

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

JUSTIN R. BERNBROCK (admitted *pro hac vice*)

CATHERINE JUN (admitted *pro hac vice*)

ROBERT B. McLELLARN (admitted *pro hac vice*)

321 North Clark Street, 32nd Floor

Chicago, Illinois 60654

Telephone: 312.499.6300

Email: jbernbrock@sheppardmullin.com

cjun@sheppardmullin.com

rmclellarn@sheppardmullin.com

JENNIFER L. NASSIRI, SBN 209796

ALEXANDRIA G. LATTNER, SBN 314855

1901 Avenue of the Stars, Suite 1600

Los Angeles, CA 90067-6055

Telephone: 310.228.3700

Email: jnassiri@sheppardmullin.com

alattner@sheppardmullin.com

Proposed Counsel to Debtors and  
Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION**

In re:

BEVERLY COMMUNITY HOSPITAL  
ASSOCIATION, dba BEVERLY HOSPITAL  
(A NONPROFIT PUBLIC BENEFIT  
CORPORATION), *et al*,<sup>1</sup>

Debtors,

Case No.: 2:23-bk-12359-SK

Jointly administered with:

Case No: 2:23-bk-12360-SK

Case No: 2:23-bk-12361-SK

Hon. Sandra R. Klein

Chapter 11 Case

- ☒ Affects all Debtors  
☐ Affects Beverly Community  
Hospital Association  
☐ Montebello Community Health  
Services, Inc.  
☐ Beverly Hospital Foundation

**DEBTORS' NOTICE OF PROPOSED  
FINAL ORDER: (I) AUTHORIZING THE  
DEBTORS TO OBTAIN POST-PETITION  
FINANCING, (II) GRANTING  
ADEQUATE PROTECTION TO  
PREPETITION SECURED CREDITORS,  
AND (III) GRANTING RELATED  
RELIEF**

Date: May 24, 2023

Time: 9:00 a.m.

Judge: Hon. Sandra R. Klein

Place: ZoomGov

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number, are: Beverly Community Hospital Association d/b/a Beverly Hospital (6005), Montebello Community Health Services, Inc. (3550), and Beverly Hospital Foundation (9685). The mailing address for the Debtors is 309 W. Beverly Blvd., Montebello, California 90640.



1       **TO THE HONORABLE SANDRA R. KLEIN, UNITED STATES TRUSTEE,**  
2       **REGION 16, ALL OF THE DEBTORS' SECURED CREDITORS, TOP 30 UNSECURED**  
3       **CREDITORS, OFFICIAL COMMITTEE OF UNSECURED CREDITORS, AND ALL**  
4       **OTHER PARTIES IN INTEREST:**

5       **PLEASE TAKE NOTICE** that the above-captioned debtors and debtors in possession  
6 (collectively, the "Debtors") hereby give notice that the Debtors have filed a proposed order to  
7 approve the *Debtors' Emergency Motion for Interim and Final Orders (I) Authorizing the Debtors*  
8 *to Obtain Post-Petition Financing, (II) Granting Adequate Protection to Prepetition Secured*  
9 *Creditors, and (III) Granting Related Relief; Memorandum of Points and Authorities in Support*  
10 *Thereof* (the "DIP Motion"),<sup>2</sup> on a final basis, which is attached hereto as **Exhibit A** (the "Final  
11 DIP Order").

12       **PLEASE TAKE FURTHER NOTICE** that the Final DIP Order remains subject to  
13 ongoing review and negotiation among all parties. The Debtors are filing the Final DIP Order now  
14 to provide notice of such order and to afford an opportunity to object prior to the hearing.

15       **PLEASE TAKE FURTHER NOTICE** that this Notice and the proposed Final DIP Order  
16 will be served upon the United States Trustee, counsel to the Debtors' secured creditors, the Official  
17 Committee of Unsecured Creditors, and counsel to the DIP lender, via email, or by overnight mail  
18 where email addresses are not available. Any parties seeking to obtain additional copies may also  
19 do so by contacting proposed counsel to the Debtors whose contact information is as follows:  
20 Sheppard, Mullin, Richter & Hampton LLP, Attn: Justin R. Bernbrock, Email:  
21 jbernbrock@sheppardmullin.com, Catherine Jun, Email: cjun@sheppardmullin.com, Robert B.  
22 McLellarn, Email: rmcllellarn@sheppardmullin.com, Tel: (312) 499-6300, Address: 321 North  
23 Clark Street, 32nd Floor, Chicago, Illinois 60654, and/or Jennifer L. Nassiri, Email:  
24 jnassiri@sheppardmullin.com, Alexandria Lattner, Email: alattner@sheppardmullin.com, Tel:  
25 Telephone: (310) 228-3700, Address: Avenue of the Stars, Suite 1600 Los Angeles, CA 90067-  
26 6055.

27  
28  

---

<sup>2</sup> Capitalized terms used herein and not otherwise defined shall have the meaning ascribed in the DIP Motion.

1 Dated: May 19, 2023

2 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

3  
4 By /s/ Jennifer L. Nassiri  
5 Jennifer L. Nassiri

6 JUSTIN R. BERNBROCK  
7 JENNIFER L. NASSIRI  
8 CATHERINE JUN  
9 ROBERT B. McLELLARN  
10 ALEXANDRIA G. LATTNER

11 Proposed Counsel to Debtors and  
12 Debtors in Possession  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Exhibit A**

**Proposed Final DIP Order**

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

JUSTIN R. BERNBROCK (admitted *pro hac vice*)

CATHERINE JUN (admitted *pro hac vice*)

ROBERT B. McLELLARN (admitted *pro hac vice*)

321 North Clark Street, 32nd Floor

Chicago, Illinois 60654

Telephone: 312.499.6300

Email: jbernbrock@sheppardmullin.com

cjun@sheppardmullin.com

rmcclarn@sheppardmullin.com

JENNIFER L. NASSIRI, SBN 209796

ALEXANDRIA G. LATTNER, SBN 314855

1901 Avenue of the Stars, Suite 1600

Los Angeles, CA 90067-6055

Telephone: 310.228.3700

Email: jnassiri@sheppardmullin.com

alattner@sheppardmullin.com

Proposed Counsel to Debtors and

Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION**

In re:

BEVERLY COMMUNITY HOSPITAL  
ASSOCIATION, dba BEVERLY HOSPITAL  
(A NONPROFIT PUBLIC BENEFIT  
CORPORATION), *et al*,<sup>3</sup>

Debtors,

Case No.: 2:23-bk-12359-SK

Jointly administered with:

Case No: 2:23-bk-12360-SK

Case No: 2:23-bk-12361-SK

Hon. Sandra R. Klein

Chapter 11 Case

☒ Affects all Debtors

☐ Affects Beverly Community  
Hospital Association

☐ Montebello Community Health  
Services, Inc.

☐ Beverly Hospital Foundation

**FINAL ORDER: (I) AUTHORIZING THE  
DEBTORS TO OBTAIN POST-PETITION  
FINANCING, (II) GRANTING  
ADEQUATE PROTECTION TO  
PREPETITION SECURED CREDITORS,  
AND (III) GRANTING RELATED  
RELIEF**

Date: May 24, 2023

Time: 9:00 a.m.

Judge: Hon. Sandra R. Klein

Place: ZoomGov

<sup>3</sup> The Debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number, are: Beverly Community Hospital Association d/b/a Beverly Hospital (6005), Montebello Community Health Services, Inc. (3550), and Beverly Hospital Foundation (9685). The mailing address for the Debtors is 309 W. Beverly Blvd., Montebello, California 90640.

1       Upon the *Debtors' Emergency Motion for Interim and Final Orders (I) Authorizing the*  
2 *Debtors to Obtain Post-Petition Financing, (II) Granting Adequate Protection to Prepetition*  
3 *Secured Creditors, and (III) Granting Related Relief; Memorandum of Points and Authorities in*  
4 *Support Thereof* (the "DIP Motion"),<sup>4</sup> dated April 20, 2023, filed by Beverly Community Hospital  
5 Association, Montebello Community Health Services, Inc., and Beverly Hospital Foundation  
6 (collectively, the "Debtors"), as debtors and debtors in possession in the above captioned chapter  
7 11 cases (collectively, the "Chapter 11 Cases"), pursuant to sections 105, 361, 362, 363, 364(c)(1),  
8 364(c)(2), 364(c)(3), 364(d)(1), 364(e) and 507 of title 11 of the United States Code (the  
9 "Bankruptcy Code"), Rules 2002, 4001, 6004 and 9014 of the Federal Rules of Bankruptcy  
10 Procedure (the "Bankruptcy Rules") and Rule 4001-2 of the Local Bankruptcy Rules for the United  
11 States Bankruptcy Court for the Central District of California (the "Local Rules" or "LBR"), for  
12 entry of an interim order (the "Interim Order") and this final order (this "Final Order") authorizing  
13 the Debtors to, among other things: *inter alia*:

14               (1) to (A) obtain postpetition secured debtor in possession financing in an  
15 aggregate principal amount of up to \$13,250,000 (the "DIP Facility"), pursuant to the terms and  
16 conditions set forth in the Senior Secured Superpriority Debtor-in-Possession Credit Agreement  
17 (substantially in the form attached as Exhibit 2 to the *Stipulation Re Interim Order: (I) Authorizing*  
18 *the Debtors to Obtain Post-Petition Financing, (II) Granting Adequate Protection to Prepetition*  
19 *Secured Creditors, (III) Scheduling a Final Hearing and (IV) Granting Related Relief*  
20 (the "Stipulation") incorporated by reference herein, and as hereafter amended, restated,  
21 supplemented, waived, or otherwise modified from time to time, all in accordance with, and subject  
22 to, the terms of this Interim Order, the "DIP Credit Agreement"), by and among the Debtors, as  
23 borrowers (collectively, the "DIP Borrowers"), and HRE Montebello, LLC, as lender (together with  
24 its successor or assigns, the "DIP Lender"), and (B) incur the "Obligations" under the DIP Credit  
25 Agreement (such Obligations, as defined in the DIP Credit Agreement, shall be referred to herein  
26 as the "DIP Obligations") (the DIP Credit Agreement and the other "Loan Documents" (as defined

27 \_\_\_\_\_  
28 <sup>4</sup> Capitalized terms used herein and not otherwise defined shall have the meaning ascribed in the  
DIP Motion.

1 in the DIP Credit Agreement), together with any related agreements, documents, guarantees,  
2 certificates, instruments, exhibits and schedules, each as amended, restated, supplemented, waived,  
3 or otherwise modified from time to time, the “DIP Documents”);

4 (2) to execute and deliver the DIP Documents and to perform all of their  
5 respective obligations thereunder and such other and further acts as may be necessary or desirable  
6 in connection with the DIP Documents;

7 (3) the grant of valid, enforceable, non-avoidable, automatically and properly  
8 perfected security interests, liens and superpriority claims, including allowed superpriority  
9 administrative expense claims pursuant to Section 364(c)(1) of the Bankruptcy Code and liens  
10 pursuant to Sections 364(c)(2) and 364(c)(3) of the Bankruptcy Code to the DIP Lender in the DIP  
11 Collateral (as defined herein) (and all proceeds thereof), to secure all DIP Obligations, as more fully  
12 set forth in the Interim Order and this Final Order;

13 (4) modification of the automatic stay imposed under Section 362 of the  
14 Bankruptcy Code, to the extent necessary, to implement and effectuate the terms and provisions of  
15 the DIP Documents, the Interim Order and this Final Order;

16 (6) the scheduling of a final hearing (the “Final Hearing”) on the DIP Motion  
17 for this Court to consider entry of this Final Order, *inter alia*, authorizing the borrowings under the  
18 DIP Facility on a final basis.

19 This Court having found that notice of the relief sought in the DIP Motion and at the Final  
20 Hearing was provided by the Debtors in accordance with Bankruptcy Rules 2002, 4001 and 9014  
21 and all applicable Local Rules, and having held the Final Hearing on \_\_\_\_\_, 2023; and after  
22 considering the DIP Motion, the First Day Declaration, the DIP Documents, and the evidence  
23 submitted and the arguments made on the record at the Interim Hearing and Final Hearing; and  
24 there being no unresolved objections to the interim relief requested in the DIP Motion; and it  
25 appearing to this Court that granting the interim relief requested in the DIP Motion is necessary to  
26 avoid immediate and irreparable harm to the Debtors and their estates, and is otherwise fair and  
27 reasonable and in the best interests of the Debtors, their creditors, and their estates, represents a  
28 sound exercise of the Debtors’ business judgment, and is necessary for the continued operation of

the Debtors' businesses; and upon the record of the Chapter 11 Cases and after due deliberation and consideration and for good and sufficient cause appearing therefor:

**THIS COURT HEREBY FINDS AND CONCLUDES AS FOLLOWS:**

A. Petition Date. On April 19, 2023 (the "Petition Date"), each Debtor filed a voluntary petition with this Court commencing a case under chapter 11 of the Bankruptcy Code. The Debtors are continuing to operate their respective businesses and manage their respective properties as debtors in possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code. As of the date hereof, no trustee or examiner has been appointed in any of the Chapter 11 Cases.

B. Jurisdiction and Venue. This Court has jurisdiction over these proceedings pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

C. Committee Formation. On May 16, 2023, United States Trustee for the Central District of California (the "U.S. Trustee") appointed an official committee of unsecured creditors (the "Committee").

D. Permitted Prior Liens. As used herein, the term "Permitted Prior Liens" shall mean only the "Permitted Liens" (as defined in the DIP Credit Agreement) that constitute valid, enforceable, prior, perfected, and non-avoidable Liens as of the Petition Date. Nothing contained herein shall constitute a finding or ruling by this Court that any alleged Permitted Prior Lien is valid, senior, enforceable, prior, perfected, or non-avoidable. Moreover, nothing shall prejudice the rights of any party-in-interest, including, but not limited to, the Debtors, the DIP Lender, or the Committee to challenge the validity, priority, enforceability, seniority, avoidability, perfection, or extent of any alleged Prior Permitted Lien. The right of a seller of goods to reclaim or seek a return of such goods (whether under Section 546(c) of the Bankruptcy Code or otherwise) shall not be a Permitted Prior Lien and shall be expressly subject to the DIP Liens.

E. Need for Postpetition Financing. Based upon the pleadings and proceedings of record in the Chapter 11 Cases, the Debtors do not have sufficient available sources of working capital and financing to carry on the operation of their businesses without the DIP Facility. The Debtors' ability to maintain business relationships with their vendors and suppliers, to make payroll,



1 to make capital expenditures, to make adequate protection payments, and to satisfy other working  
2 capital and operational needs and otherwise finance their operations and conduct their business  
3 affairs is essential to the Debtors' continued viability. In addition, based on the record presented at  
4 the Interim Hearing and the Final Hearing: (i) the Debtors' critical need for financing is immediate  
5 and the entry of this Final Order is necessary to avoid immediate and irreparable harm to the  
6 Debtors' estates and the value of their assets; (ii) in the absence of the DIP Facility, the continued  
7 operation of the Debtors' businesses would not be possible and serious and irreparable harm to the  
8 Debtors and their estates would occur; and (iii) the preservation, maintenance and enhancement of  
9 the going concern value of the Debtors are of the utmost significance and importance.

10 F. No Credit Available on More Favorable Terms. Given their current financial  
11 condition, financing arrangements and capital structure, the Debtors are unable to obtain sufficient  
12 committed financing from sources other than the DIP Lender on terms more favorable than under  
13 the DIP Facility and the DIP Documents. The Debtors are not able to obtain unsecured committed  
14 financing allowable as an administrative expense under Section 503(b)(1) of the Bankruptcy Code.  
15 The Debtors also have been unable to obtain sufficient committed financing (a) having priority over  
16 administrative expenses of the kind specified in Sections 503(b), 507(a), and 507(b) of the  
17 Bankruptcy Code, (b) secured by a lien on property of the Debtors and their estates that is not  
18 otherwise subject to a lien, or (c) secured solely by a junior lien on property of the Debtors and their  
19 estates that is subject to a lien. Financing on a postpetition basis is unavailable to the Debtors  
20 without providing the DIP Lender: (i) the DIP Liens on the DIP Collateral (each as defined herein),  
21 as provided herein and in the DIP Documents with the priorities set forth herein; (ii) the DIP  
22 Superpriority Claims (as defined herein); and (iii) the other rights, protections and benefits set forth  
23 in this Interim Order. After considering all alternatives, the Debtors have concluded, in the exercise  
24 of their sound business judgment, that the DIP Facility represents the best financing available to  
25 them at this time and is in the best interests of their estates and creditors.

26 G. Sections 506(c). As a material inducement to the DIP Lender to  
27 agree to provide the DIP Facility, the DIP Lender shall receive a waiver of the provisions of Section  
28 506(c) of the Bankruptcy Code.

1           H. Use of Proceeds of the DIP Facility. As a condition to entry into the DIP Documents  
2 and the extension of credit under the DIP Facility as provided in this Final Order, the DIP Lender  
3 requires, and the Debtors have agreed, that proceeds of the DIP Facility shall be used only in a  
4 manner consistent with the terms and conditions of the DIP Documents, the Interim Order, and this  
5 Final Order and in accordance with the Budget Requirements (as defined below), solely for the  
6 following: (a) funding of working capital, capital expenditures, and other general corporate needs  
7 in the ordinary course in compliance with the Budget Requirements and the DIP Documents, (b)  
8 the payment of costs of administration of the Chapter 11 Cases in compliance with the Budget  
9 Requirements and the DIP Documents, (c) payment of interest, fees, costs and expenses related to  
10 the DIP Facility as provided for in this Final Order and the DIP Documents (including the  
11 reasonable and documented fees and expenses of the DIP Lender's professionals and advisors), (d)  
12 payment of such prepetition obligations as permitted under the DIP Documents, consented to by  
13 the DIP Lender, and approved by this Court, and (e) payment of such other amounts in compliance  
14 with the Budget Requirements and the DIP Documents.

15           I. Good Faith of the DIP Lender. The DIP Lender has indicated a willingness to  
16 provide financing to the Debtors subject to: (i) entry of the Interim Order and this Final Order; (ii)  
17 approval of the terms and conditions of the DIP Facility and the DIP Documents; (iii) satisfaction  
18 of the closing conditions set forth in the DIP Documents; and (iv) findings by this Court that the  
19 DIP Facility is essential to the Debtors' estates, that the DIP Lender is extending credit to the  
20 Debtors pursuant to the DIP Documents in good faith, and that the DIP Lender's claims,  
21 superpriority claims, security interests and liens and other protections granted pursuant to the  
22 Interim Order, this Final Order and the DIP Documents will have the protections provided by  
23 Section 364(e) of the Bankruptcy Code. Based upon the pleadings and proceedings of record in the  
24 Chapter 11 Cases, (x) the terms and conditions of the DIP Facility and the DIP Documents, and the  
25 fees paid and to be paid thereunder, are fair, reasonable, and the best available to the Debtors under  
26 the circumstances, are ordinary and appropriate for secured financing to debtors-in-possession,  
27 reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties,  
28 and are supported by reasonably equivalent value and consideration, (y) the terms and conditions

1 of the DIP Facility were negotiated in good faith and at arms' length among the Debtors and the  
2 DIP Lender, with the assistance and counsel of their respective advisors, and (z) any credit  
3 extended, loans made, and other financial accommodations extended to the Debtors by the DIP  
4 Lender, including, without limitation, pursuant to the Interim Order and this Final Order, have been  
5 extended, issued or made, as the case may be, in "good faith" within the meaning of Section 364(e)  
6 of the Bankruptcy Code and in express reliance upon the protections offered by Section 364(e) of  
7 the Bankruptcy Code, and the DIP Facility, the DIP Liens, and the DIP Superpriority Claims shall  
8 be entitled to the full protection of Section 364(e) of the Bankruptcy Code in the event that this  
9 Final Order or any provision hereof is vacated, reversed or modified, on appeal or otherwise.

10 J. Notice. Notice of the Final Hearing and the proposed entry of this Final Order has  
11 been provided by the Debtors, whether by facsimile, email, overnight courier, or hand delivery, to:  
12 (i) the thirty (30) largest unsecured creditors of the Debtors on a consolidated basis; (ii) the Office  
13 of the U.S. Trustee; (iii) Bryan Cave Leighton Paisner LLP ("BCLP"), as counsel to the DIP Lender;  
14 (iv) the Office of the Attorney General of California; (v) the Prepetition Secured Creditors and their  
15 counsel, including without limitation, U.S. Bank Trust Company, National Association, as Master  
16 Trustee (the "Indenture Trustee") under that Master Trust Indenture, dated as of December 1, 2015,  
17 among Beverly Community Hospital Association, Beverly Hospital Foundation, Montebello  
18 Community Health Services, Inc., and U.S. Bank National Association as Master Trustee (the  
19 "Master Indenture"); (vi) Dentons LLP and Sills Cummis & Gross, P.C., as proposed co-counsel to  
20 the Committee; (vii) all other parties with liens of record on assets of the Debtors (as disclosed in  
21 lien searches completed by the Debtors prior to the Petition Date); and (viii) any other party that  
22 has filed a request for notice pursuant to Bankruptcy Rule 2002 or is required to receive notice  
23 under Bankruptcy Rules 2002, 4001, or 9014 and any applicable Local Rules. Requisite notice of  
24 the DIP Motion and the relief requested thereby has been provided and no other notice need be  
25 provided for entry of this Final Order.

26 K. Immediate Entry. The Debtors have requested immediate entry of this Final Order  
27 pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2). Absent entry of this Final Order, the  
28 Debtors' businesses, properties and estates will be immediately and irreparably harmed. This Court

1 concludes that entry of this Final Order is in the best interests of the Debtors' respective estates and  
2 creditors as its implementation will, among other things, enhance the Debtors' prospects for their  
3 successful reorganization.

4 Based on the foregoing finding and conclusions, the DIP Motion, the First Day Declaration,  
5 and the record made before this Court at the Interim Hearing and the Final Hearing, and good and  
6 sufficient cause appearing therefore,

7 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

8 1. Approval of Final Order. The DIP Motion is approved, on a final basis, on the terms  
9 and conditions set forth in this Final Order. Any objections to the relief requested in the DIP Motion  
10 that have not previously been withdrawn, waived, settled, or resolved, and all reservations of rights  
11 included therein, are hereby denied with prejudice and overruled on the merits. This Final Order  
12 shall become effective immediately upon its entry.

13 2. Approval of DIP Documents; Authority Thereunder. The DIP Facility is hereby  
14 approved on a final basis. The Debtors are hereby authorized to (a) execute and deliver the DIP  
15 Documents (including the DIP Credit Agreement) and such additional documents, instruments,  
16 certificates, and agreements as may be required or reasonably requested by the DIP Lender to  
17 implement the terms or effectuate the purposes of this Final Order and the DIP Documents, (b)  
18 incur and perform the DIP Obligations in accordance with, and subject to, the terms of this Final  
19 Order and the DIP Documents, and (c) following entry of the Final Order and the occurrence of the  
20 Closing Date, request Advances up to the full amount of the Remaining Availability Amount.

21 3. Validity of DIP Documents and DIP Obligations. Each of the DIP Documents  
22 constitute and evidence (and shall deemed to be) the legal, valid, and binding obligation of the  
23 Debtors, enforceable against the Debtors, their estates and any successors thereto, including any  
24 trustee appointed in the Chapter 11 Cases or in any case under Chapter 7 of the Bankruptcy Code  
25 upon the conversion of any of the Chapter 11 Cases (collectively, the "Successor Cases"). Loans  
26 and advances made under the DIP Facility (the "DIP Loans") will fund the Debtors' working capital  
27 and general corporate needs in the ordinary course of business and to pay such other amounts as  
28 are required or permitted to be paid pursuant to the DIP Credit Agreement, this Final Order and any

1 other orders of this Court, in each case to the extent permitted under the DIP Credit Agreement and  
2 in compliance with the Budget Requirements. No DIP Obligations or any other obligation,  
3 payment, transfer, or grant of security under the DIP Documents or this Final Order shall be stayed  
4 (other than by court order in an appeal from this Final Order), restrained, voided, voidable, or  
5 recoverable under the Bankruptcy Code or under any applicable non-bankruptcy law, or subject to  
6 any avoidance, defense, reduction, setoff, recoupment, counterclaim, recharacterization,  
7 subordination, cross-claim, or any other challenge under the Bankruptcy Code or any applicable  
8 law or regulation by any person or entity.

9 4. Authorization to Borrow. Subject to the terms and conditions of this Final Order  
10 and the DIP Documents and in compliance with the Budget Requirements, upon entry of this Final  
11 Order and through the earliest to occur of (a) the entry of the Final Order, and (b) the Termination  
12 Date (as defined herein), the DIP Borrowers are authorized to request Advances up to an aggregate  
13 outstanding principal amount of the Remaining Availability Amount. The DIP Lender shall have  
14 no obligation to make a DIP Loan unless all of the conditions precedent to the making of such DIP  
15 Loan under the DIP Documents and this Final Order have been (x) satisfied in full or (y) waived  
16 by the DIP Lender in its sole and absolute discretion. The DIP Borrowers shall provide prompt  
17 notice to the Committee if seeking any Advances that would require the waiver of any conditions  
18 precedent pursuant to this paragraph 4.

19 5. Authorization to Use Cash Collateral. Subject to the terms and conditions of this  
20 Final Order and the DIP Documents and in compliance with the Budget Requirements, the Debtors  
21 are authorized to use all DIP Collateral constituting “cash collateral,” as defined in Section 363(a)  
22 of the Bankruptcy Code (the “DIP Cash Collateral”) in compliance with the DIP Documents and  
23 this Final Order until the Termination Date (as defined below), and all authority to use DIP Cash  
24 Collateral shall terminate automatically upon the Termination Date. For purposes of clarity, the  
25 DIP Cash Collateral shall include all rent, lease payments, fees, and all other cash generated from  
26 the leasing and operations of the DIP Collateral. The Debtors are permitted to continue to use DIP  
27 Cash Collateral during the pendency of any Remedies Notice Period (as defined below) in  
28 accordance with the Budget Requirements.

1           6.     Use of Proceeds and Cash Collateral; Segregation; No Re-Borrowing.

2           (a)     The Debtors shall segregate and deposit into the Clearing Account (as  
3 defined in the DIP Loan Agreement) all DIP Cash Collateral, and shall segregate and deposit into  
4 the Security Deposit Account (as defined in the DIP Loan Agreement) all tenant security deposits.  
5 The DIP Lender shall have a continuing, valid, binding, enforceable, non-avoidable, and  
6 automatically and properly perfected first-priority security interest in the Clearing Account and  
7 Security Deposit Account and all amounts on deposit in the Clearing Account and Security Deposit  
8 Account.

9           (b)     Notwithstanding anything to the contrary in any of the first-day orders, the  
10 Debtors shall use proceeds of the DIP Facility and DIP Cash Collateral only for the purposes  
11 permitted by this Final Order and the DIP Documents and in compliance with the Budget  
12 Requirements. The DIP Liens shall continue to attach to the DIP Cash Collateral irrespective of  
13 the commingling of DIP Cash Collateral with other cash of the Debtors. Any failure by the Debtors  
14 on or after the Petition Date to comply with the segregation requirements of Section 363(c)(4) of  
15 the Bankruptcy Code in respect of any DIP Cash Collateral shall not be used as a basis to challenge  
16 the extent, validity, enforceability or perfected status of the DIP Liens on any DIP Cash Collateral.

17           (c)     The DIP Loan is a term loan (not a revolving loan), and once Advances have  
18 been made to Debtors, Loan Availability under the DIP Loan shall be permanently reduced by the  
19 amounts of such Advances. The Debtors may not re-borrow any amounts Advanced under the DIP  
20 Facility after such amounts have been repaid to Lender.

21           7.     Approved Budget.

22           (a)     General. Except as otherwise provided herein or approved by the DIP  
23 Lender, proceeds of the DIP Facility shall be used only in compliance with the Budget  
24 Requirements.

25           (b)     Approved Budget. Attached as Exhibit 3 to the Stipulation and incorporated  
26 by reference herein is a cash flow forecast covering the 5-week period commencing with the week  
27 in which the Petition Date occurred, depicting, on a weekly and line item basis, (i) projected cash  
28 receipts, (ii) projected disbursements (including ordinary course operating expenses, bankruptcy-

1 related expenses (including professional fees of the Debtors' and the Committee's professionals  
2 and advisors), and any other fees and expenses relating to the DIP Documents), (iii) net cash flow,  
3 and (iv) the other items set forth therein and other information reasonably requested by the DIP  
4 Lender for such 5-week period, in form and substance satisfactory to the DIP Lender in its sole  
5 discretion (the "Initial Budget"). Subject to the terms of the DIP Documents, the Initial Budget has  
6 been and shall be updated from time to time by the Debtors with the consent of the DIP Lender and  
7 in consultation with the Committee (the "Approved Budget").

8 (c) Updated Budget. No later than 5:00 p.m. prevailing Eastern Time on the first  
9 Wednesday after the end of each Applicable Measurement Period (as defined in the DIP Credit  
10 Agreement), the Debtors shall deliver by email (or other electronic means) to the DIP Lender, the  
11 Committee, and Indenture Trustee an update of the latest Approved Budget covering the 9-week  
12 period commencing with the week in which the Debtors deliver such update, which update shall be  
13 consistent with the form and level of detail set forth in the latest Approved Budget, provide a  
14 reconciliation for the results of the prior month period compared to the prior Approved Budget and  
15 is satisfactory in form and substance to the DIP Lender and Indenture Trustee in their sole discretion  
16 (each such update, an "Updated Budget"); provided that the Debtors shall comply with the  
17 requirements set forth in the DIP Credit Agreement and any final or interim cash collateral order  
18 entered by the Bankruptcy Court, with respect to the timing and content of each Updated Budget.  
19 The Updated Budget shall become the Approved Budget (and replace any prior Approved Budgets)  
20 only under the circumstances described in the DIP Credit Agreement and any final or interim cash  
21 collateral order entered by this Court.

22 (d) Variance Reporting. The Debtors shall deliver to the DIP Lender and the  
23 Committee Variance Reports and Compliance Certificates (as defined in the DIP Credit Agreement)  
24 in accordance with the terms and on the dates set forth in the DIP Credit Agreement. From time to  
25 time upon reasonable request of the DIP Lender, the Debtors and their advisors shall participate in  
26 status calls with the DIP Lender and its professionals and advisors (but in no event less than on a  
27 bi-weekly basis), to discuss the financial operations and performance of the Debtors' business and  
28

1 such other matters relating to the Debtors as the DIP Lender (or its agents or advisors) shall  
2 reasonably request.

3 (e) Permitted Variances. (i) Actual Cash Receipts during any Applicable  
4 Measurement Period (as defined in the DIP Credit Agreement) shall not be less than 85% of the  
5 Budgeted Cash Receipts (as defined in the DIP Credit Agreement) for such Applicable  
6 Measurement Period, and (ii) the Actual Disbursement Amount (as defined in the DIP Credit  
7 Agreement) on a total-disbursements basis shall not exceed 115% of the Budgeted Disbursement  
8 Amount (as defined in the DIP Credit Agreement) for such Applicable Measurement Period (on a  
9 total-disbursements basis). No professional fees disbursed to Professional Persons (each as defined  
10 below) under the Approved Budget shall exceed the line-item budgeted amounts for such  
11 Professional Persons for any applicable calendar week when budgeted in the Approved Budget. All  
12 estimated fees, costs and expenses payable for DIP Fees and Lender Expenses budgeted under the  
13 Approved Budget shall be timely disbursed weekly when budgeted in the Approved Budget, and  
14 such payments shall in no way modify, limit, or cap the DIP Lender's right to timely receive DIP  
15 Fees and Lender Expenses under Paragraph 10 of this Final Order.

16 8. Budget Compliance. The Debtors shall at all times comply with the Approved  
17 Budget (subject to the Permitted Variances) and all other budget conditions, requirements, and  
18 limitations set forth in this Final Order and in the DIP Documents (collectively, the "Budget  
19 Requirements"). The Debtors shall provide all reports and other documents and information  
20 required in the DIP Documents or reasonably requested by the DIP Lender, and the Debtors' failure  
21 to comply with the Budget Requirements or to provide the reports and other documents and  
22 information required in the DIP Documents or reasonably requested by the DIP Lender shall  
23 constitute an Event of Default under the DIP Credit Agreement. The Debtors shall  
24 contemporaneously provide the Committee with all reports and other documents and information  
25 provided to the DIP Lender.

26 9. Payment of DIP Fees and Expenses. The Debtors are hereby authorized and directed  
27 to pay weekly when budgeted in the Approved Budget and any other times upon demand all Lender  
28 Expenses (as defined in the DIP Credit Agreement) and all other fees, costs, expenses, premiums



1 and other amounts payable under the terms of the DIP Documents, including, without limitation,  
2 the reasonable and documented prepetition and postpetition fees and out-of-pocket costs and  
3 expenses of BCLP and any other counsel, appraisers, title companies, surveyors, environmental,  
4 zoning and/or property condition consultants, advisors, professionals and/or consultants retained in  
5 connection with advising the DIP Lender or as otherwise required by the DIP Documents and the  
6 Debtors are hereby authorized to pay such costs directly to such third parties. Payment of such  
7 amounts shall not be subject to Court approval or U.S. Trustee fee guidelines or subject to the  
8 provisions of Sections 327, 328, 329, 330 or 331 of the Bankruptcy Code, and no recipient of any  
9 such payment shall be required to file with respect thereto any interim or final fee application with  
10 this Court. Any professional of the DIP Lender that is seeking payment of fees and expenses from  
11 the Debtors shall provide summary copies of its invoices (which shall not be required to contain  
12 time entries and which may be redacted or modified to the extent necessary to delete any  
13 information subject to attorney-client privilege, any information constituting attorney work product,  
14 or any other confidential information) via email (or other electronic means) to the Debtors, the U.S.  
15 Trustee, and the Committee. The Debtors shall pay the full amount invoiced within ten (10)  
16 calendar days (the “Review Period”), any amounts not already paid under the Approved Budget  
17 after receipt of the applicable invoice, regardless of whether such amounts are in excess of the  
18 amounts set forth in the Approved Budget. In the event that the U.S. Trustee or counsel to the  
19 Committee raises an objection with respect to any invoice during the applicable Review Period  
20 (which objection must be in a writing delivered by email (or other electronic means) to the relevant  
21 professional that states with particularity the fees and/or expenses being objected to and the grounds  
22 therefor) and the parties are unable to fully resolve such objection, this Court shall hear and  
23 determine such dispute, provided that neither the raising of an objection to an invoice nor the  
24 inability of the parties to fully resolve such objection shall delay payment of such invoice, and the  
25 relevant professional shall only be required to disgorge amounts objected to upon being so ordered,  
26 pursuant to a final order of this Court. All unpaid Lender Expenses and other unpaid fees, costs,  
27 expenses and other amounts owed or payable to the DIP Lender shall be secured by the DIP  
28 Collateral and afforded all of the priorities and protections afforded to the DIP Obligations under

1 this Final Order and the DIP Documents. Any and all fees, costs, and expenses paid prior to the  
2 Petition Date by any of the Debtors to the DIP Lender in connection with or with respect to the DIP  
3 Facility are hereby approved in full and shall not be subject to avoidance, disgorgement, or any  
4 similar form of recovery by the Debtors or any other person.

5 10. Indemnification. The Debtors shall indemnify and hold harmless the DIP Lender in  
6 accordance with the terms and conditions contained in the DIP Credit Agreement.

7 11. DIP Superpriority Claims. Subject to the Carve Out (as defined below) and *pari*  
8 *passu* with any Permitted Superpriority Claim (as defined below), immediately upon and effective  
9 as of entry of this Final Order, pursuant to Section 364(c)(1) of the Bankruptcy Code, the DIP  
10 Obligations shall constitute allowed superpriority administrative expense claims against each  
11 Debtor, on a joint and several basis (the “DIP Superpriority Claims”), senior to and with priority in  
12 payment over any and all administrative expenses and any other claims against the Debtors or their  
13 estates in the Chapter 11 Cases or any Successor Cases, at any time existing or arising, of any kind  
14 or nature whatsoever, including, without limitation, the kinds specified in or ordered pursuant to  
15 any provision of the Bankruptcy Code, including, but not limited to, Sections 105, 326, 328, 330,  
16 331, 361, 364, 365, 503(b), 506(c) (subject to and upon entry of the Final Order), 507(a), 507(b),  
17 546(c), 726, 1113 and 1114 of the Bankruptcy Code or otherwise, including those resulting from  
18 the conversion of any of the Chapter 11 Cases pursuant to Section 1112 of the Bankruptcy Code,  
19 whether or not such expenses or claims may become secured by a judgment lien or other non-  
20 consensual lien, levy or attachment. The DIP Superpriority Claims shall, for purposes of Section  
21 1129(a)(9)(A) of the Bankruptcy Code, be considered an administrative expense allowed under  
22 Section 503(b) of the Bankruptcy Code, shall be against each Debtor on a joint and several basis,  
23 and shall be payable from and have recourse to all DIP Collateral. Other than with respect to the  
24 Carve Out and any Permitted Superpriority Claim, the DIP Superpriority Claims shall not be or be  
25 made junior to or *pari passu* with any claim heretofore or hereinafter granted or created in any of  
26 the Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors,  
27 their estates and any successors thereto, including, without limitation, any trustee appointed in any  
28 of the Chapter 11 Cases or any Successor Cases until such time as the DIP Obligations are paid in

1 full. As used herein, the term “Permitted Superpriority Claim” means any superpriority  
2 administrative expense claim provided to any Prepetition Secured Creditors or to any lender that  
3 makes loans to any Debtor pursuant to Section 364 either on an unsecured basis or secured by  
4 collateral that is not subject to the DIP Liens (defined below). For avoidance of doubt, any  
5 Permitted Superpriority Claim shall not attach to or otherwise encumber the DIP Liens (defined  
6 below) or the DIP Collateral (defined below).

7 12. DIP Liens.

8 (a) Effective as of entry of the Interim Order, the DIP Lender was granted, and  
9 immediately upon the entry of this Final Order, the DIP Lender is granted, a continuing, valid,  
10 binding, enforceable, non-avoidable, and automatically and properly perfected first priority security  
11 interests in and liens on (collectively, the “DIP Liens”) the property identified as “Collateral” in the  
12 DIP Loan Agreement (the “DIP Collateral”), including, without limitation, the “BCHA Clearing  
13 Account,” the “MCHS Clearing Account,” and the “Security Deposit Account” (as such terms are  
14 defined in the DIP Loan Agreement), as collateral security for the prompt and complete  
15 performance and payment when due (whether at the stated maturity, by acceleration, or otherwise)  
16 of the DIP Obligations.

17 (b) Notwithstanding anything to the contrary in this Final Order or the DIP Loan  
18 Agreement and related documents, but except as expressly provided for in paragraph 13(c) hereof,  
19 the DIP Collateral shall exclude: (i) all of Debtors’ right, title and interest in and to the accounts,  
20 chattel paper, instruments and general intangibles (each as defined in Division 9 of the California  
21 Commercial Code) and the proceeds thereof, and (ii) solely as related to Debtor, Beverly  
22 Community Hospital Association, all of Debtors’ right, title and interest in and to: (a) the real  
23 property located in the County of Los Angeles, State of California, as described in Exhibit A to the  
24 Deed of Trust (defined below) (the “Land”); (b) all buildings, structures, improvements, fixtures  
25 and appurtenances now or hereafter placed on the Land, and all apparatus and equipment now or  
26 hereafter attached in any manner to the Land or any building on the Land, including all pumping  
27 plants, engines, pipes, ditches and flumes, and also all gas, electric, cooking, heating, cooling, air  
28 conditioning, lighting, refrigeration and plumbing fixtures and equipment (collectively,

1 the “Improvements”); (c) all easements and rights of way appurtenant to the Land; all crops growing  
2 or to be grown on the Land (including all such crops following severance from the Land); all  
3 standing timber upon the Land (including all such timber following severance from the Land); all  
4 development rights or credits and air rights; all water and water rights (whether riparian,  
5 appropriative, or otherwise, and whether or not appurtenant to the Land) and shares of stock  
6 pertaining to such water or water rights, ownership of which affect the Land; all minerals, oil, gas  
7 and other hydrocarbon substances and rights thereinto, on, under, or upon the Land; (d) all existing  
8 and future leases, subleases, subtenancies, licenses, occupancy agreements and concessions relating  
9 to the use and enjoyment of all or any part of the Land or the improvements, and any and all  
10 guaranties and other agreements relating to or made in connection with any of the foregoing; (e) all  
11 proceeds, including all claims to and demands for them, of the voluntary or involuntary, conversion  
12 of any of the Land, Improvements, or the other property described above into cash or liquidated  
13 claims, including proceeds of all present and future fire, hazard or casualty insurance policies, and  
14 all condemnation awards or payments now or later to be made by any public body or decree by any  
15 court of competent jurisdiction for any taking or in connection with any condemnation or eminent  
16 domain proceeding, and all causes of action and their proceeds for any breach of warranty,  
17 misrepresentation, damage or injury to, or defect in, the Land, Improvements, or the other property  
18 described above or in any part of them; and (f) all proceeds of, additions and accretions to,  
19 substitutions and replacements for, and changes in any of the property described in the preceding  
20 subparagraphs (a)-(e) (the assets described in subparagraphs (a) through (f), collectively,  
21 the “Property”); (g) all tangible personal property of every kind or description, whether stored on  
22 the Land or elsewhere, including without limitation, all goods, materials, supplies, tools, books,  
23 records, chattels, furniture, fixtures, equipment, and machinery, and which in all cases is (1) used  
24 or useful or acquired in connection with any construction undertaken on the Land or the  
25 maintenance of the Land and the Improvements, or (2) affixed or installed, or to be affixed or  
26 installed, in any manner on the Land or the Improvements; (h) all architectural and engineering  
27 plans, specifications and drawings, and as-built drawings which arise from or relate to the Land or  
28 the Improvements; (i) all general intangibles and rights relating to the Property, including, without

1 limitation, all permits, licenses and claims to or demands for the voluntary or involuntary  
2 conversion of any of the Land, Improvements, or other Property into cash or liquidated claims,  
3 proceeds of all present and future fire, hazard or casualty insurance policies to the extent exclusively  
4 relating to the Property, and all condemnation awards or payments now or later to be made by any  
5 public body or decree by any court of competent jurisdiction for any taking of the Property or in  
6 connection with any condemnation or eminent domain proceeding with respect to the Property, and  
7 all causes of action and their proceeds for any breach of warranty, misrepresentation, damage or  
8 injury to, or defect in, the Land, Improvements, or other Property or an part of them; (j) all deposit  
9 accounts (other than the BCHA Deposit Account, the MCHS Clearing Account, and the Security  
10 Deposit Account) from which Beverly Community Hospital Association may from time to time  
11 authorize the Indenture Trustee to debit payments due on the Secured Obligations (as defined in  
12 that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as  
13 of December 1, 2015, by Beverly Community Hospital Association, as trustor, to Chicago Title  
14 Company, as trustee for the benefit of U.S. Bank National Association as master trustee under the  
15 Master Indenture, as beneficiary (the “Deed of Trust”); and (k) all substitutions, replacements,  
16 additions, accessions and proceeds for or to any of the foregoing, and all books, records and files  
17 relating to any of the foregoing, including, without limitation, computer readable memory and data  
18 and any computer software or hardware reasonably necessary to access and process such memory  
19 and data (the assets described in subparagraphs (i) and (ii), collectively, the “Indenture Trustee  
20 Collateral”).

21 (c) The Indenture Trustee Collateral shall exclude any of Debtors’ right, title  
22 and interest in and to the accounts, chattel paper, instruments and general intangibles (each as  
23 defined in Division 9 of the California Commercial Code) and the proceeds thereof arising out of  
24 the “Real Property,” the “Improvements,” the “Leases” and/or the proceeds thereof, including all  
25 “Rents” (as such terms are defined in (a) that certain Deed of Trust, Assignment of Leases and  
26 Rents, Security Agreement (including Fixture Filing) granted by the BCHA, and (b) that certain  
27 Fee and Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement (including  
28 Fixture Filing) granted by MCHS (together, the “DIP Deeds of Trust”). For avoidance of doubt,

1 and except as expressly provided for in this paragraph, the DIP Liens shall not attach to or otherwise  
2 encumber the Indenture Trustee Collateral and the Indenture Trustee's liens and security interests  
3 shall not attach to or otherwise encumber the DIP Collateral (including without limitation, the  
4 BCHA Clearing Account, the MCHS Clearing Account, and Security Deposit Account), or the DIP  
5 Cash Collateral, such that the DIP Liens shall be the sole and exclusive liens and security interests  
6 (except for Permitted Prior Liens) on all "Real Property," the "Improvements," the "Leases," and/or  
7 the proceeds thereof, including all "Rents" (as such capitalized terms are defined in the DIP Deeds  
8 of Trust), including, without limitation, any insurance claims or proceeds, condemnation awards,  
9 proceeds, profits, and other general intangibles that are related to or arising out of the "Real  
10 Property," the "Improvements," and/or the "Leases" (as such capitalized terms are defined in the  
11 DIP Deeds of Trust); provided, however, that to the extent, as of the Petition Date, the foregoing  
12 was part of the Indenture Trustee Collateral and subject to valid, enforceable, and unavoidable liens  
13 and security interest of the Indenture Trustee, as consideration for, and expressly as a condition of,  
14 the Indenture Trustee's consent to exclude the foregoing asserted collateral from the Indenture  
15 Trustee Collateral as set forth herein, and as additional adequate protection, immediately upon the  
16 infeasible payment in full in cash of all the DIP Obligations, the Indenture Trustee shall be  
17 granted a first priority lien, securing the obligations due under the Master Indenture, on the proceeds  
18 of the DIP Collateral and any remaining DIP Collateral that is not sold, liquidated or used to satisfy  
19 the DIP Obligations, which liens and security interests shall be valid, perfected, binding,  
20 enforceable, non-avoidable and effective liens by operation of law as of the date of the indefensible  
21 payment in full of the DIP Obligations and without any further action by the Indenture Trustee and  
22 without the necessity of executing, filing or recording any financing statements, security  
23 agreements, mortgages, deeds of trust, filings with a governmental unit, or other documents,  
24 agreements, or instruments or the taking of any other actions (including, for the avoidance of doubt,  
25 taking possession of any collateral) to validate or perfect (in accordance with applicable law) the  
26 Indenture Trustee's liens (the "Supplemental Lien"). To the extent required by the Indenture  
27 Trustee, and upon its reasonable request, the Debtors shall execute a deed of trust in a form  
28 satisfactory to the Indenture Trustee to be recorded in the land records evidencing the foregoing

1 liens granted to the Indenture Trustee's in the DIP Collateral, and the proceeds thereof, immediately  
2 following the indefeasible payment in full in cash of all the DIP Obligations. For the avoidance of  
3 doubt, the Supplemental Lien shall only attach to the proceeds of the DIP Collateral and any  
4 remaining DIP Collateral to the extent such liquidated or remaining DIP Collateral constitutes  
5 Indenture Trustee Collateral. Nothing herein shall be construed to preclude or estop the Committee  
6 from investigating and/or challenging the extent, validity, priority or enforceability of the Indenture  
7 Trustee's prepetition claims and liens, all of which rights and claims of the Committee are expressly  
8 reserved and preserved.

9 (d) To the fullest extent permitted by the Bankruptcy Code or applicable law,  
10 any provision of any law, rule, regulation, lease, loan document, easement, use agreement, license,  
11 contract, organizational document, or other instrument or agreement that restricts the ability of any  
12 of the Debtors to pledge, grant, mortgage, sell, assign, or otherwise transfer any fee or leasehold  
13 interest in (or the proceeds thereof) the DIP Collateral (or requires the consent of or the payment of  
14 any fees or obligations to any entity in order for any of the Debtors to take such actions) shall have  
15 no force or effect with respect to the DIP Liens on such fee or leasehold interests or other DIP  
16 Collateral (or the proceeds of any assignment and/or sale thereof).

17 (e) The DIP Collateral does not include any real property and other assets that  
18 are used by the hospital in its operations as a health facility (as such term is defined under Cal.  
19 Health & Safety Code § 1250) or other facilities that provide similar health care (as defined under  
20 Cal. Code Regs. Tit.11, § 999.5), and therefore any sale, foreclosure, or other disposition of the DIP  
21 Collateral, either to a for-profit entity or non-profit entity, shall not require the consent of the  
22 Attorney General of the State of California under Cal. Corp. Code § 5914 or § 5920. Further,  
23 service of the Interim Order is deemed written notice to the Attorney General under Cal. Corp.  
24 Code § 5913 of Debtors' intention to sell, lease, convey, exchange, transfer or otherwise dispose of  
25 all or substantially all of the DIP Collateral to either a non-profit or a for-profit entity, and no further  
26 notice to, or consent or approval by, the Attorney General shall be required.

27 (f) The DIP Collateral does not include and no DIP Lien, DIP Superpriority  
28 Claim or any other lien or claim granted pursuant to this Order shall attach to or be asserted against

1 the following assets of the Debtors: (i) causes of action under Chapter 5 of the Bankruptcy Code or  
2 applicable state law equivalents and the proceeds thereof, and (ii) any pre-petition or post-petition  
3 commercial tort claims (as such term is defined in the Uniform Commercial Code as in effect in the  
4 State of California) and the proceeds thereof, including, without limitation, any and all causes of  
5 action (and the proceeds thereof) against (a) current and former trustees, directors, officers,  
6 managers, and members of the Debtors, (b) any of the Debtors' auditors, accountants or other  
7 professionals and consultants, and/or (c) the Debtors' affiliates or related persons and entities ((i)  
8 and (ii) together, the "Aggregate Excluded Assets").

9 13. Priority of DIP Liens.

10 (a) Effective as of entry of the Interim Order, the DIP Liens constitute  
11 continuing, valid, binding, enforceable, non-avoidable, automatically and properly perfected  
12 security interests in and liens on in the DIP Collateral as follows:

13 (i) pursuant to Section 364(c)(2) of the Bankruptcy Code, valid, binding,  
14 continuing, enforceable, non-avoidable, automatically and properly perfected first priority liens on  
15 and security interests in all DIP Collateral that is not otherwise subject to any Permitted Prior Liens;  
16 and

17 (ii) pursuant to Section 364(c)(3) of the Bankruptcy Code, valid, binding,  
18 continuing, enforceable, non-avoidable, automatically and properly perfected junior liens on and  
19 security interests in all DIP Collateral that is subject to any Permitted Prior Liens, which junior  
20 liens and security interests in favor of the DIP Lender shall be subject only to any such Permitted  
21 Prior Liens.

22 (b) Except as expressly set forth herein, the DIP Liens and the DIP Superpriority  
23 Claims: (i) shall not be or be made junior to or *pari passu* with (A) any lien, security interest or  
24 claim heretofore or hereinafter granted in the Chapter 11 Cases or any Successor Cases, and shall  
25 be valid and enforceable against the Debtors, their estates, any trustee or any other estate  
26 representative appointed or elected in the Chapter 11 Cases or any Successor Cases and/or upon the  
27 dismissal of any of the Chapter 11 Cases or any Successor Cases, provided however that the DIP  
28 Liens and DIP Superpriority Claims shall be *pari passu* with any replacement liens granted to the



1 Indenture Trustee through any interim or final Cash Collateral Orders entered by the Bankruptcy  
2 Court in these Chapter 11 Cases, (B) any lien or interest that is avoided and preserved for the benefit  
3 of the Debtors and their estates under Section 551 of the Bankruptcy Code or otherwise, and (C)  
4 any intercompany or affiliate lien or claim of the Debtors; and (ii) shall not be subject to Sections  
5 510, 549, or 550 of the Bankruptcy Code.

6 (c) Notwithstanding anything contained in this Final Order or any other order of  
7 this Court to the contrary, the DIP Liens shall constitute first priority liens on and security interests  
8 in all DIP Cash Collateral.

9 14. Professional Fees; Carve Out

10 (a) No Direct Obligation To Pay Allowed Professional Fees. The DIP Lender  
11 shall not be responsible for the payment or reimbursement of any fees or disbursements of any  
12 Professional Person incurred in connection with the Chapter 11 Cases or any Successor Cases.  
13 Nothing herein or otherwise shall be construed to obligate the DIP Lender, in any way, to pay  
14 compensation to, or to reimburse expenses of, any Professional Person or to guarantee that the  
15 Debtors have sufficient funds to pay such compensation or reimbursement.

16 (b) Carve Out. “Carve Out” means the following expenses: (i) all fees required  
17 to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee  
18 pursuant to 28 U.S.C. § 1930(a) (without regard to the notice set forth in (iii) below); (ii) all  
19 reasonable fees and expenses incurred by a Trustee under section 726(b) of the Bankruptcy Code  
20 in an amount not exceed \$50,000 (without regard to the notice set forth in (iii) below); (iii) to the  
21 extent allowed at any time, whether by interim order, procedural order, or otherwise, all (A) unpaid  
22 fees and expenses (including any restructuring, sale, success, or other transaction fee of any  
23 investment bankers or financial advisors of the Debtors (the “Allowed Debtor Professional Fees”))  
24 incurred by persons or firms retained by the Debtors pursuant to section 327, 328, or 363 of the  
25 Bankruptcy Code (collectively, the “Debtor Professionals”) and (B) unpaid fees and expenses (the  
26 “Allowed Committee Professional Fees” and together with the Allowed Debtor Professional Fees,  
27  
28

1 collectively, the “Allowed Professional Fees”) incurred by persons or firms retained by the  
2 Committee pursuant to section 328 or 1103 of the Bankruptcy Code (the “Committee  
3 Professionals” and, together with the Debtor Professionals, the “Professional Persons”) at any time  
4 before or on the first day following delivery by the DIP Lender of a Carve Out Trigger Notice (as  
5 defined below), whether allowed by the Bankruptcy Court prior to or after delivery of a Carve Out  
6 Trigger Notice (these clauses (i) through (iii), the “Pre-Carve Out Trigger Amounts”); and (iv)  
7 Allowed Professional Fees not to exceed \$750,000, plus (without duplication) any restructuring,  
8 sale, success or other transaction fee of any investment bankers or financial advisors of the Debtors,  
9 incurred after the first day following delivery by the DIP Lender of the Carve Out Trigger Notice,  
10 to the extent allowed at any time, whether by interim order, procedural order, or otherwise (the  
11 amounts set forth in this clause (iv) being the “Post-Carve Out Trigger Notice Cap,” and together  
12 with the Pre-Carve Out Trigger Amounts, the “Carve Out Amount”). For purposes of the  
13 foregoing, “Carve Out Trigger Notice” shall mean a written notice delivered by email (or other  
14 electronic means) by the DIP Lender to the Debtors, their lead restructuring counsel, the United  
15 States Trustee, and counsel to the Committee, which notice may be delivered following the  
16 occurrence and during the continuation of an Event of Default and acceleration of the DIP  
17 Obligations under the DIP Facility, stating that the Post-Carve Out Trigger Notice Cap has been  
18 invoked.

21  
22 (c) Carve Out Funded Reserve. For the period prior to the delivery of the Carve  
23 Out Trigger Notice, on a weekly basis, the Debtors shall fund from the DIP Facility or cash on  
24 hand into a segregated account (the “Funded Reserve Account”) held by Western Alliance Bank  
25 in trust for the benefit of Professional Persons the amounts set forth in the Approved Budget for  
26 Professional Persons. The Debtors shall use funds held in the Funded Reserve Account exclusively  
27 to pay Allowed Professional Fees and other obligations included within the Carve Out as they  
28

1 become allowed and payable pursuant to the Bankruptcy Code, the Bankruptcy Rules, the Local  
2 Rules, and any interim or final orders of the Bankruptcy Court; provided that when all Allowed  
3 Professional Fees have been paid in full (regardless of when such Allowed Professional Fees are  
4 allowed by the Bankruptcy Court), any funds remaining in the Funded Reserve Account shall  
5 revert to the DIP Lender for the benefit of the DIP Lenders. Funds transferred to the Funded  
6 Reserve Account shall be subject to the DIP Liens, DIP Superpriority Claims, Adequate Protection  
7 Liens, and Adequate Protection Claims granted hereunder solely to the extent of such reversionary  
8 interest; provided, that, for the avoidance of doubt, such liens and claims shall be subject in all  
9 respects to the Carve Out. For avoidance of doubt, the Carve-Out shall be limited to the Funded  
10 Reserve Account and shall not attach to or otherwise encumber the DIP Collateral, the DIP Cash  
11 Collateral, the Clearing Account, the Security Deposit Account, or any proceeds from the sale of  
12 any DIP Collateral until such time as the DIP Obligations have been indefeasibly paid in full, in  
13 cash, and all Commitments have been terminated.  
14

15  
16 (d) Carve Out Funding. Notwithstanding anything in the DIP Credit Agreement  
17 to the contrary, on the day on which a Carve Out Trigger Notice is validly delivered (the “Carve  
18 Out Trigger Notice Date”), the Carve Out Trigger Notice shall constitute a demand to the Debtors  
19 to utilize all cash on hand (excluding DIP Cash Collateral and cash held in the Clearing Account  
20 or Security Deposit Account or otherwise consisting of tenant security deposits) as of such date  
21 and any available cash thereafter held by any Debtor to first pay all DIP Fees and Lender Expenses  
22 payable under the Approved Budget through and including the week of the Carve Out Trigger  
23 Notice Date, then to fund to the Funded Reserve Account an amount equal to the then-unpaid  
24 amounts of the Allowed Professional Fees plus reasonably estimated fees that have accrued but  
25 are not yet allowed for the period through and including the Carve Out Trigger Notice Date. All  
26 funds in the Funded Reserve Account shall be used to pay the Pre-Carve Out Trigger Amounts,  
27  
28

1 but not, for the avoidance of doubt, the Post-Carve Out Trigger Notice Cap, until paid in full, and  
2 then, to pay the obligations set forth in the Post-Carve Out Trigger Notice Cap, and then, to the  
3 extent the Funded Reserve Account has not been reduced to zero, to pay the DIP Lender for the  
4 benefit of the DIP Lenders, unless the DIP Obligations have been indefeasibly paid in full, in cash,  
5 and all Commitments have been terminated, in which case any such excess shall be paid to the  
6 Prepetition Secured Parties in accordance with their rights and priorities as of the Petition Date.  
7 Notwithstanding anything to the contrary in the DIP Documents or the Final Order, following  
8 delivery of a Carve Out Trigger Notice, the DIP Lender shall not sweep or foreclose on cash of the  
9 Debtors (excluding DIP Cash Collateral and cash held in the Clearing Account or Security Deposit  
10 Account or otherwise consisting of tenant security deposits) until the Funded Reserve Account has  
11 been fully funded, but shall have a security interest in any residual interest of the Debtors in the  
12 Funded Reserve Account, with any excess paid to the DIP Lender for application in accordance  
13 with the DIP Documents. Further, notwithstanding anything to the contrary in this Final Order, (i)  
14 disbursements by the Debtors from the Funded Reserve Account shall not constitute DIP Loans or  
15 increase or reduce the DIP Obligations and (ii) the failure of the Funded Reserve Account to satisfy  
16 in full the Allowed Professional Fees shall not affect the priority of the Carve Out. For the  
17 avoidance of doubt and notwithstanding anything to the contrary in this Final Order, the DIP  
18 Facility, or the Prepetition Loan Documents, the Carve Out shall be senior to all DIP Superpriority  
19 Claims.

20  
21  
22  
23 (e) Notwithstanding anything to the contrary in the DIP Documents or the DIP  
24 Orders or any other order of the Bankruptcy Court, the Funded Reserve Account and the amounts  
25 on deposit in the Funded Reserve Account shall be available and used only to satisfy obligations  
26 of Professionals Persons benefitting from the Carve Out, and the other obligations that are a part  
27 of the Carve Out. The failure of the Funded Reserve Account to satisfy Professional Fees in full  
28

1 shall not affect the priority of the Carve Out; provided that, to the extent that the Funded Reserve  
2 Account is actually funded, the Carve Out shall be reduced by such funded amount dollar-for-  
3 dollar. In no way shall the Approved Budget, Carve Out, Post-Carve Out Trigger Notice Cap,  
4 Funded Reserve Account, or any of the terms of this Final Order be construed as a cap or limitation  
5 on the amount of the Debtor Professionals' fees or Committee Professionals' fees due and payable  
6 by the Debtors or that may be allowed by the Court at any time (whether by interim order, final  
7 order, or otherwise). Any payment or reimbursement made prior to the occurrence of the Carve  
8 Out Trigger Notice Date in respect of any Allowed Professional Fees shall not reduce the Post-  
9 Carve Out Trigger Notice Cap.  
10

11 (f) Objection Rights. Nothing contained herein is intended to constitute, nor  
12 shall be construed as consent to, the allowance of any Professional Person's fees, costs or expenses  
13 by any party and shall not affect the right of the Debtors, the DIP Lender, the Committee, or any  
14 other party-in-interest to object to the allowance and/or payment of any such amounts incurred or  
15 requested.  
16

17 (g) In the event that Debtors and the Committee agree to a carve out or carve  
18 out funded reserve with the Prepetition Secured Creditors that differs from the Carve Out and/or  
19 Carve Out Funded Reserve as set forth hereunder, the DIP Lender shall have the option at its sole  
20 discretion to replace the Carve Out and Carve Out Funded Reserve set forth herein with such  
21 alternative provisions *mutatis mutandis*.  
22

23 15. Limitation on Use of DIP Facility Proceeds. Notwithstanding anything herein to the  
24 contrary, no portion of the DIP Facility or the DIP Collateral (or the proceeds of any of the  
25 foregoing) shall include, apply to, be available for, or be used for payment of any fees, costs or  
26 expenses incurred by any party, including the Debtors or the Committee, in connection with any of  
27 the following: (a) investigation (including by way of examinations or discovery proceedings),  
28 preparation for, initiation, assertion, joining, commencement, support or prosecution of any claims,

1 counter-claims, actions, causes of action, proceedings, adversary proceedings, applications,  
2 motions, objections, defenses, or other contested matters against the DIP Lender or any of its  
3 successors, assigns, affiliates, parents, subsidiaries, partners, controlling persons, representatives,  
4 agents, attorneys, advisors, financial advisors, consultants, professionals, officers, directors,  
5 members, managers, shareholders, and employees, past, present and future, and their respective  
6 heirs, predecessors, successors and assigns, in each case in their respective capacities as such and  
7 with respect to any transaction, occurrence, omission, action or other matter (each, a “Secured Party  
8 Claim”), including, without limitation, (i) investigating or challenging in any way the DIP  
9 Obligations, the DIP Documents, the DIP Liens, the DIP Superpriority Claims, or any other security  
10 interests, liens, or claims of the DIP Lender (including with respect to the validity, enforceability,  
11 priority, extent, nature, or amount of any of the foregoing or any defense, counterclaim, or offset to  
12 any of the foregoing), or (ii) investigating or asserting any action seeking to invalidate, modify, set  
13 aside, recharacterize, avoid, or subordinate, in whole or in part, the DIP Obligations; (b) the  
14 assertion of any claims or causes of action against the DIP Lender, including, without limitation,  
15 claims or actions to prevent, hinder or delay the DIP Lender’s enforcement or realization on the  
16 DIP Collateral in accordance with the Interim Order, this Final Order, or the DIP Documents, as  
17 applicable; (c) seeking to amend or modify any of the rights, remedies, priorities, privileges,  
18 protections and benefits granted to the DIP Lender under the Interim Order, this Final Order, or the  
19 DIP Documents; (d) payment of any amount on account of any claims arising prior to the Petition  
20 Date unless such payments are (i) in accordance with the DIP Credit Agreement, and (ii) approved  
21 by order of this Court; or (e) any purpose that is prohibited under the Bankruptcy Code.

22 16. Section 506(c) Waiver. The Debtors irrevocably waive and are prohibited from  
23 asserting any surcharge claim, whether under Sections 105(a) or 506(c) of the Bankruptcy Code or  
24 otherwise, for any costs and expenses incurred in connection with the preservation, protection or  
25 enhancement of, or realization by the DIP Lender upon, the DIP Collateral, and no costs or expenses  
26 of administration that have been or may be incurred in any of the Chapter 11 Cases or any Successor  
27 Cases at any time shall be charged against the DIP Lender any of its claims or liens (including any  
28

claims or liens granted pursuant to the Interim Order or this Final Order) or the DIP Collateral pursuant to Sections 105(a) or 506(c) of the Bankruptcy Code or otherwise.

17. No Marshaling/Application of Proceeds. The Debtors irrevocably waive and are prohibited from asserting the equitable doctrine of “marshaling” or any other similar doctrine with respect to the DIP Collateral, and in no event shall the DIP Lender be subject to the equitable doctrine of “marshaling” or any other similar doctrine with respect to the DIP Collateral. All proceeds of the DIP Collateral shall be received and used in accordance with this Final Order and the DIP Documents.

18. Disposition of Collateral. Except as expressly permitted by the DIP Documents, (a) the Debtors shall not sell, transfer, lease, encumber, or otherwise dispose of any of the DIP Collateral without an order of this Court or the prior written consent of the DIP Lender, and (b) shall apply all net proceeds of the DIP Collateral, whether sold in the ordinary course or otherwise, as provided in the DIP Credit Agreement.

19. Proceeds of Subsequent Financing. If the Debtors, any trustee, any examiner with expanded powers, or any responsible officer subsequently appointed in the Chapter 11 Cases or any Successor Cases shall obtain credit or incur debt in violation of the DIP Documents at any time prior to the indefeasible payment in full in cash of all the DIP Obligations and/or other satisfaction in full (either in cash, by DIP Lender credit bid, or by written consent of DIP Lender) of all the DIP obligations either (i) under Section 363(k) of the Bankruptcy Code or (ii) upon fully executed deed(s) in lieu and/or the completion of one or more foreclosures or other remedies under applicable California law and the termination of DIP Lender’s obligation to extend credit under the DIP Facility (including subsequent to the confirmation of any Chapter 11 plan with respect to any or all of the Debtors and the Debtors’ estates) and such facilities are secured by any DIP Collateral, then all the cash proceeds derived from such credit or debt shall immediately be turned over to the DIP Lender to be applied in accordance with this Final Order and the DIP Documents.

20. Protections of Rights of DIP Lender.

(a) Unless the DIP Lender shall have provided its prior written consent, or all DIP Obligations have been indefeasibly paid in full in cash and the lending commitments under the

DIP Facility have terminated, there shall not be entered in the Chapter 11 Cases or any Successor Cases any order (including any order confirming a Chapter 11 plan) that authorizes any of the following: (i) the obtaining of credit or the incurring of indebtedness that is secured by a security, mortgage, or collateral interest or other lien on all or any portion of the DIP Collateral and/or that is entitled to administrative priority status, in each case that is superior to or *pari passu* with the DIP Liens and/or the DIP Superpriority Claims except as expressly set forth in this Final Order or the DIP Documents; or (ii) the modification of any of the DIP Lender's rights under this Final Order or the DIP Documents with respect any DIP Obligations.

(b) The Debtors (and/or their legal and financial advisors in the case of clauses (i) through (iii) below) will (i) reasonably cooperate with, consult with, and provide to the DIP Lender all such information and documents that any or all of the Debtors are obligated (including upon reasonable request by the DIP Lender) to provide under the DIP Documents or the provisions of this Final Order; (ii) upon reasonable advance notice, during normal business hours, permit the DIP Lender and its advisors to visit and inspect any of the Debtors' business premises and other properties, to examine and make abstracts or copies from any of their respective books, records, reports, and other papers, and to discuss their respective affairs, finances, properties, business operations, and accounts with their respective officers, employees, independent public accountants, and other professional advisors; (iii) permit the DIP Lender to consult with the Debtors' management and advisors on matters concerning the Debtors' businesses, financial condition, operations, and assets; and (iv) upon reasonable advance notice, permit the DIP Lender to conduct, at its discretion and at the Debtors' cost and expense, field audits, collateral examinations, liquidation valuations, environmental surveys, and appraisals at reasonable times in respect of any or all of the DIP Collateral in accordance with the DIP Documents.

21. Automatic Effectiveness of Liens. The DIP Liens are valid, perfected, binding, enforceable, non-avoidable and effective liens by operation of law as of the Petition Date without any further action by the Debtors or the DIP Lender and without the necessity of executing, filing or recording any financing statements, security agreements, mortgages, filings with a governmental unit, or other documents, agreements, or instruments or the taking of any other actions (including,



1 for the avoidance of doubt, taking possession of any collateral) to validate or perfect (in accordance  
2 with applicable law) the DIP Liens or to entitle the DIP Lender to the priorities granted herein. If  
3 the DIP Lender hereafter requests that the Debtors execute and deliver any financing statements,  
4 security agreements, mortgages, filings with a governmental unit, or other documents, agreements,  
5 or instruments considered by the DIP Lender to be reasonably necessary or desirable to further  
6 evidence the perfection of the DIP Liens, the Debtors are hereby authorized and directed to execute  
7 and deliver any such documents, agreements, and instruments to the DIP Lender, and the DIP  
8 Lender is hereby authorized to file or record any such documents, agreements or instruments in its  
9 discretion without seeking modification of the automatic stay under Section 362 of the Bankruptcy  
10 Code, in which event all such documents shall be deemed to have been filed or recorded at the time  
11 and on the Petition Date; provided, however, that no such filing or recordation shall be necessary  
12 or required in order to create or perfect the DIP Liens. The DIP Lender, in its sole discretion, may  
13 file a copy of this Final Order as a financing statement with any filing or recording office or with  
14 any registry of deeds or similar office in addition to, or in lieu of, such financing statements,  
15 mortgages, notices of liens or similar documents, agreements, or instruments, and any such filing,  
16 recording, or similar office is directed to accept such filing as a financing statement.

17 22. Modification of Automatic Stay. The automatic stay imposed under Section 362(a)  
18 of the Bankruptcy Code is hereby modified as necessary to effectuate all of the terms, rights,  
19 benefits, privileges, remedies and provisions of this Final Order and the DIP Documents (without  
20 further notice, motion, application to, order of, or hearing before this Court), including, without  
21 limitation, to permit: (a) the Debtors to take all appropriate actions necessary or reasonably  
22 requested by the DIP Lender to (i) grant the DIP Liens, the DIP Superpriority Claims, or any other  
23 liens or claims set forth herein, and (ii) ensure that the DIP Liens or any other liens granted  
24 hereunder are perfected and maintain the priority set forth herein; (b) the Debtors to incur all  
25 liabilities and obligations (including the DIP Obligations) to the DIP Lender, as contemplated under  
26 this Final Order and the DIP Documents; (c) the Debtors to pay all amounts required under, in  
27 accordance with, and subject to the DIP Documents and this Final Order; (d) the DIP Lender to  
28 retain and apply payments made in accordance with the DIP Documents and this Final Order; (e)

1 subject to paragraph 24 hereof, the DIP Lender to exercise, upon the occurrence and during the  
2 continuance of any Event of Default under the DIP Documents, all rights and remedies provided  
3 for in this Final Order and the DIP Documents and take any or all actions provided therein, in each  
4 case without further notice, motion, application to, order of, or hearing before, this Court; and (f)  
5 the implementation of all of the terms, rights, benefits, privileges, remedies, and provisions of this  
6 Final Order and the DIP Documents.

7 23. Case Milestones. As a condition to the DIP Facility, the Debtor shall comply with  
8 each of the Milestones<sup>5</sup> (as defined in the DIP Credit Agreement). For the avoidance of doubt, the  
9 failure of the Debtors to comply with any of the Milestones shall, unless waived in writing by the  
10 DIP Lender, (a) constitute an immediate Event of Default under the DIP Credit Agreement and this  
11 Final Order, and (b) subject to paragraph 24 below, permit the DIP Lender to exercise all rights and  
12 remedies provided for in this Final Order and the DIP Documents.

13 24. Rights and Remedies Upon Event of Default. Immediately upon the occurrence and  
14 during the continuation of an Event of Default under any of the DIP Documents, notwithstanding  
15 the provisions of Section 362 of the Bankruptcy Code, without any application, motion or notice  
16 to, hearing before, or order from this Court, but subject to the terms of this Final Order, the DIP  
17 Lender may declare (any such declaration shall be referred to herein as a “Termination  
18 Declaration”) (i) the unpaid principal amount of all outstanding DIP Loans, all interest accrued and  
19 unpaid thereon, and all other DIP Obligations to be immediately due and payable, without  
20 presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived  
21 by the Debtors, (ii) the termination, reduction or restriction of any further commitment to extend  
22 credit to the Debtors to the extent any such commitment remains under the DIP Facility, and (iii)  
23 the termination of the DIP Facility and the DIP Documents as to any future liability or obligation  
24 of the DIP Lender, but without affecting any of the DIP Liens or the DIP Obligations. The  
25 Termination Declaration shall be delivered by email (or other electronic means) to counsel to the  
26 Debtors, counsel to the Committee, counsel for the Indenture Trustee and the U.S. Trustee. The

27  
28 \_\_\_\_\_  
<sup>5</sup> NTD: Milestones must be updated.

1 Debtors, Indenture Trustee and/or the Committee shall be entitled to seek an emergency hearing  
2 with this Court to be held within five (5) days after the Termination Date (the “Remedies Notice  
3 Period”, provided that the sole issue that the Debtors, Indenture Trustee and/or the Committee may  
4 bring before this Court at any such emergency hearing is whether an Event of Default has occurred  
5 and/or is continuing). The date on which the Remedies Notice Period expires, unless the Court  
6 orders otherwise, is referred to herein as the “Termination Date”). Unless this Court orders  
7 otherwise, the automatic stay in the Chapter 11 Cases otherwise applicable to the DIP Lender shall  
8 automatically terminate at the end of the Remedies Notice Period without further notice or order,  
9 and the DIP Lender shall be entitled (without further order of or application or motion to this Court)  
10 to enforce all rights and remedies of the DIP Lender under the DIP Documents, this Final Order,  
11 and applicable law to satisfy the DIP Obligations, the DIP Superpriority Claims, and the DIP Liens.  
12 The DIP Liens shall maintain all right, priority, perfection, and other protections granted pursuant  
13 to the Interim Order and this Final Order and provided under the DIP Documents until all of the  
14 DIP Obligations are indefeasibly paid in cash and discharged, and none of the DIP Liens shall be  
15 released until all of the DIP Obligations have been indefeasibly paid in cash and discharged. The  
16 Debtors and the Committee shall cooperate with the DIP Lender in the exercise of its rights and  
17 remedies (whether against the DIP Collateral or otherwise), shall not challenge or raise any  
18 objection to the exercise of such rights and remedies except during the Remedies Notice Period,  
19 and shall waive any right to seek relief under the Bankruptcy Code, including under Section 105  
20 thereof, to the extent that such relief would restrict or impair the rights and remedies of the DIP  
21 Lender set forth in this Final Order and the DIP Documents. For the avoidance of doubt, no party  
22 in interest, except for the Indenture Trustee to the extent any enforcement of rights and remedies  
23 are sought against the Indenture Trustee Collateral, shall have the right to contest the enforcement  
24 of the rights and remedies set forth in this Final Order or the DIP Documents on any basis other  
25 than an assertion that no Event of Default has occurred and is continuing. This Court shall retain  
26 exclusive jurisdiction to hear and resolve any disputes and enter any orders required by the  
27 provisions of this paragraph and relating to the application, re-imposition or continuance of the  
28 automatic stay as provided hereunder. The delay or failure to exercise rights and remedies under

1 the applicable DIP Documents or this Final Order by the DIP Lender shall not constitute a waiver  
2 of the DIP Lender's rights hereunder, thereunder or otherwise, unless such waiver is pursuant to a  
3 written instrument executed in accordance with the terms of the DIP Documents and this Final  
4 Order, as applicable.

5       25.    Maintenance of DIP Collateral. Until the indefeasible payment in full in cash of all  
6 the DIP Obligations and/or other satisfaction in full (either in cash, by DIP Lender credit bid, or by  
7 written consent of DIP Lender) of all the DIP obligations either (i) under Section 363(k) of the  
8 Bankruptcy Code or (ii) upon fully executed deed(s) in lieu and/or the completion of one or more  
9 foreclosures or other remedies under applicable California law and the termination of the DIP  
10 Lender's obligation to extend credit under the DIP Facility, the Debtors shall (x) insure the DIP  
11 Collateral as required under the DIP Documents, (y) conduct all business activities required to  
12 manage the rental properties, including, but not limited to, collecting rents, timely paying real estate  
13 taxes when due, maintaining the properties and premises in the condition and in the manner set  
14 forth and required by the DIP Documents, and (z) maintain books, records, and accounts to the  
15 extent and as required by the DIP Documents.

16       26.    Binding Effect. Immediately upon entry, the terms and provisions of this Final  
17 Order shall inure to the benefit of the Debtors, the DIP Lender, and each of their respective  
18 successors and assigns, and shall be binding upon the Debtors, the DIP Lender, the Committee, and  
19 any and all other creditors of the Debtors or other parties in interest and their respective successors  
20 and assigns, including without limitation, any trustee hereafter appointed for the estate of any of  
21 the Debtors, whether in the Chapter 11 Cases or any Successor Cases. Such binding effect is an  
22 integral part of this Final Order.

23       27.    Survival. The terms and provisions of this Final Order and any actions taken  
24 pursuant hereto (including, but not limited to, the granting of the DIP Liens and the DIP  
25 Superpriority Claims) shall survive the entry of any order: (a) converting any of the Chapter 11  
26 Cases to a Chapter 7 case; or (b) dismissing any of the Chapter 11 Cases or any Successor Cases,  
27 and the terms and provisions of this Final Order and any actions taken pursuant hereto shall continue  
28 in full force and effect notwithstanding the entry of any such order. The terms and provisions of

1 this Final Order shall continue in the Chapter 11 Cases and any Successor Cases, and all liens and  
2 claims granted pursuant to the Interim Order and this Final Order shall maintain their priority as  
3 provided by this Final Order and the DIP Documents until all of the DIP Obligations are  
4 indefeasibly paid in cash and discharged and all commitments to extend credit under the DIP  
5 Facility are terminated. If an order dismissing any of the Chapter 11 Cases or any Successor Cases  
6 is at any time entered, such order shall provide (in accordance with Sections 105 and 349 of the  
7 Bankruptcy Code) that: (a) the DIP Liens and the DIP Superpriority Claims granted to and conferred  
8 upon the DIP Lender and the protections afforded to the DIP Lender pursuant to the Interim Order,  
9 this Final Order and the DIP Documents shall continue in full force and effect and shall maintain  
10 their priorities as provided in the Interim Order and this Final Order until all DIP Obligations shall  
11 have been paid and satisfied in full in cash (and that such DIP Liens, DIP Superpriority Claims and  
12 other protections shall, notwithstanding such dismissal, remain binding on all interested parties);  
13 and (b) to the maximum extent permitted by applicable law, this Court shall retain jurisdiction,  
14 notwithstanding such dismissal, for the purpose of enforcing the DIP Liens and the DIP  
15 Superpriority Claims.

16 28. Amendment of DIP Documents. The Debtors and the DIP Lender are hereby  
17 authorized (without further notice, motion or application to, order of or hearing before, this Court)  
18 to amend, modify, or supplement any of the DIP Documents if such amendment, modification, or  
19 supplement (a) is non-material or non-adverse to the Debtor, (b) does not directly affect the  
20 Indenture Trustee Collateral, and (c) is in accordance with the terms of the DIP Documents,  
21 provided however that notice of any such amendment, modification, or supplement shall be  
22 provided to the Indenture Trustee and the Committee in writing. In the case of a material  
23 amendment, modification, or supplement to the DIP Documents that is adverse to the Debtors or  
24 that directly affects the Indenture Trustee Collateral, the Debtors or the DIP Lender shall provide  
25 notice (which may be provided through email) of any such amendment, modification, or supplement  
26 to counsel for the Committee, the Indenture Trustee and the U.S. Trustee, each of whom shall have  
27 five (5) business days from the date of such notice to object in writing to such amendment,  
28 modification, or supplement; provided, however, that any forbearance from, or waiver of, a breach

1 by the Debtors of a covenant, representation or any other agreement or a default or an Event of  
2 Default, in each case under the DIP Documents, shall not constitute a material amendment,  
3 modification or supplement. If no objections are timely received by the Debtors or the DIP Lender,  
4 as applicable, during such five business (5) days' notice period, the Debtors and the DIP Lender are  
5 authorized and empowered to implement, in accordance with the terms of the DIP Documents, such  
6 material amendment, modification or supplement to the DIP Documents, without further notice,  
7 hearing or approval of this Court. Any proposed material amendment, modification, or supplement  
8 to the DIP Documents that is subject to a timely filed objection in accordance with this paragraph  
9 shall be subject to further order of this Court (which may be sought on an expedited basis).

10 29. Insurance Policies. On each insurance policy maintained by the Debtors which  
11 insures or consists of DIP Collateral: (i) the DIP Lender is, and shall be deemed to be, without any  
12 further action by or notice to any person, named as an additional insured; and (ii) the DIP Lender  
13 shall be, and shall be deemed to be, without any further action by or notice to any person, named  
14 as a loss payee. The Debtors are hereby authorized and, upon the written request of the DIP Lender,  
15 shall use commercially reasonable efforts to have the DIP Lender added as an additional insured  
16 and loss payee on each insurance policy maintained by the Debtors which in any way relates to the  
17 DIP Collateral.

18 30. Protection Under Section 364(e) of the Bankruptcy Code. The DIP Lender has acted  
19 in good faith in connection with the Interim Order, this Final Order and its reliance on the Interim  
20 Order and this Final Order is in good faith. Based on the findings set forth in this Final Order and  
21 the record of the Chapter 11 Cases, and in accordance with Section 364(e) of the Bankruptcy Code,  
22 if any or all of the provisions of this Final Order are hereafter reversed, modified, vacated or stayed,  
23 such reversal, modification, vacation or stay shall not affect (a) the validity of any DIP Obligations  
24 owing to the DIP Lender, incurred prior to the actual receipt by the DIP Lender of written notice of  
25 the effective date of such reversal, modification, vacation or stay, or (b) the validity or  
26 enforceability of any DIP Loans or other advances previously made or any claim, lien, security  
27 interest or priority authorized or created hereby or pursuant to the DIP Documents with respect to  
28 any DIP Obligations owing to the DIP Lender. Notwithstanding any such reversal, modification,

1 vacation or stay, any incurrence of DIP Obligations prior to the actual receipt by the DIP Lender of  
2 written notice of the effective date of such reversal, modification, vacation or stay, shall be  
3 governed in all respects by the provisions of this Final Order, and the DIP Lender shall be entitled  
4 to all of the rights, remedies, protections and benefits granted under Section 364(e) of the  
5 Bankruptcy Code, this Final Order, and the DIP Documents with respect to the incurrence of DIP  
6 Obligations.

7 31. Sale Process; Credit Bidding.

8 (a) The Debtors' selection of a broker or investment banker for a sale of any of  
9 the DIP Collateral (the "DIP Collateral Broker") shall be subject to the written approval of the DIP  
10 Lender, which approval shall not be unreasonably withheld, delayed or denied. The Debtors and  
11 the DIP Collateral Broker shall keep the DIP Lender informed on a current basis of the status of all  
12 offers received (whether written or oral) for any of the DIP Collateral and shall provide the DIP  
13 Lender copies of all such offers within one business day after receipt. Pending completion of a sale  
14 of the DIP Collateral, the Debtors (i) shall take all actions necessary to preserve the leases (including  
15 the Ground Lease) covering any of the DIP Collateral (including all actions necessary to prevent  
16 the deemed rejection of any such leases under Section 365 of the Bankruptcy Code), and (ii) shall  
17 take no action that could reasonably result in the rejection of any of the leases (including the Ground  
18 Lease) covering any of the DIP Collateral.

19 (b) The DIP Lender shall be considered a qualified bidder (whether described as  
20 "Qualified Bidder" or similar term or not specifically defined) in connection with any sale of DIP  
21 Collateral. The DIP Lender shall have the right to "credit bid", in full or in part, up to the full  
22 amount of the applicable outstanding DIP Obligations in connection with the sale of all or any  
23 portion of the DIP Collateral (including without limitation, any sale pursuant to Section 363 of the  
24 Bankruptcy Code, any sale included as part of any Chapter 11 plan subject to confirmation under  
25 Section 1129(b)(2)(A)(ii) - (iii) of the Bankruptcy Code, or any sale made by a Chapter 7 trustee  
26 under Section 725 of the Bankruptcy Code), whether (a) after the occurrence of an Event of Default  
27 under the DIP Credit Agreement, or (b) as a bidder in any sale, auction or other disposition of DIP  
28

1 Collateral conducted in the Chapter 11 Cases. The foregoing rights shall be not be stayed during or  
2 otherwise affected by the Remedies Notice Period.

3 32. Discharge Waiver. The DIP Obligations and the obligations of the Debtors with  
4 respect to the liens, claims and adequate protection provided to the DIP Lender under this Final  
5 Order shall survive (and not be discharged by) the entry of an order confirming a Chapter 11 plan  
6 in any of the Chapter 11 Cases, notwithstanding the provisions of Section 1141(d) of the  
7 Bankruptcy Code, unless such obligations have been indefeasibly paid in full in cash on or before  
8 the effective date of the confirmed Chapter 11 plan. The Debtors shall not propose or support any  
9 Chapter 11 plan that is not conditioned upon the indefeasible payment in full in cash of all DIP  
10 Obligations upon the earlier of the effective date of the confirmed Chapter 11 plan or the  
11 Termination Date. In no event shall a Chapter 11 plan alter the terms of repayment of any of the  
12 DIP Obligations from those set forth in the DIP Documents unless agreed to by and among the  
13 Debtors and the DIP Lender.

14 33. No Third Party Rights. Except as explicitly provided for herein, this Final Order  
15 does not create any rights for the benefit of any third party, creditor, equity holder, or any direct,  
16 indirect, or incidental beneficiary other than the DIP Lender.

17 34. Joint and Several Liability. Nothing in this Final Order shall be construed to  
18 constitute a substantive consolidation of any of the Debtors' estates, it being understood, however,  
19 that the Debtors shall be jointly and severally liable for all obligations under this Final Order and  
20 the DIP Documents, including without limitation, the DIP Obligations and the DIP Superpriority  
21 Claims in accordance with the terms of this Final Order and the DIP Documents.

22 35. Limitations on Liability. In determining to make extensions of credit under the DIP  
23 Facility or in exercising any rights or remedies as and when permitted pursuant to this Final Order,  
24 the Final Order, or the DIP Documents, as applicable, the DIP Lender shall not be deemed to be in  
25 control of the operations of the Debtors or any affiliate (as defined in Section 101(2) of the  
26 Bankruptcy Code) of the Debtors, or to be acting as a "responsible person" or "owner or operator"  
27 with respect to the operation or management of the Debtors or any affiliate of the Debtors (as such  
28 terms, or any similar terms, are used in the United States Comprehensive Environmental Response,



1 Compensation and Liability Act, 29 U.S.C. §§ 9601 *et seq.*, as amended, or any similar federal or  
2 state statute). Furthermore, nothing in this Final Order, the DIP Documents, or any other documents  
3 related thereto shall in any way be construed or interpreted to impose or allow the imposition upon  
4 the DIP Lender of any liability for any claims arising from the prepetition or postpetition activities  
5 of the Debtors or any affiliate of the Debtors, including any and all activities by the Debtors in the  
6 operation of their business or the administration of the Chapter 11 Cases.

7 36. Findings of Fact and Conclusions of Law. This Final Order constitutes, where  
8 applicable, findings of fact and conclusions of law and shall take effect and be fully enforceable  
9 *nunc pro tunc* to the Petition Date immediately upon entry hereof. The findings and conclusions  
10 set forth herein constitute this Court's findings of fact and conclusions of law pursuant to  
11 Bankruptcy Rule 7052. To the extent any findings of fact constitute conclusions of law, they are  
12 adopted as such. To the extent any conclusions of law constitute findings of fact, they are adopted  
13 as such.

14 37. Entry of this Final Order; Waiver of Stay. Notwithstanding Bankruptcy Rules  
15 4001(a)(3), 6004(h), 6006(d), 7062 or 9024, any other Bankruptcy Rule or Local Rule, or Rule  
16 62(a) of the Federal Rules of Civil Procedure, this Final Order shall be immediately effective and  
17 enforceable upon its entry and there shall be no stay of execution or effectiveness of this Final  
18 Order.

19 38. Choice of Law; Jurisdiction. The DIP Facility and DIP Documents (and the rights  
20 and obligations of the parties thereto) provide that they shall be governed by, and construed and  
21 interpreted in accordance with, the laws of the State of New York and, to the extent applicable,  
22 California law and the Bankruptcy Code. This Court shall have exclusive jurisdiction with respect  
23 to any and all disputes or matters under, or arising out of, or in connection with, either the DIP  
24 Facility or the DIP Documents.

25 39. No Modification of Final Order. Until and unless the DIP Obligations have been  
26 indefeasibly paid in full in cash and all commitments to extend credit under the DIP Facility have  
27 been terminated, the Debtors irrevocably waive the right to seek and shall not seek or consent to,  
28 directly or indirectly, without the prior written consent of the DIP Lender: (a) any modification,

1 stay, vacatur, amendment, or extension of this Final Order; (b) any priority claim for any  
2 administrative expense or unsecured claim against the Debtors (now existing or hereafter arising of  
3 any kind or nature whatsoever, including any administrative expense of the kind specified in  
4 Sections 503(b), 506(c), 507(a) or 507(b) of the Bankruptcy Code) in any of the Chapter 11 Cases  
5 or any Successor Cases, equal or superior to the DIP Superpriority Claims other than the Permitted  
6 Superpriority Claims to the extent permitted under this Final Order; or (c) any lien on any of the  
7 DIP Collateral with priority equal or superior to the DIP Liens, except as specifically provided in  
8 the DIP Documents.

9 40. Controlling Effect of Final Order. To the extent any provision of this Final Order  
10 conflicts with any provision of the DIP Motion, the Interim Order or any DIP Document, the  
11 provisions of this Final Order shall control.

12 41. Service. Service of this Final Order and notice of the Final Hearing shall be made  
13 upon the parties described in paragraph P above and any person who, as of the date hereof, has filed  
14 a notice pursuant to Bankruptcy Rule 2002.

15 ###  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
222 N Pacific Coast Highway, 3rd Floor, El Segundo, CA 90245.

A true and correct copy of the foregoing document entitled (*specify*): Debtors' Notice of Proposed Final Order: (I) \_\_\_\_\_  
Authorizing the Debtors to Obtain Post-Petition Financing, (II) Granting Adequate Protection to Prepetition Secured  
Creditors, and (III) Granting Related Relief \_\_\_\_\_

will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in  
the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General  
Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*)  
05/19/2023, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that  
the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated  
below:

☒ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On (*date*) 05/22/2023, I served the following persons and/or entities at the last known addresses in this bankruptcy  
case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail,  
first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the  
judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method  
for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) 05/19/2023, I served  
the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to  
such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration  
that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is  
filed.

☒ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

05/19/2023 Jonathan J. Thomson  
*Date Printed Name*

/s/ Jonathan J. Thomson  
*Signature*

CreditorName	Email
Megan M Adeyemo	madeyemo@grsm.com; asoto@grsm.com
David E Ahdoot	dahdoot@bushgottlieb.com; kprestegard@bushgottlieb.com
Joseph M Ammar	ammar@millercanfield.com
Scott E Blakeley	seb@blakeleyllp.com; ecf@blakeleyllp.com
Joseph P Buchman	jbuchman@bwsllaw.com; gmitchell@bwsllaw.com
Adrian Butler	abutler@bushgottlieb.com
Augustus Curtis	augustus.t.curtis@usdoj.gov
Evelina Gentry	evelina.gentry@akerman.com; rob.diwa@akerman.com
Evan Gershbein	ECFpleadings@kccllc.com
Steven T Grubner	sgubner@bg.law, ecf@bg.law
Brian T Harvey	bharvey@buchalter.com
Robert M Hirsh	rhirsh@lowenstein.com
Darryl Jay Horowitt	dhorowitt@ch-law.com; bkasst@ch-law.com
Sonja Hourany	sonja.hourany@quinngroup.net; kadele@wglp.com; lbracken@wglp.com; shourany@ecf.courtdrive.com
Michael Jones	michael.jones4@usdoj.gov
Quinn Scott Kaye	kaye@millercanfield.com
Alexandria Lattner	alattner@sheppardmullin.com; ehwalters@sheppardmullin.com
Marc A Levinson	MALevinson@orrick.com; borozco@orrick.com
Ron Maroko	ron.maroko@usdoj.gov
Kelly L Morrison	kelly.l.morrison@usdoj.gov
Tania M Moyron	tania.moyron@dentons.com; malka.zeefe@dentons.com; kathryn.howard@dentons.com; derry.kalve@dentons.com; glenda.spratt@dentons.com; DOCKET.GENERAL.LIT.LOS@dentons.com
Jennifer L Nassiri	JNassiri@sheppardmullin.com
Neli Nima Palma	neli.palma@doj.ca.gov
Russell W Reynolds	rreynolds@ch-law.com; bkasst@ch-law.com
Mary H Rose	mrose@buchalter.com
Nathan A Schultz	nschultzesq@gmail.com
Olivia Scott	olivia.scott3@bclplaw.com; theresa.macaulay@bclplaw.com
Howard Steinberg	steinbergh@gtlaw.com; pearsallt@gtlaw.com; howard-steinberg-6096@ecf.pacerpro.com
Tamar Terzian	tamar@terzlaw.com; sandra@terzlaw.com
United States Trustee (LA)	ustpreion16.la.ecf@usdoj.gov

CreditorName	Email
Mark J Valencia	mvalencia@vclitigation.com
Emilio Eugene Varanini, IV	emilio.varanini@doj.ca.gov
Kenneth K Wang	kenneth.wang@doj.ca.gov; Jennifer.Kim@doj.ca.gov; Stacy.McKellar@doj.ca.gov; yesenia.caro@doj.ca.gov; Christine.Murphy@doj.ca.gov
Sharon Z. Weiss	sharon.weiss@bclplaw.com; raul.morales@bclplaw.com; REC_KM_ECF_SMO@bclplaw.com
Roye Zur	rzur@elkinskalt.com; cavila@elkinskalt.com; lwageman@elkinskalt.com; 1648609420@filings.docketbird.com

Description	CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip
TOP 30	Abbott Laboratories Inc	Nathan Scott	100 Abbot Park Road			Abbot Park	IL	60064
TOP 30	Advantis Medical Staffing	Elayne Goldmane	13155 Noel Road Suite 300			Dallas	TX	75240
Counsel for Advantis Medical Staffing	Akerman LLP	Evelina Gentry and Anthony D. Sbardellati	601 West Fifth Street, Suite 300			Los Angeles	CA	90071
TOP 30	Alhambra Hospital Medical Center	Terry Chu	4619 N. Rosemead Blvd.			Rosemead	CA	91770
Attorneys for California Statewide Communities Development Authority	Allen Matkins Leck Gamble Mallory & Natsis LLP	Debra A. Riley, Esq.	One America Plaza	600 West Broadway, 27th Floor		San Diego	CA	92101-0903
TOP 30	Allied Universal Security Services	Moises Rodriguez	161 Washington St Suite 600			Conshohocken	PA	19428
Lienholders	Amerisourcebergen Drug Corporation		Po Box 959			Valley Forge	PA	19482
TOP 30	Arthrex, Inc	Carla Pitcher	2825 Airview Boulevard			Kalamazoo	MI	49002
Office of the Attorney General of the United States	Attorney General of the United States	U.S. Department of Justice	950 Pennsylvania Avenue, NW			Washington	DC	20530-0001
TOP 30	Axis Spine Llc	DD Mate	1812 W Burbank Blvd #5384			Burbank	CA	91506
Banks	Bank of America	GABRIELA SANCHEZ	C/O Bank of America	330 N BRAND BLVD		GLENDALE	CA	91203
Banks	Bank of the West		75 SANSOME STREET, 19TH FLOOR			SAN FRANCISCO	CA	94111
Lienholders	BANK OF THE WEST		475 SANSOME STREET, 19TH FLOOR			SAN FRANCISCO	CA	94111
Banks	Bank of the West	Attn: Edgar Morales	Vice President/Principal Business Banking Relationship Manager	10230 S Paramount Blvd.		Downey	CA	90241
Equipment Leases	Baxter	Yolieth Bazan Matamoros	17511 Armstrong Ave			Irvine	CA	92614
TOP 30	Baxter Healthcare Corp	Yolieth Bazan Matamoros	17511 Armstrong Ave			Irvine	CA	92614
Counsel to Baxter Healthcare Corporation	Blakeley LC	Scott E. Blakeley	530 Technology Drive, Suite 100			Irvine	CA	92618
TOP 30	Boston Scientific Corp	Kathleen Homsab	300 Boston Scientific Way			Marlborough	MA	01752-1234
Counsel for Sodexo	Brown McGarry Nimeroff LLC	Jami B. Nimeroff	Two Penn Center, Suite 610	1500 John F. Kennedy Boulevard		Philadelphia	PA	19102
Counsel to Proposed DIP Lender	Bryan Cave Leighton Paisner LLP	Eric S. Prezant	161 North Clark Street, Suite 4300			Chicago	IL	60612
Counsel to Proposed DIP Lender	Bryan Cave Leighton Paisner LLP	Vanessa Sunshine and Sharon Weiss	120 Broadway, Suite 300			Santa Monica	CA	90401-2386
Counsel for United Nurses Associations of California/Union of Health Care Professionals	Bush Gottlieb, A Law Corporation	David E. Ahdoot, Kirk M. Prestegard and Adrian R. Butler	801 North Brand Boulevard	Suite 950		Glendale	CA	91203
TOP 30	California Department Of Health Care	Tomas J. Aragon	1501 Capitol Avenue, Suite 4510			Sacramento	CA	95814
California Department of Health Care Services	California Department of Health Care Services	Jennifer Kent, Director	1501 Capitol Avenue, Suite 4510			Sacramento	CA	95814
California Department of Public Health	California Department of Public Health	Stephanie Spich	PO Box 997377 MS 0500			Sacramento	CA	95899-7377
California Secretary of State	California Secretary of State		1500 11th Street			Sacramento	CA	95814
California State Board of Pharmacy	California State Board of Pharmacy		1625 North Market Boulevard			Sacramento	CA	95834

Description	CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip
California Statewide Communities Development Authority	California Statewide Communities Development Authority	Chair	1100 K Street, Suite 101			Sacramento	CA	95814
Center for Medicare and Medicaid Services	Center for Medicare and Medicaid Services	Steven Chickering, the Associate Regional Administrator	90 – 7th Street, Suite 5-300			San Francisco	CA	94103-6706
TOP 30	Cepheid Inc.	Susan Jose	904 E Caribbean Dr			Sunnyvale	CA	94089
TOP 30	Cloudwave	Loraine Sarno	100 Crowley Dr.			Marlborough	MA	01752
TOP 30	Constellation New Energy-Gas	Zachary Keczykecy	9400 Bunsen Parkway Suite 100			Louisville	KY	40220
Proposed Counsel to the Official Committee of Unsecured Creditors	Dentons US LLP	Tania M. Moyron, Samuel R. Maizel and Rebecca M. Wicks	601 South Figueroa Street, Suite 2500			Los Angeles	CA	90017-5704
Department of Health Care Services	Department of Health Care Services	Tanya Homman, Chief of Provider Enrollment Division	MS 4704, P.O. Box 997412			Sacramento	CA	95899-7412
Counsel for Medico Professional Linen Service and American Textile Maintenance	Elkins Kalt Weintraub Reuben Gartside LLP	Roye Zur	10345 W. Olympic Blvd.			Los Angeles	CA	90064
Employment Development Dept.	Employment Development Dept.		722 Capitol Mall, MIC 92E			Sacramento	CA	95814
Equipment Leases	First Financial Healthcare	Ricardo Oseguera	750 The City Drive South, Suite 300			Orange	CA	92868
TOP 30	First Financial Holdings Llc	Ricardo Oseguera	750 The City Drive South, Suite 300			Orange	CA	92868
Equipment Leases	GE		3000 N Grandview Blvd.			Waukesha	WI	53188
Counsel to Indenture Trustee	Greenberg Traurig, LLP	Colleen Murphy, Kevin Walsh	One International Place, Suite 2000			Boston	MA	02110
Banks	Hanmi Bank	Attn: Vanessa Padilla	Specialty Lending Department	Northridge Branch	10180 Reseda Blvd.	Northridge	CA	91324
Hanmi Bank	Hanmi Bank	Specialty Lending	2010 Main St. Suite 590			Irvine	CA	92614
Hanmi Bank	Hanmi Bank	Specialty Lending	1920 Main St. Suite 1140	Attn Ben Sottile		Irvine	CA	92614
Hanmi Bank	Hanmi Bank		10180 Reseda Blvd			Northridge	CA	91324
Proposed DIP Lender	Hilco Real Estate	Attn Gary C. Epstein, Ryan Lawlor, Neil Aaronson and Robert Lubin	5 Revere Drive, Suite 206			Northbrook	IL	60062
TOP 30	Huntington Technology Finance	Brent McQueen	2285 Franklin Road			Bloomfield Hills	MI	48302
Equipment Leases	Huntington Technology Finance	Brent McQueen	2285 Franklin Road,			Bloomfield Hills	MI	48302
Lienholders	HUNTINGTON TECHNOLOGY FINANCE, INC.		2285 FRANKLIN ROAD, SUITE 100			BLOOMFIELD HILLS	MI	48302
Equipment Leases	Insight Financial	Steven Neang	6820 S Harl Ave			Tempe	AZ	85283
IRS	Internal Revenue Service	Attn Susanne Larson	31 Hopkins Plz Rm 1150			Baltimore	MD	21201
IRS	Internal Revenue Service	Centralized Insolvency Operation	P.O. Box 7346			Philadelphia	PA	19101-7346
IRS	Internal Revenue Service	Centralized Insolvency Operation	2970 Market St			Philadelphia	PA	19104
IRS	Internal Revenue Service		300 North Los Angeles Street			Los Angeles	CA	90012
IRS	Internal Revenue Service		600 Arch Street			Philadelphia	PA	19101
TOP 30	Keenan and Associates	Eric Rodriguez	2355 Crenshaw Blvd., Suite 200			Torrance	CA	90501

Description	CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip
Counsel for Hanmi Bank	Law Office of Nathan A. Schultz, P.C.	Nathan A. Schultz, Esq.	10621 Craig Road			Traverse City	MI	49686
Counsel to Medline Industries, LP	Lowenstein Sandler LLP	Robert M. Hirsh and Phillip Khezri	1251 Avenue of the Americas			New York	NY	10020
TOP 30	Medical Information Technology, Inc	Goretti Medeiros	7 Blue Hill River Road			Canton	MA	02021
TOP 30	Medical Solutions LLC	Ruben Ramirez	1010 N 102Nd St Suite 300			Omaha	NE	68114
TOP 30	Medline Industries Inc	Brent Fogel	Three Lakes Drive			Northfield	IL	60093
TOP 30	Medstar Anesthesia Services Inc	Robert Resnick	9251 Wedgewood St			Temple City	CA	91780
National Association of Attorneys General	National Association of Attorneys General		1850 M Street NW, 12th Floor			Washington	DC	20036
TOP 30	Nixon Peabody Llp	Jennifer O'Neal	1300 Clinton Square			Rochester	NY	14604
TOP 30	Noridian Healthcare Solutions, LLC	Theresa Pachel	900 42nd Street S			Fargo	ND	58103
TOP 30	Office of Inspector General (OIG)	Nicole Caucci	405 South Main Street Suite 350			Salt Lake City	UT	84111
Attorney General of California	Office of the Attorney General	Emilio Varanini, Supervising Deputy Attorney General	455 Golden Gate Ave., Suite 11000			San Francisco	CA	94102
Attorney General of California	Office of the Attorney General	Neli Palma and Melissa Hamill	1300 I Street P.O. Box 944255			Sacramento	CA	94244-2550
Attorney General of California	Office of the Attorney General	Roma Patel, Deputy Attorney General	300 South Spring Street, Suite 7505			Los Angeles	CA	90013-1230
Office of the Attorney General of California	Office of the Attorney General of California	Consumer Law Section	Attn Bankruptcy Notices	455 Golden Gate Ave., Suite 11000		San Francisco	CA	94102
Deputy General Counsel to California Department of Health Care Services	Office of the California Attorney General	Department of Justice	Kenneth K. Wang	300 South Spring Street, Suite 1702		Los Angeles	CA	90013
Office of the CA Attorney General	Office of the California Attorney General	Department of Justice	Jennifer Kim	300 South Spring Street, Floor 9		Los Angeles	CA	90013
Counsel to Hanmi Bank	Orrick, Herrington & Sutcliffe LLP	Brendan LaFountain	400 Capitol Hall			Sacramento	CA	95814-4497
TOP 30	Outset Medical Inc	Andy Rabon	3052 Orchard Drive			San Jose	CA	95134
TOP 30	Philips Healthcare	Jose Rivera	222 Jacobs Street			Cambridge	MA	02141
Equipment Leases	Philips Medical Systems	Jose Rivera	222 Jacobs Street			Cambridge	MA	02141
TOP 30	Private Attorney General Act (PAGA)	Jarrold Salinas	1411 North Batavia Street #105			Orange	CA	92867
Counsel for California Statewide Communities Development Corporation dba CSDA	Richards, Watson & Gershon	Stephen D. Lee	350 South Grand Avenue, 37th Floor			Los Angeles	CA	90071
TOP 30	Shiftwise	Jennifer Folds	200 SW Market Street Suite 700			Portland	OR	97201
Counsel to Hanmi Bank	Shulman Hodges & Bastian LLP	Michael J. Petersen	100 Spectrum Center Drive, Suite 600			Irvine	CA	92614
Proposed Counsel to the Official Committee of Unsecured Creditors	Sills Cummis & Gross P.C.	Andrew Sherman and Boris Mankovetskiy	One Riverfront Plaza			Newark	NJ	07102
TOP 30	Sodexo Inc & Affiliates	Luis Lunalluna	9801 Washingtonian Boulevard			Gaithersburg	MD	20878
State of California Employment Development Department	State of California Employment Development Department	Bankruptcy Group MIC 92E	P. O. Box 826880			Sacramento	CA	94280-0001
Equipment Leases	Stryker	Trent Zaks	325 Corporate Drive			Mahwah	NJ	07430
TOP 30	Stryker Endoscopy	Joe Gallinatti	5900 Optical Ct			San Jose	CA	95138
TOP 30	Stryker Instruments	Donovan Reiley	4100 E. Milham Road			Kalamazoo	MI	49001
TOP 30	Stryker Orthopedics	Trent Zaks	325 Corporate Drive			Mahwah	NJ	07430



Description	CreditorName	CreditorNoticeName	Address1	Address2	Address3	City	State	Zip
Lienholders	TCF NATIONAL BANK		11100 WAYZATA BOULEVARD, SUITE 800			MINNETONKA	MN	55305
Lienholders	U.S. BANK NATIONAL ASSOCIATION, AS MASTER TRUSTEE		633 W. FIFTH STREET, 24TH FLOOR			LOS ANGELES	CA	90071
U.S. Department of Health & Human Services	U.S. Department of Health & Human Services	Alex M. Azar II, Secretary	200 Independence Avenue, S.W.			Washington	DC	20201
U.S. Department of Health and Human Services	U.S. Department of Health and Human Services	Angela M. Belgrove, Assistant Regional Counsel	Office of the General Counsel, Region IX	90 7th Street, Suite 4-500		San Francisco	CA	94103-6705
Committee Member	UNAC/UHCP		955 Overland Court, Suite 150			San Dimas	CA	91773
United States Attorney Civil Process Clerk	United States Attorney's Office		Federal Building	Room 7516	300 North Los Angeles Street	Los Angeles	CA	90012
United States Attorney's Office	United States Attorneys Office	Central District of California	312 North Spring Street	Suite 1200		Los Angeles	CA	90012
United States Attorney's Office	United States Attorneys Office	Northern District of California	150 Almaden Boulevard	Suite 900		San Jose	CA	95113
U.S. Department of Health and Human Services, among other agencies and departments of the United States	United States Department of Justice	Civil Division	Augustus T. Curtis	P.O. Box 875	Ben Franklin Station	Washington	DC	20044-0875
United States Attorney General	United States Department of Justice	Ben Franklin Station	P. O. Box 683			Washington	DC	20044
Office of the United States Trustee	United States Trustee	Peter C. Anderson	Office of the UST/DOJ	915 Wilshire Blvd., Suite 1850		Los Angeles	CA	90017
Indenture Trustee	US Bank NA	Christopher H. Gehman Vice President, Global Corporate Trust Services	James Center Three	1051 East Cary Street, 6th Floor		Richmond	VA	23219
Indenture Trustee	US Bank NA		Po Box 70870			St Paul	MN	55170-9690
Chambers	USBC Central District of California	Hon. Sandra R. Klein	Edward R. Roybal Federal Building and U.S. Courthouse	255 East Temple Street, Suite 1582		Los Angeles	CA	90012
Banks	Western Alliance	SARAH CLEMENS	C/O Western Alliance Bank	5901 W CENTURY BLVD		LOS ANGELES	CA	90045
Lienholders	WINTHROP RESOURCES CORPORATION		11100 WAYZATA BOULEVARD, SUITE 800			MINNETONKA	MN	55305

Description	CreditorName	CreditorNoticeName	Email
TOP 30	Abbott Laboratories Inc	Nathan Scott	nathan.scott@abbott.com
TOP 30	Advantis Medical Staffing	Elayne Goldmane	goldman@advantismed.com
Counsel for Advantis Medical Staffing	Akerman LLP	Evelina Gentry and Anthony D. Sbardellati	evelina.gentry@akerman.com
TOP 30	Alhambra Hospital Medical Center	Terry Chu	terrychu@alhambrahospital.com
Attorneys for California Statewide Communities Development Authority	Allen Matkins Leck Gamble Mallory & Natsis LLP	Debra A. Riley, Esq.	driley@allenmatkins.com
TOP 30	Allied Universal Security Services	Moises Rodriguez	moises.rodriguez@aus.com
Liendholders	Amerisourcebergen Drug Corporation		mbranzburg@klehr.com
TOP 30	Arthrex, Inc	Carla Pitcher	Carla.Pitcher@arthrex.com
TOP 30	Axis Spine Llc	DD Mate	dmate@axispineco.com
Liendholders	BANK OF THE WEST		edgar.morales@bankofthewest.com; Jorge.Padilla@bankofthewest.com
Banks	Bank of the West	Attn: Edgar Morales	edgar.morales@bankofthewest.com; Jorge.Padilla@bankofthewest.com
Equipment Leases	Baxter	Yolieth Bazan Matamoros	yolieth_bazan@baxter.com
TOP 30	Baxter Healthcare Corp	Yolieth Bazan Matamoros	yolieth_bazan@baxter.com
Counsel to Baxter Healthcare Corporation	Blakeley LC	Scott E. Blakeley	SEB@BlakeleyLC.com
TOP 30	Boston Scientific Corp	Kathleen Homsab	Kathleen.homsab@bsci.com
Counsel for Sodexo	Brown McGarry Nimeroff LLC	Jami B. Nimeroff	jnimeroff@bmnlawyers.com
Counsel to Proposed DIP Lender	Bryan Cave Leighton Paisner LLP	Eric S. Prezant	eric.prezant@bclplaw.com
Counsel to Proposed DIP Lender	Bryan Cave Leighton Paisner LLP	Vanessa Sunshine and Sharon Weiss	vanessa.sunshine@bclplaw.com; sharon.weiss@bclplaw.com
Counsel for United Nurses Associations of California/Union of Health Care Professionals	Bush Gottlieb, A Law Corporation	David E. Ahdoot, Kirk M. Prestegard and Adrian R. Butler	dahdoot@bushgottlieb.com; kprestegard@bushgottlieb.com; abutler@bushgottlieb.com
TOP 30	California Department Of Health Care	Tomas J. Aragon	D'Andria.Lewis@dhcs.ca.gov; Christine.Oguro@dhcs.ca.gov
California Department of Public Health	California Department of Public Health	Stephanie Spich	stephanie.spich@cdph.ca.gov
TOP 30	Cepheid Inc.	Susan Jose	susan.jose@cepheid.com
TOP 30	Cloudwave	Loraine Sarno	lsarno@insightinvestments.com
TOP 30	Constellation New Energy-Gas	Zachary Kecyzkecy	ZacharyKecyzkecy@spectrum-nrg.com
Proposed Counsel to the Official Committee of Unsecured Creditors	Dentons US LLP	Tania M. Moyron, Samuel R. Maizel and Rebecca M. Wicks	tania.moyron@dentons.com; samuel.maizel@dentons.com; rebecca.wicks@dentons.com
Counsel for Medico Professional Linen Service and American Textile Maintenance	Elkins Kalt Weintraub Reuben Gartside LLP	Roye Zur	rzur@elkinskalt.com
Equipment Leases	First Financial Healthcare	Ricardo Oseguera	roseguera@ffequipmentleasing.com
TOP 30	First Financial Holdings Llc	Ricardo Oseguera	roseguera@ffequipmentleasing.com
Counsel to Indenture Trustee	Greenberg Traurig, LLP	Colleen Murphy, Kevin Walsh	Colleen.Murphy@gtlaw.com; Kevin.Walsh@gtlaw.com
Banks	Hanmi Bank	Attn: Vanessa Padilla	vanessa.padilla@hanmi.com
Proposed DIP Lender	Hilco Real Estate	Attn Gary C. Epstein, Ryan Lawlor, Neil Aaronson and Robert Lubin	gepstein@hilcoglobal.com; rlawlor@hilcoglobal.com; NAaronson@hilcoglobal.com; RLubin@hilcoglobal.com
TOP 30	Huntington Technology Finance	Brent McQueen	brent.a.mcqueen@huntington.com
Equipment Leases	Huntington Technology Finance	Brent McQueen	brent.a.mcqueen@huntington.com
Liendholders	HUNTINGTON TECHNOLOGY FINANCE, INC.		brent.a.mcqueen@huntington.com
Equipment Leases	Insight Financial	Steven Neang	Steven.Neang@insight.com
TOP 30	Keenan and Associates	Eric Rodriguez	erodriguez@keenana.com
Counsel for Hanmi Bank	Law Office of Nathan A. Schultz, P.C.	Nathan A. Schultz, Esq.	nschultzesq@gmail.com
Counsel to Medline Industries, LP	Lowenstein Sandler LLP	Robert M. Hirsh and Phillip Khezri	mhirsh@lowenstein.com; pkhezri@lowenstein.com
TOP 30	Medical Information Technology, Inc	Goretti Medeiros	gmedeiros@meditech.com
TOP 30	Medical Solutions LLC	Ruben Ramirez	Nick.Rudman@medicalsolutions.com; brian.koenig@koleyjessen.com
TOP 30	Medline Industries Inc	Brent Fogel	bfogel@medline.com
TOP 30	Medstar Anesthesia Services Inc	Robert Resnick	robert.amedinc@gmail.com
National Association of Attorneys General	National Association of Attorneys General		support@naag.org
TOP 30	Nixon Peabody Llp	Jennifer O'Neal	joneal@nixonpeabody.com
TOP 30	Noridian Healthcare Solutions, LLC	Theresa Pachel	JE-ERS@noridian.com
TOP 30	Office of Inspector General (OIG)	Nicole Caucci	Nicole.Caucchi@oig.hhs.gov
Attorney General of California	Office of the Attorney General	Emilio Varanini, Supervising Deputy Attorney General	Emilio.Varanini@doj.ca.gov
Attorney General of California	Office of the Attorney General	Neli Palma and Melissa Hamill	Neli.Palma@doj.ca.gov; Melissa.Hamill@doj.ca.gov
Attorney General of California	Office of the Attorney General	Roma Patel, Deputy Attorney General	Roma.Patel@doj.ca.gov

Description	CreditorName	CreditorNoticeName	Email
Office of the Attorney General of California	Office of the Attorney General of California	Consumer Law Section	Scott.Chan@doj.ca.gov
Deputy General Counsel to California Department of Health Care Services	Office of the California Attorney General	Department of Justice	Kenneth.Wang@doj.ca.gov
TOP 30	Outset Medical Inc	Andy Rabon	arabon@outmedical.com
TOP 30	Philips Healthcare	Jose Rivera	jose.rivera@philips.com
Equipment Leases	Philips Medical Systems	Jose Rivera	jose.rivera@philips.com
TOP 30	Private Attorney General Act (PAGA)	Jarrold Salinas	jarrod@phoenixclassaction.com
Counsel for California Statewide Communities Development Corporation dba CSDA	Richards, Watson & Gershon	Stephen D. Lee	slee@rwglaw.com
TOP 30	Shiftwise	Jennifer Folds	jennifer.folds@medefis.com
Proposed Counsel to the Official Committee of Unsecured Creditors	Sills Cummis & Gross P.C.	Andrew Sherman and Boris Mankovetskiy	asherman@sillscummis.com; bmankovetskiy@sillscummis.com
TOP 30	Sodexho Inc & Affiliates	Luis Lunalluna	LuisLunalluna@beverly.org
Equipment Leases	Stryker	Trent Zaks	Trent.Zaks@stryker.com
TOP 30	Stryker Endoscopy	Joe Gallinatti	joe.gallinatti@stryker.com
TOP 30	Stryker Instruments	Donovan Reiley	donovan.reiley@stryker.com
TOP 30	Stryker Orthopedics	Trent Zaks	TrentZaks@stryker.com
Liendholders	TCF NATIONAL BANK		brent.a.mcqueen@huntington.com
Liendholders	U.S. BANK NATIONAL ASSOCIATION, AS MASTER TRUSTEE		christopher.gehman@usbank.com
Committee Member	UNAC/UHCP		joe.guzynski@unacuhop.org
U.S. Department of Health and Human Services, among other agencies and departments of the United States	United States Department of Justice	Civil Division	augustus.t.curtis@usdoj.gov
U.S. Department of Health and Human Services, among other agencies and departments of the United States	United States Department of Justice	Civil Division	augustus.t.curtis@usdoj.gov
Office of the United States Trustee	United States Trustee	Peter C. Anderson	hatty.yip@usdoj.gov; Michael.Jones4@usdoj.gov
Indenture Trustee	US Bank NA	Christopher H. Gehman Vice President, Global Corporate Trust Services	christopher.gehman@usbank.com
Banks	Western Alliance	SARAH CLEMENS	FCastagnola@westernalliancebank.com
Liendholders	WINTHROP RESOURCES CORPORATION		brent.a.mcqueen@huntington.com