



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

IN RE:

PUSHMATAHA COUNTY – CITY OF ANTLERS  
HOSPITAL AUTHORITY,

Debtor.

Case No. 16-81001  
(Chapter 9)

**STIPULATION AUTHORIZING DEBTOR’S USE OF  
CASH COLLATERAL AND GRANTING ADEQUATE PROTECTION**

Pushmataha County – City of Antlers Hospital Authority ("Debtor"), InterBank, the United States of America, acting through the United States Department of Agriculture Rural Housing Service ("RHS"), and FirstBank, enter into this stipulation ("Stipulation") in accordance with sections 361, 506, 922, and 928 of the Bankruptcy Code and Rule 4001(d) of Federal Rules of Bankruptcy Procedure with regard to the following facts:

**A.  
RECITALS**

1. The Debtor is a public trust that operates Pushmataha Hospital, a 25 bed general medical hospital located in Antlers, Oklahoma (the "Hospital").
2. The Debtor was created on January 1, 1980 by a Trust Indenture.
3. Thereafter, the Debtor leased what was then known as the Pushmataha County Hospital pursuant to a Lease Agreement dated as of June 1, 1981 by and among the City of Antlers, Oklahoma, and Pushmataha County as lessors, and the Debtor as the lessee.
4. On August 24, 2016, the Board of Trustees of the Debtor met at a regularly scheduled meeting, in compliance with all open-records requirements, and upon a proper vote authorized the filing of this Chapter 9 bankruptcy case.

5. On September 23, 2016, the Debtor filed its voluntary petition for relief pursuant to Chapter 9 of Title 11 of the United States Code (“Bankruptcy Code”) in the United States Bankruptcy Court for the Eastern District of Oklahoma.

6. In addition to service-generated revenues (the “Service Revenues”), the Hospital receives funds from the City of Antlers (the “City”) via proceeds of a \$0.01 city sales tax (the “City Sales Tax”), as well as funds from Pushmataha County under a \$0.0075 County sales tax (the “County Sales Tax”).

7. Debtor’s outstanding secured debts consist solely of traditional loans through InterBank (through merger with First State Bank of Yukon), RHS, and FirstBank. Each of these creditors are listed on Debtor’s lists of creditors attached to its Voluntary Petition filed as Dkt. # 1 in Debtor’s bankruptcy case, as may be amended from time to time.

8. Through various loan related documents and agreements, Debtor’s secured lenders InterBank and RHS, claim parity first-lien, secured interests in the Service Revenues, as well as the City Sales Tax and County Sales Tax funds that are paid over to Debtor.

9. Through other loan related documents and agreements, Debtor’s secured lender FirstBank claims second-lien, secured interests in the Service Revenues, as well as the City Sales Tax and County Sales Tax funds that are paid over to Debtor.

10. Debtor is in discussions with InterBank, RHS and FirstBank, but has not yet agreed to the validity or extent of any purported liens claimed by these lenders (the “Liens”).

11. If the Liens are valid, the Service Revenues, as well as funds received by the Debtor from the City Sales Tax and the County Sales Tax, would constitute cash collateral (the “Cash Collateral”).

12. The Debtor continues to have an immediate and critical need to use Cash Collateral to operate the Hospital in order to avoid irreparable harm to the Debtor and to the community it serves.

13. Debtor’s continued use of the Cash Collateral is also in the best interests of creditors and parties in interest.

14. Therefore, and pending the Court’s approval of this Stipulation, InterBank, RHS, and FirstBank have consented to the Debtor’s use of Cash Collateral under 11 U.S.C. § 922.

15. In return, the Debtor has agreed that, without any prejudice to the parties, and to the extent that InterBank, RHS and FirstBank should be determined to have valid liens in and to the Cash Collateral, that they should be granted (i) continuing liens to the extent applicable under 11 U.S.C. § 928(a) and (b), and (ii) an administrative expense claim to the extent applicable under 11 U.S.C. § 922(c).

**B.**  
**AGREEMENT**

**a. Incorporation of Recitals.** All of the recitals stated above are incorporated herein by this reference.

**b. Cash Collateral.** Assuming the Liens are valid, all income generated from or in connection with the Service Revenues, and all amounts Debtor receives from the City Sales Tax and the County Sales Tax would constitute Cash Collateral in which InterBank, RHS, and FirstBank would have an interest under 11 U.S.C. § 922.

**c. Use of Cash Collateral.** Pursuant to this Stipulation, the Debtor shall be authorized to use Cash Collateral for all ordinary and necessary expenditures within the meaning of 11 U.S.C. § 928(b), and nothing in this Stipulation is intended to limit the authority of the Debtor in the operation of the Hospital.

**d. Adequate Protection.** As adequate protection pursuant to 11 U.S.C. § 361 for the use of the Cash Collateral:

(i) the Debtor hereby grants InterBank, RHS, and FirstBank replacement liens on all postpetition Cash Collateral of the same type, and in the same priority, as each had prepetition in order to secure the prepetition indebtedness of Debtor to each respective lender, in the amount of the Cash Collateral used by Debtor to the extent applicable under 11 U.S.C. § 928. The replacement liens and security interests granted to InterBank, RHS, and FirstBank under this Stipulation are deemed perfected and no further notice, filing, or order shall be required to effect or maintain such perfection.

(ii) In addition to the replacement liens described above, if and to the extent that InterBank, RHS, or FirstBank has an unsecured claim in the Debtor's Chapter 9 case for any portion of the Debtor's obligations arising from its use of Cash Collateral, that unsecured claim will have an administrative expense priority pursuant to 11 U.S.C. § 507(b) to the extent applicable under 11 U.S.C. §922(c).

**e. Termination.** The term of this Stipulation is 60 days from the date of entry.

However, this Stipulation may be continued, by either a definite time period or indefinitely as the parties may agree, by the filing of a “Notice of Continuation”.

**f. Reservation of all Contentions and Arguments.** The arguments of the parties regarding the nature, validity and extent of the Liens, and all other positions and arguments of any of the parties of any kind or nature, are hereby fully reserved, and this Stipulation is entered into without prejudice to any of their arguments at a future date.

/s/ Jeffrey E. Tate  
J. Clay Christensen (OBA # 11789)  
Jeffrey E. Tate (OBA #17150)  
Christensen Law Group, P.L.L.C.  
The Parkway Building  
3401 N.W. 63rd Street, Suite 600  
Oklahoma City, Oklahoma 73116  
(405) 232-2020  
(405) 236-1012 (facsimile)  
clay@christensenlawgroup.com  
jeffrey@christensenlawgroup.com  
ATTORNEYS FOR DEBTOR

MARK F. GREEN  
United States Attorney

s/ Cheryl R. Triplett  
CHERYL R. TRIPLETT, OBA #15282  
Assistant United States Attorney  
520 Denison Avenue  
Muskogee, OK 74401  
(918) 684-5111  
(918) 684-5130  
Cheryl.Triplett@usdoj.gov

Attorneys for Rural Housing Service,  
an agency of the United States of America

s/Steven W. Bugg  
Steven W. Bugg, OBA #1299  
McAfee & Taft, A Professional  
Corporation  
10th Fl., Two Leadership Square  
211 North Robinson  
Oklahoma City, Oklahoma 73102  
Telephone: 405/552-2216  
Facsimile: 405/235-0439  
Email: steven.bugg@mcafeetaft.com  
Attorneys for InterBank

s/ Larry G. Ball  
Larry G. Ball, OBA #12205  
**HALL, ESTILL, HARDWICK,  
GABLE, GOLDEN & NELSON, P.C.**  
100 North Broadway, Suite 2900  
Oklahoma City, OK 73102-8865  
Telephone (405) 553-2828  
Facsimile (405) 553-2855  
Email lball@hallestill.com  
**ATTORNEYS FOR CREDITOR,  
FIRST BANK**