

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

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

**DEBTOR’S NOTICE OF REVISED PROPOSED ORDER GRANTING 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**

Hospital for Special Surgery, LLC *dba* OneCore Health ( “OneCore” or the “Debtor”) hereby gives notice of the revised proposed order (the “Revised Order”) granting *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* [Dkt. No. 186] (the “Motion”). The Revised Order reflects the agreement of the Debtor and the United States Trustee with respect to the Motion. The Revised Order, in blackline form reflecting the changes made to the Proposed Order annexed to the Motion, is attached hereto as Exhibit 1.

Dated: February 15, 2025

Respectfully submitted,

**ONECORE**



241286225021500000000001

/s/Craig M. Regens

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***Counsel to Debtor***

**Exhibit 1**

**Revised Order**

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

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

**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”)<sup>1</sup> 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”),

<sup>1</sup> 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~~The Motion having been filed on February 10, 2025, no objections having been filed timely other than the *Limited Objection of the United States Trustee to 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* [Dkt. No. 189] (the "UST Limited Objection"); and the UST Limited Objection having been resolved as set forth herein; and as a consequence, this Motion being deemed confessed pursuant to the Local Rules, such that the Final Hearing is stricken as set forth herein; 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<sup>2</sup>:**

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

<sup>2</sup> 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.

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 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<sup>3</sup> 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 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

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<sup>3</sup> The Prepetition Secured Parties consist of BOKF, N.A.; Stryker; and U.S. Bank.

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)<sup>4</sup>; (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

<sup>4</sup> No creditors’ committee (the “Committee”) has been established in this Chapter 11 Case pursuant to section 1102 of the Bankruptcy Code. In the event that a Committee is appointed, a Carve-Out in the amount of \$75,000.00 shall be established for the benefit of such Committee, subject to the same notice procedures set forth herein.

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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.<sup>5</sup>

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

<sup>5</sup> For the avoidance of doubt, this provision shall not apply to the grant of liens necessary to secure an exit facility, including, without limitation, for the purpose of repaying the DIP Loan authorized by this Final Order on the Effective Date of a confirmed chapter 11 plan of reorganization.

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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

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Craig M. Regens, OBA #22894

Mark A. Craige, OBA #1992

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**Schedule 1**

**Proposed DIP Budget**