

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

REVA MEDICAL, INC.,

Debtor.¹

Chapter 11

Case No. 20-10072 (JTD)

Re: D.I. 10

**INTERIM ORDER AUTHORIZING PAYMENT OF CERTAIN
PREPETITION TRADE CLAIMS IN THE ORDINARY COURSE OF BUSINESS**

Upon the motion (the “Motion”)² of the Debtor for entry of an order (this “Order”), pursuant to sections 105(a), 363(b), and 503 of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004 and Local Bankruptcy Rule 9013-1, authorizing, but not directing, the Debtor to pay the prepetition Trade Claims in the ordinary course of business, all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference*, dated February 29, 2012; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due, sufficient, and proper notice of the Motion having been provided under the circumstances and in accordance with the Bankruptcy Rules and the Local Bankruptcy Rules, and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion (the “Hearing”); and upon consideration of the First Day Declaration and the record of the Hearing and all of the proceedings

¹ The last four digits of the Debtor’s tax identification number are (0505). The Debtor’s mailing address is 5751 Copley Drive, Suite B, San Diego, CA 92111.

² Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

had before the Court; and the Court having found and determined that the relief sought in the Motion is necessary to avoid immediate and irreparable harm to the Debtor and its estate, as contemplated by Bankruptcy Rule 6003, and is in the best interests of the Debtor, its estate, its creditors, its stakeholders, and all other parties-in-interest, and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on an interim basis as set forth herein.
2. The Debtor is authorized, but not directed, pursuant to sections 105(a), 363(b), and 503(b)(9) of the Bankruptcy Code, in the reasonable exercise of its business judgment, to pay, in the ordinary course of business, some or all of the prepetition Trade Claims of Trade Creditors in full; *provided that* such Trade Creditors are Lien Claimants, Critical Vendors and/or parties with which the Debtor has entered into a settlement agreement reducing the amount of its prepetition claim; *provided further that* the Debtor is authorized, but not directed, to pay only amounts due and payable as of the Petition Date and amounts that are or become due and payable between the Petition Date and the date that a final order on the Motion is entered, in an amount not to exceed \$480,000, unless otherwise ordered by this Court; *provided, further,* that as a condition to payment hereunder, such Trade Creditors shall agree to maintain or reinstate trade terms during the pendency of the chapter 11 case that are at least as favorable as those existing 180 days prior to the Petition Date or on such other terms satisfactory to the Debtor's in its business judgment.
3. In the event that a Trade Creditor does not maintain or reinstate trade terms at least as favorable as those existing 180 days prior to the Petition Date during the pendency of the chapter 11 case, or does not maintain such other terms agreed to by the Debtor, the Debtor reserves the

right to recharacterize any payments made pursuant to this Order after the Petition Date as applicable to postpetition amounts payable to such Trade Creditor and seek to recover such payments as an unauthorized postpetition transfer under section 549 of the Bankruptcy Code or other applicable law.

4. The undisputed obligations of the Debtor arising under the Prepetition Purchase Orders shall be afforded administrative expense priority status pursuant to section 503(b)(1)(A) of the Bankruptcy Code.

5. The Debtor is authorized, but not directed, in their sole discretion, pursuant to section 363(c)(1) of the Bankruptcy Code, to pay in the ordinary course of their businesses all undisputed obligations arising from the postpetition delivery or shipment of goods or provision of services under the Prepetition Purchase Orders consistent with its customary past practice.

6. All payments authorized by this Order may be made solely to the extent in compliance with the Budget (as defined in the interim or final order approving the Debtor's use of cash collateral (the "Cash Collateral Order") then in effect. To the extent there is any inconsistency between the terms of this Order and the Cash Collateral Order, the Cash Collateral Order shall control.

7. Nothing in the Motion or this Order shall be deemed to authorize the Debtor to accelerate any payments not otherwise due prior to the date of the hearing to consider entry of an order granting the relief requested in the Motion on a final basis (the "Final Hearing").

8. The Debtor is authorized and empowered to execute and deliver such documents and to take and perform all actions necessary to implement and effectuate the relief granted in this Order.

9. All applicable banks and financial institutions (collectively, the “Banks”) are authorized, when requested by the Debtor in its sole discretion, to receive, process, honor, and pay any and all checks, drafts, and other forms of payment, including fund transfers (collectively, the “Payments”), on account of the Trade Claims, whether such Payments were submitted before, on, or after the Petition Date, *provided that* sufficient funds are on deposit in the applicable accounts to cover such Payments and that any such Bank shall not have any liability to any party for relying on such direction by the Debtor.

10. Each of the Banks is authorized to rely on any directions and representations of the Debtor as to which Payments should be honored and paid in respect of the Trade Claims pursuant to the Motion and this Order, and any such Bank shall not have any liability to any party for relying on such directions or representations by the Debtor as provided in this Order.

11. The Debtor is authorized to issue new postpetition checks or effect new postpetition fund transfers or other new postpetition Payments to replace any checks, drafts, and other forms of payment, including fund transfers, which may have been inadvertently dishonored or rejected.

12. Nothing contained in the Motion or this Order, nor any payment made pursuant to the authority granted by this Order, is intended to be or shall be construed as (a) an admission as to the validity, extent, perfection, priority, allowability, or enforceability of any claim or any security interest which purportedly secures such claim, (b) a waiver of the Debtor’s or any appropriate party in interest’s rights to dispute the amount of, basis for, or validity of any claim against the Debtor, (c) a promise to pay any claim, (d) a waiver of any claims or causes of action which may exist against any creditor or interest holder, (e) an assumption or rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code, and nothing herein otherwise affects the Debtor’s rights under section 365 of the Bankruptcy Code to assume

or reject any executory contract or unexpired lease with any party subject to this Order, (f) granting third-party beneficiary status or bestowing any additional rights on any third party; or (g) being otherwise enforceable by any third party. Without limiting the generality of the foregoing, nothing in the Motion or this Order nor any payment of any Trade Claims pursuant to this Order shall be construed as impairing the Debtor's right to contest the validity, priority, or amount of any Trade Claims allegedly due or owing to any Trade Creditor, and all of the Debtor's rights with respect thereto are hereby reserved.

13. Notwithstanding the relief granted in this Order, any payment made by the Debtor pursuant to the authority granted herein shall be subject to and in compliance with any orders entered by the Court authorizing the Debtor's use of cash collateral and any budget in connection therewith.

14. The requirements set forth in Local Bankruptcy Rule 9013-1(b) are satisfied.

15. The Court finds and determines that the requirements of Bankruptcy Rule 6003(b) are satisfied and that the relief is necessary to avoid immediate and irreparable harm.

16. The notice requirement set forth in Bankruptcy Rule 6004(a) is satisfied.

17. This Order is immediately effective and enforceable notwithstanding the provisions of Bankruptcy Rule 6004(h) or otherwise.

18. This Court retains jurisdiction with respect to all matters arising from or related to the enforcement of this Order.

19. The deadline by which objections to entry of a final order on the Motion must be filed is **January 29, 2020 at 4:00 p.m. (prevailing Eastern Time) (the “Objection Deadline”)**. The Final Hearing, if required, will be held on **February 18, 2020 at 1:00 p.m. (prevailing Eastern Time)**.

Dated: January 16th, 2020
Wilmington, Delaware


JOHN T. DORSEY
UNITED STATES BANKRUPTCY JUDGE