borrower as lessor, goods that are furnished by Borrower under a contract of service, and raw materials, work in process, or materials used or consumed in Borrower's business.

"IRC" means the Internal Revenue Code of 1986, as in effect from time to time.

"Leasehold Interests" means Borrower's leasehold estate or interest in each of the properties at or upon which Borrower conducts business or maintains any of the Collateral, together with Borrower's interest in any of the improvements and fixtures located upon or appurtenant to each leasehold interest, including without limitation, any rights of Borrower to payments, proceeds of value of any kind or nature realized upon the sale or transfer of such estate or interest.

"Lender" has the meaning set forth in the preamble to this Agreement.

"Lender Expenses" means all (a) costs or expenses (including taxes, and insurance premiums) required to be paid by Borrower under any of the Loan Documents or any Borrowing Order that are paid or incurred by Lender, (b) fees or charges paid or incurred by Lender in connection with Lender's transactions with Borrower, including, but not limited to, fees or charges for photocopying, notarization, couriers and messengers, telecommunication, public record searches (including tax lien, litigation, and UCC searches and including searches with the patent and trademark office, the copyright office, or the department of motor vehicles), filing, recording, publication, appraisal (including periodic Collateral appraisals or business valuations to the extent of the fees and charges (and up to the amount of any limitation) contained in this Agreement), (c) costs and expenses incurred by Lender in the disbursement of funds to or for the account of Borrower (by wire transfer or otherwise), (d) charges paid or incurred by Lender resulting from the dishonor of checks, (e) reasonable costs and expenses paid or incurred by Lender to correct any default or enforce any provision of the Loan Documents or any Borrowing Order, or in gaining possession of, maintaining, handling, preserving, storing, shipping, selling, preparing for sale, or advertising to sell the Collateral, or any portion thereof, irrespective of whether a sale is consummated, (f) audit fees and expenses of Lender related to audit examinations of the Books to the extent of the fees and charges (and up to the amount of any limitation) contained in this Agreement, (g) reasonable costs and expenses of third party claims or any other suit paid or incurred by Lender in enforcing or defending the Loan Documents or any Borrowing Order, or in connection with the transactions contemplated by the Loan Documents or any Borrowing Order, or Lender's relationship with Borrower or any guarantor of the Obligations, (h) Lender's reasonable fees and expenses (including attorneys' fees) incurred in advising, structuring, drafting,

reviewing, administering, or amending the Loan Documents or any Borrowing Order, and (i) Lender's reasonable fees and expenses (including attorneys' fees) incurred in terminating, enforcing (including, but not limited to, attorneys fees and expenses incurred in exercising rights or remedies under the Loan Documents or any Borrowing Order), or defending the Loan Documents or any Borrowing Order, irrespective of whether suit is brought, or in taking any remedial action concerning the Collateral.

"Lien" means any interest in an asset securing an obligation owed to, or a claim by, any Person other than the owner of the asset, whether such interest shall be based on the common law, statute, or contract, whether such interest shall be recorded or perfected, and whether such interest shall be contingent upon the occurrence of some future event or events or the existence of some future circumstance or circumstances, including the lien or security interest arising from a mortgage, deed of trust, encumbrance, pledge, hypothecation, assignment, deposit arrangement, security agreement, conditional sale or trust receipt, or from a lease, consignment, or bailment for security purposes and also including reservations, exceptions, encroachments, easements, rights-of-way, covenants, conditions, restrictions, leases, and other title exceptions and encumbrances affecting Real Property.

"Loan Documents" means this Agreement, the Note, any certificates from time to time delivered by Borrower pursuant to this Agreement or any other Loan Document and any other agreement entered into, now or in the future, by Borrower and Lender in connection with this Agreement or any of the aforementioned.

"Material Adverse Change" means (a) a material adverse change in the business, prospects, operations, results of operations, assets, liabilities or condition (financial or otherwise) of Borrower taken as a whole, (b) a material impairment of Borrower's ability to perform its obligations under the Loan Documents to which it is a party or of Lender's ability to enforce the Obligations or realize upon the Collateral, or (c) a material impairment of the enforceability or priority of Lender's Liens with respect to the Collateral as a result of an action or failure to act on the part of Borrower. The filing of the Bankruptcy Case, any defaults under agreements which defaults have no effect under the Bankruptcy Code as a result of the commencement of the Bankruptcy Case, any reduction in payment terms by suppliers or any increase in reclamation claims shall not constitute a Material Adverse Change.

"Maturity Date" means [_____].

"Maximum Revolver Amount" means $2,000,000.

"Note" or "Revolver Note" means the Revolver Note described in Section 2.2 of this Loan Agreement, together with each and every extension, renewal, modification, rearrangement, replacement, substitution, consolidation and change in form of either thereof which may be from time to time and for any term or terms effected.

"Obligations" means all loans, Advances, debts, principal, interest (including any interest that, but for the provisions of the Bankruptcy Code, would have accrued), contingent reimbursement obligations with respect to outstanding premiums, liabilities, obligations, fees, charges, costs, Lender Expenses (including any fees or expenses that, but for the provisions of the

Bankruptcy Code, would have accrued), lease payments, guaranties, covenants, and duties of any kind and description owing by Borrower to Lender pursuant to or evidenced by the Loan Documents and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all interest not paid when due and all Lender Expenses that Borrower is required to pay or reimburse by the Loan Documents, by law, or otherwise. Any reference in this Agreement or in the Loan Documents to the Obligations shall include all amendments, changes, extensions, modifications, renewals replacements, substitutions, and supplements, thereto and thereof, as applicable.

"Permitted Liens" means the following:

(a) Liens held by Lender,

(b) Liens held by U.S. Bank Equipment Finance and Stryker Sales Corporation,

(c) Liens for unpaid taxes that either (i) are not yet delinquent, or (ii) do not constitute an Event of Default hereunder,

(d) Liens arising by operation of law in favor of warehousemen, landlords, carriers, mechanics, materialmen, laborers, or suppliers, incurred in the ordinary course of business and not in connection with the borrowing of money, and which Liens are for sums not yet delinquent,

(e) Liens arising from deposits made in connection with obtaining worker's compensation or other unemployment insurance,

(f) Liens or deposits to secure performance of bids, tenders, or leases incurred in the ordinary course of business and not in connection with the borrowing of money,

(g) Liens granted as security for surety or appeal bonds in connection with obtaining such bonds in the ordinary course of business,

(h) Liens resulting from any judgment or award that is not an Event of Default hereunder,

(i) with respect to any Real Property, easements, rights of way, and zoning restrictions that do not materially interfere with or impair the use or operation thereof, and

(j) non-consensual statutory Liens arising in the ordinary course of business to the extent such Liens secure Indebtedness or other obligations which arose prior to the commencement of the Bankruptcy Case, so long as the rights and remedies of the Person that has such Lien is at all times effectively stayed pursuant to Section 362 of the Bankruptcy Code (except with respect to the perfection of such Liens as permitted in Section 362(b)(3) of the Bankruptcy Code).

"Person" means natural persons, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts,

business trusts, or other organizations, irrespective of whether they are legal entities, and governments and agencies and political subdivisions thereof.

"Petition Date" has the meaning set forth in the recitals hereto.

"Plan" means a plan, if any, filed in the Bankruptcy Case pursuant to Chapter 11 of the Bankruptcy Code, as may be amended, supplemented or modified from time to time.

"Real Property" means any fee, leasehold or other estate or interest in real property now or hereafter owned or leased hereafter acquired by Borrower and the improvements thereto.

"Record" means information that is inscribed on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form.

"Subsidiary" of a Person means a corporation, partnership, limited liability company, or other entity in which that Person directly or indirectly owns or controls the shares of Stock having ordinary voting power to elect a majority of the board of directors (or appoint other comparable managers) of such corporation, partnership, limited liability company, or other entity.

"Voidable Transfer" has the meaning set forth in Section 15.7.

1.2 Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP. When used herein, the term "financial statements" shall include the notes and schedules thereto.

1.3 Code. Any terms used in this Agreement that are defined in the Code shall be construed and defined as set forth from time to time in the Code unless otherwise defined herein.

1.4 Construction. Unless the context of this Agreement or any other Loan Document clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the term "including" is not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Agreement or any other Loan Document refer to this Agreement or such other Loan Document, as the case may be, as a whole and not to any particular provision of this Agreement or such other Loan Document, as the case may be. Section, subsection, clause, schedule, and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Agreement or in the other Loan Documents to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). Any reference herein to any Person shall be construed to include such Person's successors and assigns. Any requirement of a writing contained herein or in the other Loan Documents shall be satisfied by the transmission of a Record and any Record transmitted shall constitute a representation and warranty as to the accuracy and completeness of the information contained therein.

1.5 Schedules and Exhibits. All of the schedules and exhibits attached to this Agreement shall be deemed incorporated herein by reference.

2. COMMITMENTS.

2.1 Loan Commitment. Lender agrees, upon the terms and subject to the conditions hereinafter set forth, to make a revolving loan to Borrower in the maximum principal amount of $2,000,000.00 (the "Commitment").

2.2 Revolver Note. On the Closing Date, Borrower shall execute and deliver to the order of Bank Borrower's Revolver Note in the maximum principal amount of $2,000,000, as extended, renewed, restated, changed in form, rearranged, consolidated or otherwise modified from time to time. The Revolver Note shall bear interest at the Contract Rate (or in the event of an Event of Default, at the Default Rate set forth in the Note). All of the remaining payment terms related to Borrower's Revolver Note including the payment amounts and due dates and prepayment provisions shall be as set forth in the Revolver Note executed by Borrower in favor of Lender of even date herewith, the terms of which are expressly incorporated by reference herein.

3. CONDITIONS; TERM OF AGREEMENT.

3.1 Conditions Precedent to the Initial Extension of Credit. The obligation of Lender to make the initial advance (or otherwise to extend any credit provided for hereunder), is subject to the fulfillment, to the satisfaction of Lender, of each of the conditions precedent set forth below:

(a) Lender shall have received each of the following documents, in form and substance satisfactory to Lender, duly executed, and each such document shall be in full force and effect:

(i) the Agreement;

(ii) the Revolver Note; and

(iii) such additional documents as Lender may reasonably request;

(b) Lender shall have received the initial Budget, which shall be in form and substance satisfactory to Lender;

(c) Lender shall have received a certificate from Borrower attesting to the resolutions of Borrower's board of managers authorizing the execution, delivery, and performance of this Agreement and the other Loan Documents to which Borrower is a party and authorizing specific officers of Borrower to execute the same;

(d) the Bankruptcy Court shall have entered the Final Borrowing Order, which order shall be in full force and effect, shall not have been reversed, vacated or stayed and shall not have been amended, supplemented or otherwise modified without the prior written consent of Lender (i) authorizing and approving this Agreement, the other Loan Documents and the transactions contemplated hereby and thereby, including the granting of the super-priority status, security interest and Liens, and the payment of all fees and other amounts

referred to herein, and (ii) modifying the automatic stay to permit Borrower to perform its Obligations and Lender to exercise its rights and remedies with respect to the Advances;

(e) all motions and other documents to be filed with and submitted to the Bankruptcy Court in connection with this Agreement, shall be in form and substance reasonably satisfactory to Lender; and

(f) all other documents and legal matters in connection with the transactions contemplated by this Agreement shall have been delivered, executed, or recorded and shall be in form and substance satisfactory to Lender.

3.2 Conditions Precedent to all Extensions of Credit. The obligation of Lender to make any advance (or to extend any other credit hereunder) shall be subject to the following conditions precedent:

(a) the representations and warranties contained in this Agreement and the other Loan Documents shall be true and correct in all material respects on and as of the date of such extension of credit, as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date);

(b) no Default or Event of Default shall have occurred and be continuing on the date of such extension of credit, nor shall either result from the making thereof;

(c) Lender shall have received a current Budget, which shall be in form and substance satisfactory to Lender;

(d) with the exception of the Bankruptcy Case, no injunction, writ, restraining order, or other order of any nature prohibiting, directly or indirectly, the extending of such credit shall have been issued and remain in force by any Governmental Authority against Borrower, Lender, or any of their Affiliates; and

(e) no Material Adverse Change shall have occurred since the Petition Date (it being understood that the default under any agreement to which Borrower is a party resulting solely from the commencement of the Bankruptcy Case, or the reduction in payment terms by suppliers or increase in reclamation claims shall not constitute a Material Adverse Change).

3.3 Term. This Agreement shall become effective upon the execution and delivery hereof by Borrower and Lender and shall continue in full force and effect for a term ending on the Maturity Date or until all Obligations in favor of Lender have been paid in full. The foregoing notwithstanding, Lender shall have the right to terminate its obligations under this Agreement immediately and without notice upon the occurrence and during the continuation of an Event of Default.

3.4 Effect of Termination. On the date of termination of this Agreement, all Obligations immediately shall become due and payable without notice or demand. No termination of this Agreement, however, shall relieve or discharge Borrower of its duties, Obligations, or covenants hereunder and Lender's Liens in the Collateral shall remain in effect until all

Obligations have been fully and finally discharged and Lender's obligations to provide additional credit hereunder have been terminated. When this Agreement has been terminated and all of the Obligations have been fully and finally discharged and Lender's obligations to provide additional credit under the Loan Documents have been terminated irrevocably, Lender will, at Borrower's sole expense, execute and deliver any UCC termination statements, lien releases, re-assignments of trademarks, discharges of security interests, and other similar discharge or release documents (and, if applicable, in recordable form) as are reasonably necessary to release, as of record, Lender's Liens and all notices of security interests and liens previously filed by Lender with respect to the Obligations.

4. CREATION OF SECURITY INTEREST.

4.1 Grant of Security Interest. Borrower hereby grants to Lender a continuing security interest in all of its right, title, and interest in all currently existing and hereafter acquired or arising Collateral in order to secure prompt repayment of any and all of the Obligations in accordance with the terms and conditions of the Loan Documents and in order to secure prompt performance by Borrower of each of its covenants and duties under the Loan Documents. Lender's Liens in and to the Collateral shall attach to all Collateral without further act on the part of Lender or Borrower. Anything contained in this Agreement or any other Loan Document to the contrary notwithstanding, Borrower has no authority, express or implied, to dispose of any item or portion of the Collateral.

4.2 Control of Collateral. If from time to time any Collateral, including any proceeds or supporting obligations, consists of property or rights of Borrower in which the perfection or priority of Lender's security interest is dependent upon or enhanced by Lender gaining control of such Collateral, Borrower shall immediately notify Lender and, at Lender's request, deliver such documents or take such actions as may be necessary to give Lender control over such Collateral as provided in the Code.

4.3 Collection of Accounts, General Intangibles. At any time after the occurrence and during the continuation of an Event of Default, Lender or Lender's designee may (a) notify Account Debtors of Borrower that the Accounts, Chattel Paper, or General Intangibles have been assigned to Lender or that Lender has a security interest therein, or (b) collect the Accounts, Chattel Paper, or General Intangibles directly and charge the collection costs and expenses to Borrower. Borrower shall hold any Collections that it receives in trust for Lender and immediately will deliver said Collections to Lender in their original form as received by Borrower.

4.4 Lockbox Agreement. Within thirty (30) days following the Closing Date, Borrower and Lender shall enter into an agreement on the existing lockbox account with Bank of Oklahoma which either perpetuates the terms of the existing lockbox agreement by and between Bank of Oklahoma and Borrower or amends such existing lockbox agreement to add Lender as a party thereto.

4.5 Delivery of Additional Documentation Required. At any time upon the request of Lender, Borrower shall execute and deliver to Lender, any and all financing statements (including, without limitation, any amendments thereto and any "in lieu" continuation statements), security agreements, pledges, assignments, endorsements of certificates of title, bailee acknowledgments

and all other documents (the "Additional Documents") that Lender may request, each in form and substance satisfactory to Lender, to perfect and continue perfected or to better perfect Lender's Liens in the Collateral (whether now owned or hereafter arising or acquired), and in order to fully consummate all of the transactions contemplated hereby and under the other Loan Documents. To the maximum extent permitted by applicable law, Borrower authorizes Lender to execute any such Additional Documents in Borrower's name and authorizes Lender to file such executed Additional Documents in any appropriate filing office.

4.6 Power of Attorney. Borrower hereby irrevocably makes, constitutes, and appoints Lender (and any of Lender's officers, employees, or agents designated by Lender) as Borrower's true and lawful attorney, with power to (a) if Borrower refuses to, or fails timely to execute and deliver any of the documents described in Section 4.5, sign the name of Borrower on any of the documents described in Section 4.5, (b) at any time that an Event of Default has occurred and is continuing, sign Borrower's name on any invoice or bill of lading relating to the Collateral, drafts against Account Debtors, or notices to Account Debtors, (c) send requests for verification of Accounts, (d) endorse Borrower's name on any Collection item that may come into Lender's possession, (e) at any time that an Event of Default has occurred and is continuing, make, settle, and adjust all claims under Borrower's policies of insurance and make all determinations and decisions with respect to such policies of insurance, and (f) at any time that an Event of Default has occurred and is continuing, settle and adjust disputes and claims respecting the Accounts, Chattel Paper, or General Intangibles directly with Account Debtors, for amounts and upon terms that Lender determines to be reasonable, and Lender may cause to be executed and delivered any documents and releases that Lender determines to be necessary. The appointment of Lender as Borrower's attorney, and each and every one of its rights and powers, being coupled with an interest, is irrevocable until all of the Obligations have been fully and finally repaid and performed and Lender's obligations to extend credit hereunder are terminated.

4.7 Liens; Priority. All of the Obligations are secured by Liens on the Collateral of Borrower and, at all times, shall constitute administrative expenses of Borrower in the Bankruptcy Case with priority under Section 364(c)(1) of the Bankruptcy Code over any and all other administrative expenses of the kind specified in Sections 503(b) and 507(b) of the Bankruptcy Code, subject and subordinate only to the Carve-Out. All Liens which secure the Obligations shall constitute first priority Liens under Section 364(d) of the Bankruptcy Code, [subject only to Permitted Liens in favor of U.S. Bank Equipment Financing and Stryker Sales Corporation]. No other claims having a priority superior or pari passu to that granted to or on behalf of Lender shall be granted or approved while any of the Obligations or the Commitments remain outstanding.

5. REPRESENTATIONS AND WARRANTIES.

In order to induce Lender to enter into this Agreement, Borrower makes the following representations and warranties to Lender which shall be true, correct, and complete, in all material respects, as of the date hereof, and shall be true, correct, and complete, in all material respects, as of the Closing Date, and at and as of the date of the making of each Advance (or other extension of credit) made thereafter, as though made on and as of the date of such Advance (or other extension of credit) (except to the extent that such representations and warranties relate solely to an earlier date) and such representations and warranties shall survive the execution and delivery of this Agreement:

5.1 No Encumbrances. Borrower has good and indefeasible title to all of the property composing the Collateral, free and clear of Liens except for Permitted Liens.

5.2 Equipment. All of the Equipment is used or held for use in Borrower's business and is fit for such purposes.

5.3 Location of Inventory and Equipment. The Inventory and Equipment are not stored with a bailee, warehouseman, or similar party. The Inventory and Equipment are located only at the principal office of Borrower or at such other locations as are acceptable to Lender.

5.4 Inventory Records. Borrower keeps correct and accurate records itemizing and describing the type, quality, and quantity of its Inventory and the book value thereof.

5.5 Due Organization. Borrower is duly organized and existing and in good standing under the laws of the jurisdiction of its organization and qualified to do business in any state where the failure to be so qualified reasonably could be expected to have a Material Adverse Change.

5.6 Due Authorization; No Conflict.

(a) Upon the entry of the Final Borrowing Order, the execution, delivery, and performance by Borrower of this Agreement and the Loan Documents to which it is a party have been duly authorized by all necessary action on the part of such Borrower.

(b) Upon the entry of the Final Borrowing Order, the execution, delivery, and performance by Borrower of this Agreement and the Loan Documents to which it is a party do not and will not (i) violate any provision of federal, state, or local law or regulation applicable to Borrower, the Governing Documents of Borrower, or any order, judgment, or decree of any court or other Governmental Authority binding on Borrower, (ii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation of Borrower, (iii) result in or require the creation or imposition of any Lien of any nature whatsoever upon any properties or assets of Borrower, other than Permitted Liens, or (iv) require any approval of Borrower's interestholders or any approval or consent of any Person under any material contractual obligation of Borrower.

(c) Upon the entry of the Final Borrowing Order, the execution, delivery, and performance by Borrower of this Agreement and the Loan Documents do not and will not require any registration with, consent, or approval of, or notice to, or other action with or by, any Governmental Authority or other Person.

(d) Upon the entry of the Final Borrowing Order, this Agreement and the other Loan Documents to which such Borrower is a party, and all other documents contemplated hereby and thereby, when executed and delivered by such Borrower will be the legally valid and binding obligations of such Borrower, enforceable against such Borrower in accordance with their respective terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

(e) Upon the entry of the Final Borrowing Order, Lender's Liens are validly created, perfected, and first priority Liens, subject only to Permitted Liens, and no further recording, filing or other action of any kind will be required in connection with the creation, perfection or enforcement of such Liens.

5.7 Litigation.

(a) Other than the Bankruptcy Case, there are no actions, suits, or proceedings pending or, to the best knowledge of Borrower, threatened against Borrower which individually or in the aggregate could reasonably be expected to result in a Material Adverse Change.

(b) Other than the Bankruptcy Case, there are no actions, suits or proceedings pending or, to the best knowledge of Borrower, threatened against Borrower that question the validity or enforceability of this Agreement or any other Loan Document or any action taken by Borrower in connection therewith.

5.8 No Material Adverse Change. Since the Petition Date, there has not been a Material Adverse Change with respect to Borrower.

5.9 Brokerage Fees. Borrower has not utilized the services of any broker or finder in connection with Borrower's obtaining financing from Lender under this Agreement and no brokerage commission or finder's fee is payable by Borrower in connection with or as a result of Borrower obtaining financing from Lender under this Agreement.

5.10 Intellectual Property. Borrower owns, or holds licenses in, all trademarks, trade names, copyrights, patents, patent rights, and licenses that are necessary to the conduct of its business as currently conducted.

5.11 Leases. Borrower enjoy peaceful and undisturbed possession under all leases material to the business of Borrower and to which Borrower is a party or under which Borrower is operating. All of such leases are valid and subsisting and other than the Effect of Bankruptcy, no material default by Borrower exists under any of them.

5.12 Indebtedness. Set forth on Schedule 5.20 is a true and complete list of all Indebtedness of Borrower outstanding immediately prior to the Petition Date that is to remain outstanding after the Closing Date. Such Schedule accurately reflects the aggregate principal amount of such Indebtedness and the principal terms thereof.

5.13 Payment of Taxes. Except where the failure to do so could not reasonably be expected to have a Material Adverse Change, (a) all tax returns required to be filed by Borrower have been timely filed and (b) all taxes upon Borrower or its properties, assets, income and franchises (including real property taxes and payroll taxes, but excluding property taxes which are not due until a date after the Petition Date) have been paid prior to delinquency.

5.14 Complete Disclosure. All factual information (taken as a whole) furnished by or on behalf of Borrower in writing to Lender (including all information contained in the Schedules hereto or in the other Loan Documents) for purposes of or in connection with this Agreement, the

other Loan Documents or any transaction contemplated herein or therein is, and all other such factual information (taken as a whole) hereafter furnished by or on behalf of Borrower in writing to Lender will be, true and accurate in all material respects on the date as of which such information is dated or certified and not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not misleading in any material respect at such time in light of the circumstances under which such information was provided.

6. AFFIRMATIVE COVENANTS.

Borrower covenants and agrees that, so long as any credit hereunder shall be available and until full and final payment in cash of the Obligations, Borrower shall do all of the following:

6.1 Accounting System. Maintain a system of accounting that enables Borrower to produce financial statements in accordance with GAAP and maintain records pertaining to the Collateral that contain information as from time to time reasonably may be requested by Lender. Borrower also shall keep an inventory reporting system that shows all additions, sales, claims, returns, and allowances with respect to the Inventory.

6.2 Taxes. Cause all assessments and taxes, whether real, personal, or otherwise, due or payable by, or imposed, levied, or assessed against Borrower or any of its assets to be paid in full, before delinquency or before the expiration of any extension period. Borrower will make timely payment or deposit of all tax payments and withholding taxes required of it by applicable laws, including those laws concerning F.I.C.A., F.U.T.A., state disability, and local, state, and federal income taxes, and will, upon request, furnish Lender with proof satisfactory to Lender indicating that Borrower has made such payments or deposits. Borrower shall deliver satisfactory evidence of payment of applicable excise taxes in each jurisdictions in which Borrower is required to pay any such excise tax.

6.3 Insurance. At Borrower's expense, maintain fire and other risk insurance, public liability insurance, and such other insurance as Lender may require with respect to Borrower's properties and operations, in form, amounts, coverages and with insurance companies acceptable to Lender. All such policies of insurance shall be in such amounts and with such insurance companies as are reasonably satisfactory to Lender. Borrower shall deliver copies of all such policies to Lender with a satisfactory lender's loss payable endorsement naming Lender as sole loss payee or additional insured, as appropriate. Each policy of insurance or endorsement shall contain a clause requiring the insurer to give not less than 30 days prior written notice to Lender in the event of cancellation of the policy for any reason whatsoever.

6.4 Compliance with Laws. Comply with the requirements of all applicable laws, rules, regulations, and orders of any Governmental Authority, including the Fair Labor Standards Act and the Americans With Disabilities Act, other than laws, rules, regulations, and orders the non-compliance with which, individually or in the aggregate, would not result in and reasonably could not be expected to result in a Material Adverse Change.

6.5 Leases. Pay when due all rents and other amounts payable under any leases to which Borrower is a party or by which Borrower's properties and assets are bound.

6.6 Existence. At all times preserve and keep in full force and effect Borrower's valid existence and good standing and any rights and franchises material to Borrower's businesses.

6.7 Immediate Notice to Lender. Immediately upon Borrower becoming aware of any condition or event which constitutes an Event of Default or Default or any default or event of default under any other loan, mortgage, financing or security agreement, Borrower will give Lender a written notice thereof specifying the nature and period of existence thereof and what actions, if any, Borrower is taking and proposes to take with respect thereto.

6.8 Notice of Litigation. Immediately upon becoming aware of the existence of any action, suit or proceeding at law or in equity before any Governmental Authority, an adverse outcome in which would (i) materially impair the ability of Borrower to carry on its business substantially as now conducted, (ii) materially and adversely affect the condition (financial or otherwise) of Borrower, or (iii) result in monetary damages in excess of $50,000, Borrower will give Lender a written notice specifying the nature thereof and what actions, if any, Borrower is taking and proposes to take with respect thereto.

6.9 Change of Management/Business Purpose. Within five (5) days after any change in senior officers, directors or management of Borrower, Borrower shall give written notice thereof to Lender, together with a description of the reasons for the change and a reasonably detailed management succession plan for Lender's review.

6.10 Compliance with Budget. Borrower shall be in material compliance with the Budget.

6.11 Disclosure Updates. Promptly and in no event later than 5 Business Days after obtaining knowledge thereof, (a) notify Lender if any written information, exhibit, or report furnished to Lender contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements contained therein not misleading in light of the circumstances in which made, and (b) correct any defect or error that may be discovered therein or in any Loan Document or in the execution, acknowledgement, filing, or recordation thereof.

6.12 Notices and Pleadings. Promptly upon the filing thereof, copies of all notices and pleadings filed by or on behalf of any party in the Bankruptcy Case or otherwise.

6.13 Bankruptcy Related Affirmative Covenants. Borrower shall promptly, punctually, and faithfully perform all and singular the terms and conditions of the Final Borrowing Order and any subsequent Borrowing Order.

7. NEGATIVE COVENANTS.

Borrower covenants and agrees that, so long as any credit hereunder shall be available and until full and final payment in cash of the Obligations, Borrower will not do any of the following:

7.1 Indebtedness. Borrower will not create, incur, assume, become or be liable in any manner in respect of, or suffer to exist, any Indebtedness whether evidenced by a note, bond, debenture, agreement, letter of credit or similar or other obligation, as principal or guarantor, or accept any deposits or advances of any kind, with respect to Borrower except (i) trade payables

and current Indebtedness (other than for borrowed money) incurred in, and (ii) deposits and advances accepted in, the ordinary course of business, except for Indebtedness constituting the Carve-Out Amount.

7.2 Liens. Borrower will not create or suffer to exist any Lien upon any of its property or assets except (i) Liens in favor of Lender securing the Indebtedness; (ii) Liens (including statutory tax liens to the extent not delinquent) arising in the ordinary course of business for sums not due or sums being contested in good faith and by appropriate proceedings and not involving any deposits, advances, borrowed money or the deferred purchase price of property or services; and (iii) Liens expressly permitted to exist under the terms of any of the Loan Documents.

7.3 Restrictions on Fundamental Changes. Borrower will not:

(a) Enter into any merger, consolidation, reorganization, or recapitalization, or reclassify its equity or otherwise change Borrower's type of organization, jurisdiction of organization or other legal or corporate structure.

(b) Liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution).

(c) Convey, sell, lease, license, assign, transfer, or otherwise dispose of, in one transaction or a series of transactions, all or any substantial part of its assets.

7.4 Disposition/Negative Pledge regarding Encumbrance of Collateral and Other Assets. Borrower will not sell or encumber any of the Collateral without first obtaining Lender's written consent thereto nor will Lender sell, lease, transfer, mortgage, pledge, grant a security interest in (including to entities related to Borrower) or in any manner encumber Lender's other material assets, without first obtaining Lender's written consent thereto.

7.5 Change of Name or Address. Change Borrower's name or organizational identification number or relocate Borrower's chief executive office to a new location; provided, however, that Borrower may change its name or chief executive office location upon at least 30 days prior written notice by Borrower to Lender of such change and so long as, at the time of such written notification, such Borrower provides any financing statements, fixture filings or other agreements or documents necessary to perfect and continue perfected Lender's Liens.

7.6 Change of Business/Executive Management. Borrower will not permit any change in controlling ownership of Borrower without the prior written consent of Bank.

7.7 Use of Proceeds. Use the proceeds of the Advances for any purpose other than a purpose permitted by the Budget.

7.8 Bankruptcy Related Negative Covenants. Borrower shall not seek, consent to, or permit to be entered, occur, or exist any of the following:

(a) the entry of any order in the Bankruptcy Case which modifies, stays, vacates, or amends all or any portion of any Borrowing Order, without the written consent of Lender;

(b) a priority claim or administrative expense or unsecured claim against Borrower (whether as of the Petition Date or hereafter arising, of any kind or nature whatsoever, including without limitation, any administrative expense of the kind specified in Sections 105, 326, 330, 331, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), or 1114 of the Bankruptcy Code) with equal or superior priority to the priority of the claim of Lender in respect of the Obligations, other than with respect to the Carve Out and the statutory fees of the United States Trustee;

(c) other than as expressly set forth in the Borrowing Order, any lien on, or security interest in any of the Collateral with equal or superior priority to the priority of the security interest of Lender, other than with respect to the Carve Out and the statutory fees of the United States Trustee;

(d) any order which authorizes the return of any of Collateral pursuant to Section 546(h) of the Bankruptcy Code; or

(e) any order granting authority for or on behalf of Borrower or Borrower's estate to take any action that is prohibited by the terms of this Agreement or the other Loan Documents or to refrain from taking any action that is required to be taken by the terms of this Agreement or any of the other Loan Documents.

8. EVENTS OF DEFAULT.

Any one or more of the following events shall constitute an event of default (each, an "Event of Default") under this Agreement; provided, however, before any of the following events constitute an Event of Default, (i) Lender must provide written notice to Borrower of the occurrence of such Event of Default, (ii) Borrower shall have thirty (30) days to cure such Event of Default, and (iii) if Borrower fails to cure such Event of Default, Lender must obtain an order on motion and notice with the Bankruptcy Court finding that an Event of Default has occurred:

8.1 If Borrower shall fail to make any payment or mandatory payment of principal or interest upon the Note, or fail to pay any other Indebtedness within fifteen (15) days after the same shall become due and payable (whether by extension, renewal, acceleration or otherwise);

8.2 If any representation or warranty of Borrower made herein or in any writing furnished in connection with or pursuant to any of the Loan Documents shall have been false or misleading in any material respect on the date when made;

8.3 If Borrower shall fail to duly observe, perform or comply with any covenant, agreement or term contained in this Loan Agreement or any of the Loan Documents and such default or breach shall have not been cured or remedied within thirty (30) days following receipt of notice thereof from Lender;

8.4 If Borrower shall default in the payment of principal or of interest on any other obligation for money borrowed or received as an advance (or any obligation under any conditional sale or other title retention agreement, or any obligation issued or assumed as full or partial payment for property whether or not secured by purchase money Lien, or any obligation under notes payable or drafts accepted representing extensions of credit) beyond any grace or curative

period provided with respect thereto, or shall default in the performance of any other agreement, term or condition contained in any agreement under which such obligation is created (or if any other default under any such agreement shall occur and be continuing beyond any period of grace provided with respect thereto) if the effect of such default is to cause, or to permit the holder or holders of such obligation (or a trustee on behalf of such holder or holders) to cause such obligation to become due prior to its date of maturity;

8.5 If a notice of Lien, levy, or assessment is filed of record with respect to Borrower's assets by the United States, or any department, agency, or instrumentality thereof, or by any state, county, municipal, or governmental agency, or if any taxes or debts owing at any time hereafter to any one or more of such entities becomes a Lien, whether choate or otherwise, upon Borrower's assets and the same is not paid on the payment date thereof;

8.6 If a judgment or other claim (other than a Permitted Lien) becomes a Lien or encumbrance upon any material portion of Borrower's properties or assets;

8.7 If this Agreement or any other Loan Document that purports to create a Lien, shall, for any reason, fail or cease to create a valid and perfected and, except to the extent permitted by the terms hereof or thereof, first priority Lien on or security interest in the Collateral covered hereby or thereby;

8.8 If Borrower fails to be in material compliance with the Budget;

8.9 If there is a Material Adverse Change;

8.10 The entry of an order in the Bankruptcy Case which stays, modifies, or reverses any Borrowing Order or which otherwise materially adversely affects, as determined by Lender in its reasonable discretion, the effectiveness of any Borrowing Order without the express written consent of Lender;

8.11 Either (i) the appointment in the Bankruptcy Case of a trustee or of any examiner having expanded powers to operate all or any part of Borrower's business, or (ii) the conversion of the Bankruptcy Case to a case under Chapter 7 of the Bankruptcy Code;

8.12 The entry of any order which provides relief from the automatic stay otherwise imposed pursuant to Section 362 of the Bankruptcy Code which permits any creditor to realize upon, or to exercise any right or remedy with respect to, any material asset of Borrower or to terminate any license, franchise, or similar agreement, where the exercise of such right or remedy or such realization or termination could have a material adverse effect on Borrower's financial condition or ability to conduct its business;

8.13 The filing of any application by Borrower without the express written consent of Lender for the approval of any super-priority claim in the Bankruptcy Case which is pari passu with or senior to the priority of the claims of Lender for the Obligations, or there shall arise any such super-priority claim under the Bankruptcy Code.

8.14 The payment or other discharge by Borrower of any pre-petition Indebtedness, except as expressly permitted hereunder or by an order of the Bankruptcy Court to which Lender has expressly consented to in writing.

8.15 The filing of any motion by Borrower or the entry of any order in the Bankruptcy Case: (a)(i) permitting working capital or other financing (other than ordinary course trade credit) for Borrower from any Person other than Lender, (ii) granting a Lien on, or security interest in any of the Collateral, other than with respect to this Agreement and other than the Carve-Out, (iii) except as permitted by this Agreement, permitting the use of any of the Collateral pursuant to Section 363(c) of the Bankruptcy Code without the prior written consent of Lender, (iv) permitting recovery from any portion of the Collateral any costs or expenses of preserving or disposing of such Collateral under Section 506(c) of the Bankruptcy Code, or (v) dismissing the Bankruptcy Case or (b) the filing of any motion by Borrower (or by any party in interest or any committee appointed in the Bankruptcy Case) seeking any of the matters specified in the foregoing clause (a) that is not dismissed or denied within ten (10) days of the date of the filing of such motion (or such later date agreed to in writing by Lender).

8.16 The filing of a motion by Borrower seeking approval of a Disclosure Statement and a Plan, or the entry of an order confirming a Plan, that does not require repayment in full in cash of all Obligations on the effective date (or as soon as practicable thereafter) of such Plan.

8.17 The failure of Borrower to comply in all material respects with each and all of the terms and conditions of any Borrowing Order, the Assumption Order or any other order of the Bankruptcy Court.

8.18 The occurrence of any Termination Event under (and as defined in) the Borrowing Order.

9. LENDER'S RIGHTS AND REMEDIES.

9.1 Rights and Remedies. Subject to the terms of the Borrowing Order, upon the occurrence, and during the continuation, of an Event of Default, Lender (at its election but without notice of its election and without demand) may exercise any of the rights and remedies of a secured party under the Code and any other rights and remedies provided for in this Agreement or any other Loan Document or otherwise available to it at law or in equity, such rights and remedies to include, without limitation, the following, all of which are authorized by Borrower:

(a) Declare all Obligations, whether evidenced by this Agreement, by any of the other Loan Documents, or otherwise, immediately due and payable;

(b) Cease advancing money or extending credit to or for the benefit of Borrower under this Agreement, under any of the Loan Documents, or under any other agreement between Borrower and Lender;

(c) Terminate this Agreement and any of the other Loan Documents as to any future liability or obligation of Lender, but without affecting any of Lender's Liens in the Collateral and without affecting the Obligations;

(d) Notify Account Debtors and other Persons obligated on the Collateral to make payment or otherwise render performance to or for Lender, and, to the extent permitted under the Code, enforce the obligations of Account Debtors and other Persons obligated on the Collateral and exercise the rights of Borrower with respect to such obligations and any property that may secure such obligations;

(e) Take any proceeds of the Collateral;

(f) Cause Borrower to hold all returned Inventory in trust for Lender, segregate all returned Inventory from all other assets of Borrower or in Borrower's possession and conspicuously label said returned Inventory as the property of Lender;

(g) With ten (10) day advance written notice to Borrower, make such payments and do such acts as Lender considers necessary or reasonable to protect its security interests in the Collateral. Borrower agrees to assemble the Collateral if Lender so requires, and to make the Collateral available to Lender at a place that Lender may designate which is reasonably convenient to both parties. Borrower authorizes Lender to enter the premises where the Collateral is located, to take and maintain possession of the Collateral, or any part of it, and to pay, purchase, contest, or compromise any Lien that in Lender's determination appears to conflict with Lender's Liens and to charge Buyer for all expenses incurred in connection therewith. With respect to Borrower's owned or leased premises, Borrower hereby grants Lender a license to enter into possession of such premises and to occupy the same, without charge, in order to exercise Lender's rights or remedies provided herein, at law, in equity, or otherwise;

(h) With ten (10) day advance written notice to Borrower, and without constituting a retention of any collateral in satisfaction of an obligation (within the meaning of the Code), set off and apply to the Obligations any and all Indebtedness at any time owing to or for the credit or the account of Borrower held by Lender;

(i) Ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell (in the manner provided for herein) the Collateral. Borrower hereby grants to Lender a license or other right to use, without charge, Borrower's labels, patents, copyrights, trade secrets, trade names, trademarks, service marks, and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and Borrower's rights under all licenses and all franchise agreements shall inure to Lender's benefit;

(j) Lender may seek the appointment of a receiver or keeper to take possession of all or any portion of the Collateral or to operate same and, to the maximum extent permitted by law, may seek the appointment of such a receiver without the requirement of prior notice or a hearing;

(k) Lender shall have all other rights and remedies available to it at law or in equity pursuant to any other Loan Documents; and

(l) Any deficiency that exists after disposition of the Collateral as provided above will be paid immediately by Borrower. Any excess will be returned, without interest and subject to the rights of third Persons, by Lender to Borrower.

9.2 Remedies Cumulative. The rights and remedies of Lender under this Agreement, the other Loan Documents, and all other agreements shall be cumulative and may be exercised simultaneously. Lender shall have all other rights and remedies not inconsistent herewith as provided under the Code, by law, or in equity. No exercise by Lender of one right or remedy shall be deemed an election, and no waiver by Lender of any Event of Default shall be deemed a continuing waiver. No delay by Lender shall constitute a waiver, election, or acquiescence by it.

10. TAXES AND EXPENSES. If Borrower fails to pay any monies (whether taxes, assessments, insurance premiums, or, in the case of leased properties or assets, rents or other amounts payable under such leases) due to third Persons, or fails to make any deposits or furnish any required proof of payment or deposit, all as required under the terms of this Agreement, then, Lender, in its sole discretion and without prior notice to Borrower, may do any or all of the following: (a) make payment of the same or any part thereof, or (b) in the case of the failure to comply with Section 6.3 hereof, obtain and maintain insurance policies of the type described in Section 6.3 and take any action with respect to such policies as Lender deems prudent. Any such amounts paid by Lender shall constitute Lender Expenses and any such payments shall not constitute an agreement by Lender to make similar payments in the future or a waiver by Lender of any Event of Default under this Agreement. Lender need not inquire as to, or contest the validity of, any such expense, tax, or Lien and the receipt of the usual official notice for the payment thereof shall be conclusive evidence that the same was validly due and owing.

11. WAIVERS; INDEMNIFICATION.

11.1 No Waiver. Borrower expressly reserves it right to demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment, nonpayment at maturity, release, compromise, settlement, extension, or renewal of documents, instruments, chattel paper, and guarantees at any time held by Lender on which each such Borrower may in any way be liable.

11.2 Lender's Liability for Collateral. Borrower hereby agrees that: (a) so long as Lender complies with its obligations, if any, under the Code, Lender shall not in any way or manner be liable or responsible for: (i) the safekeeping of the Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, warehouseman, bailee, forwarding agency, or other Person, and (b) all risk of loss, damage, or destruction of the Collateral shall be borne by Borrower.

11.3 Indemnification. Borrower shall pay, indemnify, defend, and hold Lender and its officers, directors, employees, agents, and attorneys-in-fact (each, an "Indemnified Person") harmless (to the fullest extent permitted by law) from and against any and all claims, demands, suits, actions, investigations, proceedings, and damages, and all reasonable attorneys' fees and disbursements and other costs and expenses actually incurred in connection therewith (as and when they are incurred and irrespective of whether suit is brought), at any time asserted against, imposed upon, or incurred by any of them (a) in connection with or as a result of or related to the execution, delivery, enforcement, performance, or administration of this Agreement, any of the other Loan

Documents, the Bankruptcy Case, or the transactions contemplated hereby or thereby, and (b) with respect to any investigation, litigation, or proceeding related to this Agreement, any other Loan Document, the Bankruptcy Case, or the use of the proceeds of the credit provided hereunder (irrespective of whether any Indemnified Person is a party thereto), or any act, omission, event, or circumstance in any manner related thereto (all the foregoing, collectively, the "Indemnified Liabilities"). The foregoing to the contrary notwithstanding, Borrower shall have no obligation to any Indemnified Person under this Section 11.3 with respect to (i) any Indemnified Liability that a court of competent jurisdiction finally determines to have resulted from the gross negligence or willful misconduct of such Indemnified Person or (ii) any tax imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein (x) measured by or based on the net income or net profits of Lender, or (y) to the extent that such tax results from a change in the circumstances of Lender, including a change in the residence, place of organization, or principal place of business of Lender, or a change in the branch or lending office of Lender participating in the transactions set forth herein. This provision shall survive the termination of this Agreement and the repayment of the Obligations. If any Indemnified Person makes any payment to any other Indemnified Person with respect to an Indemnified Liability as to which Borrower was required to indemnify the Indemnified Person receiving such payment, the Indemnified Person making such payment is entitled to be indemnified and reimbursed by Borrower with respect thereto. WITHOUT LIMITATION, THE FOREGOING INDEMNITY SHALL APPLY TO EACH INDEMNIFIED PERSON WITH RESPECT TO INDEMNIFIED LIABILITIES WHICH IN WHOLE OR IN PART CAUSED BY OR ARISE OUT OF ANY NEGLIGENT ACT OR OMISSION OF SUCH INDEMNIFIED PERSON OR OF ANY OTHER PERSON.

12. NOTICES. Unless otherwise provided herein, all notices, requests, consents and demands shall be in writing and shall be mailed by certified mail, postage prepaid, to the respective addresses specified below, or, as to any party, to such other address as may be designated by it in written notice to the other parties:

If to Borrower, to: _____
_____
_____

If to Lender, to: _____
_____
_____

All notices, requests, consents and demands hereunder will be effective when mailed by certified mail, postage prepaid, addressed as aforesaid.

13. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.

(a) THE VALIDITY OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER LOAN DOCUMENT IN RESPECT OF SUCH OTHER LOAN DOCUMENT), THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, AND THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS

ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF OKLAHOMA.

(b) THE PARTIES IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE BANKRUPTCY COURT FOR THE WESTERN DISTRICT OF OKLAHOMA, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN THE BANKRUPTCY COURT. THE PARTIES AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. BORROWER AND LENDER WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 13(b).

(c) BORROWER AND LENDER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. BORROWER AND LENDER REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

14. AMENDMENTS; WAIVERS.

14.1 Amendments and Waivers. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent with respect to any departure by Borrower therefrom, shall be effective unless the same shall be in writing and signed by Lender and Borrower and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

14.2 No Waivers; Cumulative Remedies. No failure by Lender to exercise any right, remedy, or option under this Agreement or any other Loan Document nor any delay by Lender in exercising the same, will operate as a waiver thereof. No waiver by Lender will be effective unless

it is in writing, and then only to the extent specifically stated. No waiver by Lender on any occasion shall affect or diminish Lender's rights thereafter to require strict performance by Borrower of any provision of this Agreement. Lender's rights under this Agreement and the other Loan Documents will be cumulative and not exclusive of any other right or remedy that Lender may have.

15. GENERAL PROVISIONS.

15.1 Effectiveness. This Agreement shall be binding and deemed effective when executed by Borrower and Lender whose signature is provided for on the signature pages hereof.

15.2 Section Headings. Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each Section applies equally to this entire Agreement.

15.3 Parties in Interest. All covenants, agreements and obligations contained in this Agreement shall bind and inure to the benefit of the respective successors and assigns of the parties hereto, except that Borrower may not assign its rights or obligations hereunder without the prior written consent of Lender.

15.4 Interpretation. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed against Lender or Borrower, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

15.5 Severability of Provisions. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

15.6 Counterparts; Telefacsimile Execution. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement. The foregoing shall apply to each other Loan Document mutatis mutandis, except as otherwise specifically provided therein or therefor.

15.7 Revival and Reinstatement of Obligations. If the incurrence or payment of the Obligations by Borrower or the transfer to Lender of any property should for any reason subsequently be declared to be void or voidable under any state or federal law relating to creditors' rights, including provisions of the Bankruptcy Code relating to fraudulent conveyances, preferences, or other voidable or recoverable payments of money or transfers of property (collectively, a "Voidable Transfer"), and if Lender is required to repay or restore, in whole or in part, any such Voidable Transfer, or elects to do so upon the reasonable advice of its counsel, then, as to any such Voidable Transfer, or the amount thereof that Lender is required or elects to repay

or restore, and as to all reasonable costs, expenses, and attorneys' fees of Lender related thereto, the liability of Borrower automatically shall be revived, reinstated, and restored and shall exist as though such Voidable Transfer had never been made.

15.8 Integration. This Agreement, together with the other Loan Documents, reflects the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first above written.

BORROWER:

HOSPITAL FOR SPECIAL SURGERY, L.L.C., d/b/a OneCore Health, an Oklahoma limited liability company, debtor and debtor-in-possession

By: _____
Name:
Title:

LENDER:

SOLARA SURGICAL PARTNERS, LLC, an Oklahoma limited liability company

By: _____
Name:
Title:

Exhibit A

FINAL BORROWING ORDER

[See attached]

PROMISSORY NOTE

$2,000,000.00 **Oklahoma City, Oklahoma**
February __, 2025

FOR VALUE RECEIVED, the undersigned, **HOSPITAL FOR SPECIAL SURGERY, L.L.C.,** an Oklahoma limited liability company doing business as OneCore Health ("**Borrower**"), promises to pay to the order of **SOLARA SURGICAL PARTNERS, LLC**, an Oklahoma limited liability company ("**DIP Lender**"), the maximum principal sum of $2,000,000.00, or so much thereof as shall be advanced by DIP Lender from time to time hereunder, together with interest as described herein on the unpaid principal balance from time to time outstanding, payable at the times and in the manner set forth herein.

The unpaid principal amount outstanding from time to time under this promissory note (this "**Note**") shall bear interest from the date of this Note at the fixed rate of [•]% per annum. All payments of interest shall be computed on the basis of a year consisting of 360 days for the actual number of days elapsed to, and including, the payment date.

Borrower shall make monthly payments of interest only commencing on [_____], 2025, and continuing on the [__] day of each month thereafter through and including [_____] (the "**Maturity Date**"). On the Maturity Date no further advances shall be made under this Note and all outstanding principal and interest and any other amounts due hereunder shall be finally due and payable. Borrower reserves the right to prepay all or any portion of this Note at any time without premium or penalty.

This Note is the Revolver Note described in that certain Debtor-In-Possession Loan and Security Agreement dated as of the date hereof by and between Borrower and DIP Lender (as the same may be amended, restated or supplemented from time to time, the "**Loan Agreement**"), and evidences the loan made by DIP Lender pursuant thereto. Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Loan Agreement.

This Note is issued pursuant to the Loan Agreement and is entitled to the benefits provided for in the Loan Agreement. The Loan Agreement provides for the acceleration of the maturity of this Note upon the occurrence of certain events and other provisions, conditions and limitations relevant to this Note, including without limitation, expenses and costs.

The extensions of credit hereunder will be in the form of a revolving line of credit that shall be advanced, repaid and readvanced from time to time as provided in this Note. Upon the request of Borrower, advances under this Note may be made from time to time so long as the amounts requested to be advanced by Borrower, together with the other amounts outstanding under this Note, do not exceed the maximum principal sum set forth above; provided, however, DIP Lender shall not be obligated to make any advance hereunder while an Event of Default is existing or such advance would be reasonably likely to cause an Event of Default to occur. Borrower may request a cash advance under this Note orally, but said oral request shall be confirmed in writing, at the request of DIP Lender. In the event DIP Lender determines to make such an advance, DIP Lender shall deposit the amount of such advance in one or more accounts designated by Borrower within ten business days after any written request is received (or, if only an oral request is required, within ten business days after receipt of such oral request). The records of Borrower shall conclusively evidence the outstanding balance of this Note and the dates of all advances and payments hereunder.

Any payment hereunder that would otherwise be due on a Saturday, Sunday or a day upon which the banks in Oklahoma City, Oklahoma, are otherwise closed shall instead be due on the next business day upon which the banks in such location are open. All payments by Borrower hereunder shall be made in lawful currency of the United States of America and in immediately available funds to DIP Lender at such address as DIP Lender may direct from time to time. Payments shall be applied first to the interest accrued and unpaid and the remainder to the reduction of principal.

After default in the payment of any amount of principal or interest owing hereunder (whether on maturity, acceleration or otherwise) and any applicable cure period described in the Loan Agreement, or upon the occurrence of any Event of Default as described in the Loan Agreement dated effective as of even date herewith and any applicable cure period described in the Loan Agreement, the entire unpaid principal and accrued and unpaid interest hereunder shall, at the sole option of the DIP Lender, be accelerated and immediately become due and payable with thirty days advance written notice by the DIP Lender, and the unpaid principal amount hereof shall bear interest at [__ percent (__%)] per annum, but in no event at a rate which is greater than permitted by applicable law.

Should the indebtedness represented by this Note or any part thereof be collected at law or in equity or in bankruptcy, receivership or other court proceedings or this Note be placed in the hands of attorneys for collection after default, Borrower agrees to pay hereunder, in addition to the principal and interest due and payable hereon, reasonable attorneys' fees, court costs and other collection expenses incurred by the holder hereof.

This Note is made, executed, and delivered in the location set forth above, and is to be construed according to the laws of the State of Oklahoma.

IN WITNESS WHEREOF, the undersigned has executed this instrument to be effective for all purposes as of the date above written.

"**Borrower**"

HOSPITAL FOR SPECIAL SURGERY, L.L.C., d/b/a OneCore Health, an Oklahoma limited liability company

By: _____
Name:
Title: