| 1 | SILLS CUMMIS & GROSS P.C. Andrew H. Sherman | Honorable Frank L. Kurtz | |
|--|--|--|------------|
| 2 | Boris Mankovetskiy | | |
| 3 | One Riverfront Plaza Newark, NJ 07102 | | |
| 4 | Telephone: (973) 643-7000 E-mail: asherman@sillscummis.com | | |
| | (admitted pro hac vice) | | |
| 5 | bmankovetskiy@sillscummis.com (admitted pro hac vice) | | |
| 6 | POLSINELLI PC | | |
| 7 | Jane Pearson, WSBA #12785 | | |
| 8 | 1000 Second Avenue, Suite 3500 Seattle, WA 98104 | | |
| 9 | Telephone: (206) 393-5415 E-mail: jane.pearson@polsinelli.com | | |
| 10 | Proposed Co-Counsel for the Official | | |
| 10 | Committee of Unsecured Creditors | | |
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| 1112 | | BANKRUPTCY COURT | |
| | | BANKRUPTCY COURT ICT OF WASHINGTON | |
| 12 | EASTERN DISTR | | |
| 12 13 14 | EASTERN DISTR IN RE: | ICT OF WASHINGTON | |
| 12 13 14 15 | EASTERN DISTR IN RE: ASTRIA HEALTH, et al., | Lead Case No. 19-01189-11 Jointly Administered DECLARATION OF ANDREW H. | |
| 12 13 14 15 16 | EASTERN DISTR IN RE: | Lead Case No. 19-01189-11 Jointly Administered | |
| 12 13 14 15 | IN RE: ASTRIA HEALTH, et al., Debtors.1 | Lead Case No. 19-01189-11 Jointly Administered DECLARATION OF ANDREW H. SHERMAN IN SUPPORT OF OFFICIAL COMMITTEE OF | |
| 12 13 14 15 16 | IN RE: ASTRIA HEALTH, et al., Debtors. The Debtors, along with their case 01189-11), Glacier Canyon, LLC (1 | Lead Case No. 19-01189-11 Jointly Administered DECLARATION OF ANDREW H. SHERMAN IN SUPPORT OF OFFICIAL COMMITTEE OF numbers, are as follows: Astria Health (19-9-01193-11), Kitchen and Bath Furnishings, | |
| 12 13 14 15 16 17 | IN RE: ASTRIA HEALTH, et al., Debtors. The Debtors, along with their case 01189-11), Glacier Canyon, LLC (1 LLC (19-01194-11), Oxbow Summit, | Lead Case No. 19-01189-11 Jointly Administered DECLARATION OF ANDREW H. SHERMAN IN SUPPORT OF OFFICIAL COMMITTEE OF numbers, are as follows: Astria Health (19-9-01193-11), Kitchen and Bath Furnishings, LLC (19-01195-11), SHC Holdco, LLC (19- | |
| 12 13 14 15 16 17 | IN RE: ASTRIA HEALTH, et al., Debtors. The Debtors, along with their case 01189-11), Glacier Canyon, LLC (1 LLC (19-01194-11), Oxbow Summit, 01196-11), SHC Medical Center-Top | Lead Case No. 19-01189-11 Jointly Administered DECLARATION OF ANDREW H. SHERMAN IN SUPPORT OF OFFICIAL COMMITTEE OF numbers, are as follows: Astria Health (19-9-01193-11), Kitchen and Bath Furnishings, | |
| 12 13 14 15 16 17 18 19 20 | IN RE: ASTRIA HEALTH, et al., Debtors. The Debtors, along with their case 01189-11), Glacier Canyon, LLC (1 LLC (19-01194-11), Oxbow Summit, 01196-11), SHC Medical Center-Top Yakima (19-01192-11), Sunnyside (19-01192-111), Sunnyside (19-01192-111), Sunnyside (19-01192-111), Sunnyside (19-01192-111), Sunnyside (19-011 | Lead Case No. 19-01189-11 Jointly Administered DECLARATION OF ANDREW H. SHERMAN IN SUPPORT OF OFFICIAL COMMITTEE OF numbers, are as follows: Astria Health (19-9-01193-11), Kitchen and Bath Furnishings, LLC (19-01195-11), SHC Holdco, LLC (19-penish (19-01190-11), SHC Medical Center-Community Hospital Association (19-01191- | |
| 12 13 14 15 16 17 18 | IN RE: ASTRIA HEALTH, et al., Debtors. The Debtors, along with their case 01189-11), Glacier Canyon, LLC (1 LLC (19-01194-11), Oxbow Summit, 01196-11), SHC Medical Center-Top | Lead Case No. 19-01189-11 Jointly Administered DECLARATION OF ANDREW H. SHERMAN IN SUPPORT OF OFFICIAL COMMITTEE OF numbers, are as follows: Astria Health (19-9-01193-11), Kitchen and Bath Furnishings, LLC (19-01195-11), SHC Holdco, LLC (19-penish (19-01190-11), SHC Medical Center-Community Hospital Association (19-01191- | |
| 12 13 14 15 16 17 18 19 20 | IN RE: ASTRIA HEALTH, et al., Debtors. The Debtors, along with their case 01189-11), Glacier Canyon, LLC (1 LLC (19-01194-11), Oxbow Summit, 01196-11), SHC Medical Center-Top Yakima (19-01192-11), Sunnyside (19-01192-111), Sunnyside (19-01192-111), Sunnyside (19-01192-111), Sunnyside (19-01192-111), Sunnyside (19-011 | Lead Case No. 19-01189-11 Jointly Administered DECLARATION OF ANDREW H. SHERMAN IN SUPPORT OF OFFICIAL COMMITTEE OF numbers, are as follows: Astria Health (19-9-01193-11), Kitchen and Bath Furnishings, LLC (19-01195-11), SHC Holdco, LLC (19-penish (19-01190-11), SHC Medical Center-Community Hospital Association (19-01191- | |

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UNSECURED CREDITORS' APPLICATION FOR ORDER APPROVING EMPLOYMENT OF SILLS CUMMIS & GROSS P.C. NUNC PRO TUNC TO MAY 23, 2019

5 U.S.C. § 1746 in support of the Official Committee of Unsecured Creditors' (the 6 "Committee") Application for Order Approving Employment Nunc Pro Tunc to May 7 23, 2019 (the "Application"), requesting authority to retain Sills Cummis & Gross 8 P.C. ("Sills") as the Committee's co-counsel in these bankruptcy cases pursuant to

Code"), Rule 2014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 2014-1 of the Local Rules of the United States Bankruptcy Court

section 1103 of chapter 11 of title 11 of the United States Code (the "Bankruptcy

Andrew H. Sherman makes this declaration (the "Declaration") pursuant to 28

- for the Eastern District of Washington (the "Local Rules"), and states and declares as follows:
 - I am an attorney at law and a Member of Sills. 1.
- Unless otherwise stated in this Declaration, I have personal knowledge 2. of the facts set forth herein. To the extent any information disclosed herein requires amendment or modification upon completion of further review by Sills or as additional information becomes available, a supplemental declaration will be

11), Sunnyside Community Hospital Home Medical Supply, LLC (19-01197-11), Sunnyside Home Health (19-01198-11), Sunnyside Professional Services, LLC (19-01199-11), Yakima Home Care Holdings, LLC (19-01201-11), and Yakima HMA Home Health, LLC (19-19-01200-11).

submitted to the United States Bankruptcy Court for the Eastern District of 1 Washington (the "Court") reflecting such amended or modified information. 3 **BACKGROUND** On May 6, 2019 (the "Petition Date"), each of Astria Health and its 4 3. 5 affiliated debtors in possession (collectively, the "Debtors") filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. 6 7 4. On May 23, 2019, the U.S. Trustee appointed the Committee [Docket 8 No. 135]. 9 The Committee consists of the following parties: CHS/Community 5. Health Systems, Inc. (Chair); Community Health of Central Washington; 10 11 LocumTenens.com; Medtronic USA, Inc.; Morrison Management Specialists, Inc.; 12 Apogee Physicians; and Boston Scientific Corporation. 13 The first meeting of the Committee was held on May 23, 2019, and at 6. 14 that meeting, the Committee selected Sills and Polsinelli PC ("Polisnelli") as its 15 proposed co-counsel in these chapter 11 cases. 16 **QUALIFICATIONS OF SILLS CUMMIS & GROSS P.C.** 17 Sills has significant experience representing creditors in complex 7. 18 bankruptcy cases, including as committee counsel in health care-related cases 19 throughout the country. Among other representations, Sills has represented or 20 currently represents creditors' committees in the bankruptcy cases of *In re Bayonne* 21 Medical Center (Case No. 07-15195 (MBK), Bankr. D.N.J.); In re Hudson

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    Healthcare, Inc. (Case No. 11-33014 (VFP), Bankr. D.N.J.); In re Christ Hospital
    (Case No. 12-12906 (MS), Bankr. D.N.J.); In re Fairmont General Hospital, Inc.,
 3
    et al. (Case No. 13-01054 (PMF), Bankr. N.D.W. Va.); In re Union Hospital District
 4
    (Case No. 14-03299 (DD), Bankr. D.S.C.); In re Ultura (LA) Inc., et al. (Case No.
 5
    14-12382 (KG), Bankr. D. Del.)); In re SMMC Liquidation Corp. f/k/a Saint
 6
    Michael's Medical Center, Inc., et al. (Case No. 15-24999 (VFP), Bankr. D.N.J.);
 7
     In re Progressive Acute Care, LLC, et al. (Case No. 16-50740, Bankr. W.D. La.);
 8
    In re Gardens Regional Hospital and Medical Center, Inc. (Case No. 16-17463
 9
    (ER), Bankr. C.D. Cal.); In re CH Liquidation Association f/k/a Coshocton County
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    Memorial Hospital Association (Case No. 16-51552 (AMK), Bankr. N.D. Ohio);
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    In re Gainesville Hospital District d/b/a North Texas Medical Center (Case No. 16-
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    40101 (BTR), Bankr. E.D. Tex.); In re Morehead Memorial Hospital (Case No. 17-
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    10775 (BK), Bankr. M.D.N.C.); In re Curae Health, et al. (Case No. 18-05665
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    (CMW) Bankr. M.D. Tenn.); In re Promise Healthcare Group, LLC, et al. (Case No.
    18-12491 (CSS), Bankr. D. Del.); and In re Novum Pharma, LLC (Case No.
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16
    19-10209 (KJC), Bankr. D. Del.). Sills also represented or currently represents
    debtors in In re Pascack Valley Hospital Association, Inc. (Case No. 07-23686 (RG),
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    Bankr. D.N.J.) and In re Mammoet-Starneth LLC (Case No. 17-12925 (LSS), Bankr
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    D. Del.); a secured creditor/plan sponsor in In re Motor Coach Industries
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    International, Inc., et al. (08-12136 (BLS), Bankr. D. Del.); and served as special
21
    counsel to the committee in In re 710 Long Ridge Road Operating Company II, LLC,
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DECLARATION OF ANDREW H. SHERMAN - 4

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| 1 | et al. (Case No | . 13-13653 (DHS), Bankr. D.N.J.) and special counsel to the debtors | |
|---------------------------------|--|--|--|
| 2 | and committee in In re Specialty Hospital of Washington, LLC, et al. (Case No. | | |
| 3 | 14-00279 (SMT | Γ), Bankr. D.C.). | |
| 4 | | SCOPE OF EMPLOYMENT | |
| 5 | 8. Si | lls will provide the following professional services, among others: | |
| 6 | a) | Provide legal advice regarding the Committee's rights, powers, and duties in these chapter 11 cases. | |
| 7 8 | b) | Prepare all necessary applications, answers, responses, objections orders, reports, and other legal papers. | |
| 9 | c) | Represent the Committee in any and all matters arising in these chapter 11 cases, including any dispute or issue with the Debtors or other parties. | |
| 11 12 13 14 | d) | Assist the Committee in its investigation and analysis of the Debtors, their capital structure, and issues arising in or related to these chapter 11 cases, including, but not limited to, the review and analysis of all pleadings, claims, and bankruptcy plans that might be filed in these chapter 11 cases, and any negotiations or litigation that may arise out of or in connection with such matters the Debtors' operations, the Debtors' financial affairs, and any proposed disposition of the Debtors' assets. | |
| 1516 | e) | Represent the Committee in all aspects of any asset disposition and bankruptcy plan confirmation proceedings. | |
| 17 | f) | Perform any and all other legal services for the Committee that may be necessary or desirable in these chapter 11 cases. | |
| 18 | 9. Si | lls will work closely with Polsinelli to prevent unnecessary or | |
| 19 20 | inefficient dupl | ication of services, and will utilize their respective skills and | |
| 21 | | | |

experience and take all necessary and appropriate steps to avoid any such duplication.

COMPENSATION

- 10. Sills intends to apply for compensation for professional services rendered in connection with these cases, subject to approval of the Court, and in compliance with sections 330 and 331 of the Bankruptcy Code, applicable provisions of the Bankruptcy Rules and the Local Rules, and any orders of the Court, on an hourly basis, plus reimbursement of actual, necessary expenses and other charges incurred by the firm.
- 11. Sills has advised the Committee that, for each month in these cases, Sills's fees (not including expenses) will be limited to the lesser of (i) the amount of Sills's fees at its professionals' standard rates (which currently range from \$425-\$1,050 for Members, \$425-\$625 for Of Counsels, \$295-\$495 for Associates, and \$95-\$295 for Paralegals) and (ii) the amount of Sills's fees at a blended hourly rate of \$495. Sills will seek reimbursement of travel expenses as set forth in paragraph 14 below, and will bill fifty percent (50%) of its non-working travel time.
- 12. The following professionals are expected to have primary responsibility for providing services to the Committee in these chapter 11 cases:

| Professional | Standard Hourly Rate, |
|--------------|-----------------------|
| | Before Application of |
| | Discount |
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POLSINELLI
1000 SECOND AVENUE, SUITE 3500
SEATTLE, WA 98104 • (206) 393-5400

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| Andrew H. Sherman | \$795 |
|-----------------------|-------|
| Boris I. Mankovetskiy | \$725 |
| George Hirsch | \$710 |
| Lucas F. Hammonds | \$575 |
| Rachel E. Brennan | \$545 |
| Gregory Kopacz | \$525 |

- The foregoing rates are set at a level designed to fairly compensate Sills 13. for its work and to cover fixed and routine overhead expenses. Sills's hourly rates vary with the experience and seniority of the individuals assigned, and are subject to periodic adjustments to reflect economic and other conditions (which adjustments will be reflected in the first Sills fee application following such adjustments).
- 14. It is Sills's policy to charge its clients in all areas of practice for all other expenses incurred in connection with the client's case. These expenses include, among other things, telephone and telecopier toll and other charges, mail and express mail charges, special or hand delivery charges, document processing, photocopying charges, travel expenses, expenses for working meals, computerized research, and transcription costs, as well as non-ordinary overhead expenses such as overtime for secretarial personnel and other staff. Sills will charge the Debtors' estates for these expenses in a manner and at rates consistent with charges made generally to the firm's clients and in compliance with any guidelines promulgated by

the Office of the U.S. Trustee and the Local Rules, subject to approval by the Court.

With respect to airfare, Sills will seek reimbursement only to the extent of the cost of economy-type tickets prevailing on the date of travel.

- 15. Sills did not receive any retainer in these chapter 11 cases.
- 16. Other than as set forth herein, there is no proposed arrangement to compensate Sills. Sills has not shared, nor agreed to share (i) any compensation it has received or may receive with any other party or person, other than with the Members, Of Counsels, and Associates of the firm, or (ii) any compensation another person or party has received or may receive.

NO ADVERSE INTEREST

- 17. Except as disclosed herein, to the best of my knowledge and information, Sills has no connection with the Debtors, their creditors, or any other party-in-interest in these chapter 11 cases, and does not have or represent any other entity having any adverse interest in connection with these chapter 11 cases.
- 18. Sills maintains a computer client database (the "<u>Database</u>") containing the names of all of the firm's current and former clients, parties adverse to those clients, and where practicable, known affiliates of and connections to those clients. The Database is systematically updated in the firm's ordinary course of business and as the firm receives new matters. In connection with the preparation of this Declaration, I caused checks against the Database to be performed for the list of

| 1 | people and entities identified on Exhibit 1 hereto (collectively, the "Conflicts Check | | | |
|----|---|--|--|--|
| 2 | Parties"), which includes the following, among others: (i) the Debtors and certain of | | | |
| 3 | their DBAs, FKAs, and affiliates; (ii) the Debtors' professionals in these chapter 11 | | | |
| 4 | cases; (iii) the Debtors' officers and trustees; (iv) the parties identified on the | | | |
| 5 | Debtors' List of Creditors Who Have the 30 Largest Unsecured Claims and Are Not | | | |
| 6 | Insiders [Docket No. 25]; (v) the alleged secured creditors in these cases; and certain | | | |
| 7 | other parties in interest in these chapter 11 cases. | | | |
| 8 | 19. Sills has a large and diverse practice, and as a result, the foregoing | | | |
| 9 | inquiry revealed the following connections to the Conflicts Check Parties: | | | |
| 10 | a) The following Conflicts Check Parties and/or certain of their | | | |
| 11 | affiliates are current Sills clients in a matter or matters unrelated to these chapter 11 cases. For each such party, the name and | | | |
| 12 | dates, capacity and scope of representation are set forth below: | | | |
| 13 | i) First American Title Insurance Company (" <u>First American</u> "): Since January 26, 2016 ² , Sills has represented First American in litigation matters unrelated | | | |
| 14 | to these chapter 11 cases. | | | |
| 15 | ii) First Republic Bank (" <u>First Republic</u> "): Since April 30, | | | |
| 16 | 2018, Sills has represented First Republic as an insured of its client in a litigation matter unrelated to these chapter 11 | | | |
| 17 | cases. | | | |
| 18 | iii) Johnson & Johnson Health Care Sys. Inc. ("J&J Health Care"): Since August 1, 1983, Sills has | | | |
| 19 | represented J&J Health Care's parent company Johnson & | | | |
| 20 | ² Unless otherwise stated, the dates set forth in this paragraph 19 are based on the date of retention for | | | |
| 21 | the applicable client reflected in the Database and, with respect to former clients, the date of last billing reflected in the Database or the date termination of representation was confirmed with the former client. | | | |

1 Johnson in litigation and other matters unrelated to these chapter 11 cases. 2 Michael Lane: Since October 10, 2018, Sills has iv) represented Michael Lane in his capacity as liquidating 3 trustee under the confirmed plan of liquidation in *In re* Gardens Regional Hospital and Medical Center, Inc., dba 4 Gardens Regional Hospital and Medical Center (Case No. 2:16-bk-17463, Bankr. C.D. Cal.), a bankruptcy matter 5 unrelated to these chapter 11 cases. In addition, Sills has worked with Mr. Lane (and his predecessor firm Hammond 6 Hanlon Camp LLC) in his capacity as a financial advisor in 7 other unrelated matters. Morrison Management Specialists, Inc. ("Morrison"): 8 v) Since February 19, 2008, Sills has represented Morrison in 9 bankruptcy, litigation, and other matters unrelated to these chapter 11 cases. 10 Terumo Medical Corporation ("Terumo"): Since June 28, vi) 11 1999, Sills has represented Terumo and certain of its affiliates in litigation and corporate matters unrelated to 12 these chapter 11 cases. Wells Fargo: Since March 14, 2005, Sills has represented 13 vii) Wells Fargo in litigation, real estate, corporate, and other 14 matters unrelated to these chapter 11 cases. **b**) The following Conflicts Check Parties and/or certain of their 15 affiliates are former Sills clients in a matter or matters unrelated to these chapter 11 cases. For each such party, the name and 16 dates, capacity and scope of representation are set forth below: 17 i) Bank of America: From February 26, 1999 to approximately January 4, 2019, Sills represented Bank of 18 America in litigation and other matters unrelated to these chapter 11 cases. 19 ii) Baxter Healthcare Corporation ("Baxter"): From April 27, 20 2011 to approximately July 29, 2011, Sills represented 21

| 1 | | Baxter in a litigation matter unrelated to these chapter 11 cases. |
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| 2 | | |
| 3 | iii) | General Electric Capital Corporation: From August 23, 2011 to approximately March 28, 2012, Sills represented affiliate General Electric Capital Real Estate in a real estate |
| 4 | | matter unrelated to these chapter 11 cases. |
| 5 | iv) | Heritage Bank: From July 7, 2006 to approximately March 15, 2007, Sills represented Heritage Bank in matters |
| 6 | | unrelated to these chapter 11 cases. |
| 7 | v) | MB Financial Bank, N.A. (" <u>MB</u> "): From January 24, 2006 to approximately May 19, 2009, Sills represented MB in a bankruptcy adversary proceeding unrelated to these chapter |
| 0 | | 11 cases. |
| 9 | | 11 cases. |
| 10 | vi) | Medline Dept 1080: From September 24, 2010 to approximately July 16, 2013, Sills represented Medline |
| 11 | | Industries, Inc. in litigation matters unrelated to these chapter 11 cases. |
| 12 | vii) | Lapis Advisers LP (" <u>Lapis</u> "): From September 6, 2018 to May 23, 2019, Sills represented Lapis in one matter |
| 13 | | unrelated to these chapter 11 cases. |
| 14 | viii) | TIAA Commercial Finance, Inc. (" <u>TIAA</u> "): On October 7, 2003, Sills was retained to represent TIAA in a matter or |
| 15 | | matters unrelated to these chapter 11 cases. The representation was subsequently terminated without |
| 16 | | recording any fees. |
| 17 | ix) | UMB Bank (" <u>UMB</u> "): From approximately July 29, 2015 through January 31, 2018, Sills represented UMB in a |
| 18 | | bankruptcy adversary proceeding unrelated to these chapter 11 cases. ³ |
| 19 | | |
| 20 | | |
| | ³ The dates of Sills's UMB r | epresentation are the date the adversary proceeding was opened and |
| 21 | the date the adversary proces | eding was closed. |

| 1 | c) | | following Conflicts Check Parties and/or certain of their ates are adverse to a Sills client (or clients) in a matter (or |
|----|------------------|--------------|---|
| 2 | | matte | ers) unrelated to these chapter 11 cases: |
| 3 | | i) | Boston Scientific Corporation |
| 4 | | ii) | GE Healthcare IITS USA Corp. |
| 5 | | iii) | Med One Capital Funding, LLC |
| | | iv) | SEIU Healthcare 1199NW |
| 6 | | v) | TIAA Commercial Finance, Inc. |
| 7 | | vi) | US Bank |
| 8 | d) | | following Conflicts Check Parties and/or certain of their |
| 9 | | | ates are co-defendants with a Sills client (or clients) in a er (or matters) unrelated to these chapter 11 cases: |
| 10 | | i) | GE Healthcare IITS USA Corp. |
| 11 | e) | comi | has previously represented and/or represents official mittees of unsecured creditors of which the following |
| 12 | | | flicts Check Parties and/or certain of their affiliates are or members: |
| 13 | | i) | Medtronic USA, Inc. |
| 14 | | ii) | Morrison |
| 15 | f) | | Idition to the foregoing, CHS/Community Health Systems, was a significant claimant in unrelated jointly administered |
| 16 | | | ruptcy cases in which Sills formerly represented the official mittee of unsecured creditors and currently represents the |
| 17 | | | dating trustee and debtor representative. |
| 18 | 20. In | anticipat | ion of the potential formation of an official committee of |
| 19 | unsecured cred | litors in th | nese cases, Sills spoke with representatives and/or counsel or |
| 20 | certain creditor | rs of the I | Debtors who ultimately became Committee members, |
| 21 | | | |
| | | | |

- Sills is not aware of any conflict or possible conflict in these chapter 11 21. cases resulting from the connections set forth in paragraphs 19 and 20. To the extent that any such connections result in any conflict in these chapter 11 cases, the Committee will be represented by Polsinelli or other appropriate counsel with respect to the applicable matters.
- To the best of my knowledge, information, and belief, no attorney at 22. Sills: (i) holds a direct or indirect equity interest in any Debtor or has a right to acquire such an interest; (ii) is or has served as an officer, director, or employee of any Debtor; (iii) is in control of any Debtor or is a relative of a general partner, director, officer, or person in control of any Debtor; (iv) is a general or limited partner of a partnership in which any Debtor is also a general or limited partner; (v) is a relative of or has any connection with the bankruptcy judge approving the employment of Sills as the Committee's co-counsel that would render retention and employment improper; or (vi) is connected to the U.S. Trustee or any employee of that office.
- 23. Based on the foregoing, and except as set forth herein, neither I, Sills, nor any Member, Of Counsel, or Associate thereof, insofar as I have been able to ascertain based on the information currently available to me, represents any interest adverse to the Debtors or the Committee in these chapter 11 cases. To the best of

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Question: If you represented the client in the 12 months c) prepetition, disclose your billing rates and material financial terms for the prepetition engagement, including any adjustments during the 12 months prepetition. If your billing rates and material financial terms have changed postpetition, explain the difference and the reasons for the difference.

Answer: Not applicable.

Question: Has your client approved your prospective budget and d) staffing plan, and, if so, for what budget period?

Answer: The Committee has reviewed the budget for the period of the week ending May 11, 2019 through the week ending August 10, 2019, attached as Exhibit B to Exhibit 1 to the *Interim* Order (i) Authorizing the Debtors to Obtain Postpetition Financing; (ii) Granting Security Interests and Superpriority Administrative Expense Status; (iii) Granting Adequate Protection to Certain Prepetition Secured Credit Parties; (iv) Modifying the Automatic Stay; (v) Authorizing the Debtors to Enter Into Agreements with JMB Capital Partners Lending, LLC; (vi) Authorizing Use of Cash Collateral; (vii) Scheduling a Final Hearing and (viii) Granting Related Relief [Docket No. 82], which includes a line item for professional fees. Sills intends to submit a budget and staffing plan consistent with the form identified as Exhibit C to U.S. Trustee Guidelines for approval to the Committee in the normal course of its representation.

EMPLOYMENT NUNC PRO TUNC TO MAY 23, 2019

26. As set forth above in paragraphs 4-6, the Committee was formed and selected Sills as its co-counsel on May 23, 2019. Due to the complex and timesensitive nature of these chapter 11 cases, there was an immediate need for Sills to perform services for the Committee, and the Committee has sought authorization to retain and employ Sills as soon as reasonably practicable, with Sills's retention effective nunc pro tunc to May 23, 2019.

| 1 | 27. For the foregoing reasons, I believe Sills is eligible for employment and |
|----|--|
| 2 | retention by the Committee on the terms set forth in this Declaration pursuant to |
| 3 | section 1103 of the Bankruptcy Code, effective <i>nunc pro tunc</i> to May 23, 2019. |
| 4 | |
| 5 | Dated: June 17, 2019 Newark, New Jersey /S/Andrew H. Sherman Andrew H. Sherman |
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| 1 | SCHEDULE 1 |
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| 2 | <u>Debtors</u> |
| 3 | Astria Health SHC Medical Center – Toppenish |
| 4 | Sunnyside Community Hospital Association SHC Medical Center – Yakima |
| 5 | Glacier Canyon, LLC Kitchen and Bath Furnishings, LLC |
| 6 | Oxbow Summit, LLC SHC Holdco, LLC |
| 7 | Sunnyside Community Hospital Home Medical Supply Sunnyside Home Health |
| 8 | Sunnyside Professional Services, LLC Yakima HMA Home Health, LLC |
| 9 | Yakima Home Care Holdings, LLC |
| 10 | Debtor Affiliates/DBAs/FKAs |
| 11 | Astria Sunnyside Hospital Astria Regional Medical Center |
| 12 | Astria Toppenish Hospital Astria Health Centers |
| 13 | Ambulatory Surgical Center Astria Hearing and Speech |
| 14 | Astria Home Health and Hospice Sunnyside Healthcare |
| 15 | Sanovida, LLC Toppenish Community Hospital |
| 16 | Astria Toppenish Hospital Astria Regional Medical Center |
| 17 | Sunnyside Community Hospital Association Sunnyside Community Hospitals & Clinics |
| 18 | Astria Sunnyside Hospital Astria Home Health |
| 19 | AH NP1 AH NP2 |
| 20 | |
| 21 | DECLARATION OF ANDREW H. SHERMAN POLSINELLI 1000 SECOND AVENUE, SUITE 3500 SEATTLE, WA 98104 • (206) 393-5400 |

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| 1 | AH NP3 |
|-----|---|
| | AH NP4 |
| 2 | AH NP5 |
| | AH NP6 |
| 3 | AH NP7 |
| | AH NP8 |
| 4 | AH NPP |
| | Bridal Dreams, LLC |
| 5 | Caravan Health ACO. 19, LLC |
| | Astria Health Clinically Integrated Networks, LLC |
| 6 | Depot Plus |
| | Home Supply, LLC |
| 7 | Kitchen Appliance, LLC |
| | Northwest Health, LLC |
| 8 | Pacific Northwest ASC Management |
| | Sunnyside Hospital Foundation |
| 9 | Sunnyside Hospital Service Corp. |
| | Sunnyside Medical Center, LLC |
| 10 | Wedded Bliss, LLC |
| | Yakima HMA Physician Management, LLC |
| 11 | |
| 10 | <u>Debtor Professionals</u> |
| 12 | D . HIGH I D |
| 10 | Dentons US LLP |
| 13 | Bush Kornfeld LLP |
| 14 | Kurtzman Carson Consultants LLC ("KCC") |
| 14 | Officers and Trustees |
| 15 | Officers and Trustees |
| 13 | Michael Lane |
| 16 | |
| 10 | John Gallagher Cary Rowan |
| 17 | John Anderson |
| 1 / | Les Abercrombie III |
| 18 | Daniel Burtnett |
| 10 | Joe Ketterer |
| 19 | Dawn R. O'Polka |
| -/ | Mary Ann Bliesner |
| 20 | Derek Kieta |
| - | Ryan Maxwell |
| 21 | Tom Strohm |



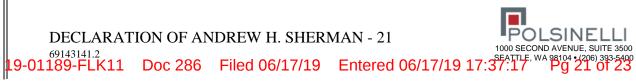
| 1 | Darrin Cook |
|-----|---|
| | Mark Hartman |
| 2 | Sara Williamson |
| | Maureen Adkinson |
| 3 | Mark Silverstein |
| | James Abbenhaus |
| 4 | John Adkinson |
| | Richard Edgerly |
| 5 | Noel Moxley |
| | Darlene Picatti |
| 6 | Brian Gibbons |
| | Eric Stokes |
| 7 | Michael Long |
| | Cynthia Lewis |
| 8 | Peggy Brewer |
| | Cus Arteaga |
| 9 | Jonathan G. Mercer |
| | Ana Garcia |
| 10 | David Shoemaker |
| | Eric Jensen |
| 11 | Kyla Wright |
| | Terra Palomarez |
| 12 | Rhonda Wellner |
| | Beth Ortega |
| 13 | Carrie Story |
| | Aaron Grigg |
| 14 | Lori Alvord |
| | Maxine Janis |
| 15 | Steve Young |
| 16 | 30 Largest Creditors |
| 17 | Community Health System |
| L / | Community Health System Medefis Consolidated |
| 18 | |
| 10 | Washington State Healthcare Authority GE Healthcare Equip Finance |
| 19 | 1 1 |
| LJ | Cerner Corporation Washington Emergency Room |
| 20 | Central Washington Family Medicine |
| 20 | Locum Tenens.com |
| 2.1 | Medtronic USA Inc. |
| | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 |



| 1 | Morrison Management Specialist |
|----|--|
| | Stryker Orthopaedics |
| 2 | Biotronik Inc. |
| | Apogee Medical Management |
| 3 | CompuHealth Associates Inc. |
| | Johnson & Johnson Health Care Sys Inc. |
| 4 | Theorem Architecture |
| _ | Healthtech Management Services |
| 5 | Physicians Insurance |
| | Zimmer US Inc |
| 6 | Allied Universal Security Srvs |
| | Fastaff, LLC |
| 7 | GE Healthcare WI |
| | Derek Weaver |
| 8 | Medline Dept 1080 |
| | Earl Architects |
| 9 | Davita Renal Treatment Centers – WE |
| | GE Healthcare IITS USA Corp. |
| 10 | Boston Scientific Corporation |
| | Pacific Power |
| 11 | Medpartners HMA LLC |
| 12 | Alleged Secured Creditors |
| 12 | Anegeu Secureu Creators |
| 13 | JMB Capital |
| | JMB Financial Advisors |
| 14 | Banner Bank |
| | MidCap Financial Trust |
| 15 | MidCap Funding IV Trust |
| | UMB Bank |
| 16 | Lapis Advisers LP |
| | GE HFS LLC |
| 17 | |
| | <u>Utilities</u> |
| 18 | |
| | Allstream |
| 19 | Benton REA |
| | Cascade Natural Gas |
| 20 | Centurylink |
| | Charter |
| 21 | City of Grandview |



| 1 | City of Prosser |
|------------|---|
| | City of Sunnyside |
| 2 | City of Toppenish |
| | City of Union Gap |
| 3 | City of Wapato |
| | City of Yakima |
| 4 | Consolidated Communications |
| | DirecTV |
| 5 | Dish |
| | IGI Resources, Inc. |
| 6 | Pacific Power |
| _ | Sound Telecom |
| 7 | Stericycle |
| | Terrace Heights Sewer Dist. |
| 8 | Wide Hollow Development |
| | Yakima County Public Services |
| 9 | Yakima Waste Systems |
| 10 | <u>Banks</u> |
| 11 | Bank of America |
| | Banner Bank |
| 12 | Heritage Bank |
| | Lower Valley Credit Union |
| 13 | US Bank |
| | Wells Fargo |
| 14 | |
| | Other Interested Parties |
| 15 | |
| | Favorite Healthcare Staffing |
| 16 | American College of Cardiology Foundation |
| | AHM, Inc. |
| 17 | Washington State Nurses Association |
| | SEIU Healthcare 1199NW |
| 18 | TIAA Commercial Finance, Inc. |
| 1.0 | Healthcare Resource Group, Inc. |
| 19 | Med One Capital Funding, LLC |
| | Copiers Northwest, Inc. |
| 20 | OXARC, Inc. |
| 3 1 | Washington State Nurses Association |
| 21 | Engage f/k/a Inland Northwest Health Services |



| 1 | Theorem Architecture PLLC |
|----|---|
| | Jim McCommon |
| 2 | McCommon Leasing Company |
| | V.K. Powell Construction, LLC |
| 3 | Yakima Valley Memorial Hospital |
| | Milroy Emergency Group, PLLC |
| 4 | Advanced Transfusion Services |
| | All Points Capital Corporation |
| 5 | American West Bank |
| | Baxter Healthcare Corporation |
| 6 | First Republic Bank |
| | General Electric Capital Corporation |
| 7 | Home Security Bank |
| | Johnson & Johnson Finance Corporation |
| 8 | Leasing Associates of Barrington, Inc. |
| | MB Financial Bank, N.A. |
| 9 | Navitas Credit Corp. |
| | Olympus America, Inc. |
| 10 | Ortho-Clinical Diagnostics, Inc. |
| | Riverbank |
| 11 | Siemens Diagnostics Finance Co., LLC |
| | Space Investment Partners |
| 12 | Stryker Sales Corporation |
| | Washington Health Care Facilities Authority |
| 13 | Wintrust Equipment Finance |
| | American West Bank Holdings, Inc. |
| 14 | ASD Specialty Healthcare LLC |
| | Corporation Service Company |
| 15 | Fidelity Title Company |
| 1. | First American Title Insurance Company |
| 16 | MBI Construction Services, Inc. |
| 17 | Schreiner Title Company |
| 17 | Terumo Medical Corporation |
| 18 | A -4° II C. Torresta - (Door on 10) |
| 10 | Acting U.S. Trustee (Region 18) |
| 19 | Gregory M. Garvin |
| | |
| 20 | Office of the U.S. Trustee (Regional and Spokane Offices) |
| | Roy D. Hilmer |
| 21 | Jose D. Colon |
| | |

| 1 | Bryan People |
|-----|---|
| 2 | Gary W. Dyer James Perkins |
| 3 | Brian H. Moran Glori J. Gibford |
| | Phyllis J. Packwood |
| 4 | Jeannie S. Olivas |
| 5 | U.S. Bankruptcy Judges for the Eastern District of Washington |
| 6 | Hon. Frederick P. Corbit (Chief Judge) |
| 7 | Hon. Frank L. Kurtz |
| 0 | U.S. District Judges for the Eastern District of Washington |
| 8 | Hon. Thomas O. Rice (Chief Judge) |
| 9 | Hon. Rosanna Malouf Peterson |
| | Hon. Stanley A. Bastian |
| 10 | Hon. Salvador Mendoza Jr. |
| | Hon. Justin L. Quackenbush |
| 11 | Hon. William Freeming Nielesn |
| | Hon. Fred Van Sickle |
| 12 | Hon. Robert H. Whaley |
| 12 | Hon. Edward F. Shea |
| 13 | Hon. Lonny R. Suko |
| 1 1 | Hon. Mary K. Dimke (Magistrate) |
| 14 | Hon. John T. Rodgers (Magistrate) |
| 15 | |
| 16 | |
| 17 | |
| 17 | |
| 18 | |
| 19 | |