

In re:  
Beverly Community Hospital Association  
Debtor

Case No. 23-12359-SK  
Docket #0742 Date Filed: 08/25/2023  
Chapter 11

## CERTIFICATE OF NOTICE

District/off: 0973-2  
Date Rcvd: Aug 23, 2023

User: admin  
Form ID: pdf042

Page 1 of 4  
Total Noticed: 2

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Aug 25, 2023:

Recip ID	Recipient Name and Address
aty	+ SHEPPARD, MULLIN, RICHTER & HAMPTON LLP, 321 North Clark St., 32nd Flr., Chicago, IL 60654-4714

TOTAL: 1

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI). Electronic transmission is in Eastern Standard Time.

Recip ID	Notice Type: Email Address	Date/Time	Recipient Name and Address
db	+ Email/PDF: acheng@beverly.org	Aug 24 2023 01:16:00	Beverly Community Hospital Association, 309 West Beverly Blvd, Montebello, CA 90640-4308

TOTAL: 1

## BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, \*duplicate of an address listed above, \*P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

Recip ID	Bypass Reason	Name and Address
aty		Orrick, Herrington & Sutcliffe LLP

TOTAL: 1 Undeliverable, 0 Duplicate, 0 Out of date forwarding address

## NOTICE CERTIFICATION

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Aug 25, 2023  
Signature: /s/Gustava Winters

## CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on August 23, 2023 at the address(es) listed below:

Name	Email Address
Adrian Butler	on behalf of Interested Party Courtesy NEF abutler@bushgottlieb.com
Alan I Nahmias	on behalf of Creditor Sodexo Inc. & Affiliates anahmias@mbn.law, jdale@mbn.law



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Alexandria Lattner	on behalf of Debtor Beverly Hospital Foundation alattnr@sheppardmullin.com ehwalters@sheppardmullin.com
Alexandria Lattner	on behalf of Debtor Montebello Community Health Services Inc. alattnr@sheppardmullin.com, ehwalters@sheppardmullin.com
Alexandria Lattner	on behalf of Debtor Beverly Community Hospital Association alattnr@sheppardmullin.com ehwalters@sheppardmullin.com
Amanda N Ferns	on behalf of Interested Party Courtesy NEF afern@fernslaw.com mmakalintal@fernslaw.com
Andrew Still	on behalf of Creditor Blue Shield of California Promise Health Plan astill@swlaw.com kcollins@swlaw.com
Andrew Still	on behalf of Creditor California Physicians' Service dba Blue Shield of California astill@swlaw.com kcollins@swlaw.com
Augustus Curtis	on behalf of Creditor United States of America on behalf of HHS and CMS augustus.t.curtis@usdoj.gov
Brian T Harvey	on behalf of Creditor T.R.L. Systems Incorporated bharvey@buchalter.com IFS_filing@buchalter.com;dbodkin@buchalter.com
Christopher E Prince	on behalf of Creditor Kaiser Foundation Hospitals cprince@lesnickprince.com jmack@lesnickprince.com;cprince@ecf.courtdrive.com;jnavarro@lesnickprince.com
Darryl Jay Horowitz, ESQ	on behalf of Other Professional The Huntington National Bank dhorowitz@ch-law.com bkasst@ch-law.com
David E Ahdoot	on behalf of Interested Party Courtesy NEF dahdoot@bushgottlieb.com kprestegard@bushgottlieb.com
David E Ahdoot	on behalf of Creditor United Nurses Associations of California/Union of Health Care Professionals dahdoot@bushgottlieb.com kprestegard@bushgottlieb.com
David I Horowitz	on behalf of Interested Party Kirkland & Ellis LLP david.horowitz@kirkland.com keith.catuara@kirkland.com;terry.ellis@kirkland.com;elsa.banuelos@kirkland.com;ivon.granados@kirkland.com
David K Eldan	on behalf of Interested Party Attorney General of California David.Eldan@doj.ca.gov cynthia.gomez@doj.ca.gov
Dean G Rallis, Jr	on behalf of Creditor Brascia Builders Inc. drallis@hahnlawyers.com, jevans@hahnlawyers.com;drallis@ecf.courtdrive.com;jevans@ecf.courtdrive.com
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Evan Gershbein	on behalf of Other Professional Kurtzman Carson Consultants LLC ECFpleadings@kccllc.com
Evelina Gentry	on behalf of Creditor Advantis Medical Staffing evelina.gentry@akerman.com rob.diwa@akerman.com
Faisal Gill	on behalf of Other Professional Cal-Med Health Center fgill@glawoffice.com
Howard Steinberg	on behalf of Creditor U.S. Bank Trust Company National Association as Master Trustee steinbergh@gtlaw.com, pearsallt@gtlaw.com;howard-steinberg-6096@ecf.pacerpro.com
Jacob Unger	on behalf of Creditor CASE MANAGEMENT INTEGRATED SOLUTIONS LLC DBA HORIZON RECUPERATIVE CARE junger@jacobungerlaw.com
Jason E Rios	on behalf of Creditor FlexCare Medical Staffing jrios@ffwplaw.com docket@ffwplaw.com
Jennifer L Nassiri	on behalf of Debtor Beverly Hospital Foundation JNassiri@sheppardmullin.com
Jennifer L Nassiri	

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	on behalf of Debtor Montebello Community Health Services Inc. JNassiri@sheppardmullin.com
Jennifer L Nassiri	on behalf of Debtor Beverly Community Hospital Association JNassiri@sheppardmullin.com
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Joseph M Ammar	on behalf of Creditor Stryker Corporation ammar@millercanfield.com
Joseph P Buchman	on behalf of Creditor Montebello Land and Water Company jbuchman@bwslaw.com gmitche@bwslaw.com
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Kenneth Miskin	on behalf of U.S. Trustee United States Trustee (LA) Kenneth.M.Miskin@usdoj.gov
Kenneth K Wang	on behalf of Creditor Department of Health Care Services for the State of California kenneth.wang@doj.ca.gov Richard.Waldow@doj.ca.gov
Kenneth N Russak	on behalf of Interested Party Courtesy NEF krussak@knrlaw.com krussak@russaklaw.com
Kevin Walsh	on behalf of Creditor U.S. Bank Trust Company National Association as Master Trustee kevin.walsh@gtlaw.com
Marc A Levinson	on behalf of Debtor Beverly Community Hospital Association MAMLevinson@orrick.com borozco@orrick.com,casestream@ecf.courtdrive.com
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Olivia Scott	on behalf of Interested Party HRE Montebello LLC olivia.scott3@bclplaw.com
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Robert M Hirsh	on behalf of Interested Party Medline Industries LP rhirsh@lowenstein.com
Ron Maroko	on behalf of U.S. Trustee United States Trustee (LA) ron.maroko@usdoj.gov
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TOTAL: 73

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Special Counsel to Debtors and  
Debtors in Possession

FILED & ENTERED

AUG 23 2023

CLERK U.S. BANKRUPTCY COURT  
Central District of California  
BY francis DEPUTY CLERK

UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION  
**CHANGES MADE BY COURT**

In re:

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

Debtors,

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

Lead 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

**FINAL ORDER (I) AUTHORIZING THE  
DEBTORS TO USE THE CASH  
COLLATERAL OF U.S. BANK TRUST  
COMPANY NATIONAL ASSOCIATION,  
AS MASTER TRUSTEE; (II) PROVIDING  
U.S. BANK TRUST COMPANY  
NATIONAL ASSOCIATION, AS MASTER  
TRUSTEE, ADEQUATE PROTECTION;  
AND (III) GRANTING RELATED  
RELIEF**

Date: August 17, 2023

Time: 9:00 a.m.

Judge: Sandra R. Klein

Place: Zoom.Gov

This Order (I) Authorizing the above-captioned debtors and debtors in possession  
(collectively, the "Debtors") to Use the Cash Collateral of U.S. Bank Trust Company National  
Association, as master trustee and bond trustee of certain bonds described below (collectively the

<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 “Master Trustee”); (II) Providing the Master Trustee, Adequate Protection; and (III) Granting  
2 Related Relief (this “Final Order”) is entered upon the *Debtors’ Emergency Motion for Entry of an*  
3 *Order Granting Debtors’ Emergency Motion (I) Approving Debtors’ Use of Cash Collateral; and*  
4 *(II) Scheduling a Final Hearing on the Use of Cash Collateral* (the “Motion”)<sup>2</sup> [Docket No. 27]  
5 filed on April 20, 2023; upon the First Day Declaration, and upon the terms agreed to by the Debtors  
6 and the Master Trustee.  
7

8 This Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and having  
9 found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); that it may enter a final order  
10 consistent with Article III of the United States Constitution; that venue of this proceeding and the  
11 Motion in this district is permissible pursuant to 28 U.S.C. §§ 1408 and 1409; that the relief  
12 requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other  
13 parties in interest; that the Debtors’ notice of the Motion and opportunity for a hearing on the  
14 Motion were appropriate under the circumstances and no other notice need be provided; and this  
15 Court having reviewed the Motion and having heard the statements in support of the relief requested  
16 therein at a hearing before this Court on April 21, 2023 at 2:00 p.m. and June 21, 2023 at 8:30 a.m.;  
17 and this Court having determined that the legal and factual bases set forth in the Motion and at the  
18 Hearing establish just cause for the relief granted herein and after due deliberation and sufficient  
19 cause appearing therefor, the Court makes the following findings of fact and rulings of law:  
20  
21

22 **The Debtors’ Chapter 11 Case; Procedural Background; Jurisdiction; Notice**

23 A. On April 19, 2023 (the “Petition Date”), the Debtors filed their voluntary petitions for  
24 relief under chapter 11 of the Bankruptcy Code and thereby commenced these cases thereunder  
25 (collectively, the “Chapter 11 Case”). The Debtors are operating their respective businesses and  
26 managing their respective properties as debtors in possession pursuant to sections 1107(a) and 1108  
27

28  
<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.  
ACTIVE 689425675v7

1 of the Bankruptcy Code. These cases have not been substantively consolidated. No request has been  
2 made for the appointment of a trustee or examiner.

3 B. On May 16, 2023, the United States Trustee filed the *Amended Notice of Appointment*  
4 *and Appointment of Committee of Unsecured Creditors Holding Unsecured Claims* [Docket No.  
5 263] appointing the official committee of unsecured creditors pursuant to 11 U.S.C. § 1102(a) (the  
6 “Committee”).  
7

8 C. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core  
9 proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper before this Court under 28 U.S.C.  
10 §§ 1408 and 1409.

11 D. One of the Debtors, Beverly Community Hospital Association (the “Association”),  
12 owns and operates an acute care hospital (“Beverly Hospital”) located in the City of Montebello,  
13 California. Beverly Hospital is a 224-bed licensed acute care hospital with 194 beds offering a full  
14 range of services, including comprehensive diagnostic and treatment options.  
15

16 E. One of the other Debtors, Montebello Community Health Services, Inc. (“MCHS”)  
17 owns and operates a medical office building which houses physician’s offices, an outpatient  
18 medical center and certain rental properties.  
19

20 F. The third Debtor, the Beverly Hospital Foundation (the “Foundation”), is a California  
21 nonprofit public benefit corporation and a tax-exempt organization under the Internal Revenue  
22 Code.

23 G. This Court held a hearing to consider granting the relief requested in the Motion on an  
24 interim basis on April 21, 2023 (“Initial Hearing”), following which, this Court entered an order  
25 [Docket No. 124] based on its consideration of the Motion, the arguments of counsel, the evidence  
26 adduced at the Initial Hearing, and the record before it.

27 H. The Debtors and the Master Trustee agreed to a further extension of the use of cash  
28

1 collateral on the terms set forth in a second interim order [Docket No. 159], a third extension of the  
2 use of cash collateral on the terms set forth in a third interim order [Docket No. 203], and a fourth  
3 extension of the use of cash collateral on the terms set forth in a fourth interim order [Docket No.  
4 264] (the four interim orders described in Recital H, collectively, the “Interim Orders”). The  
5 consensual use of Cash Collateral under the Interim Orders ran through 5:00 p.m. Pacific time on  
6 May 24, 2023.  
7

8 I. This Court held a hearing to consider the Motion on a final basis on May 24, 2023,  
9 which hearing was continued on subsequent occasions to May 31, 2023, June 7, 2023 and June 21,  
10 2023 and the consensual use of cash collateral was continued to 5:00 p.m. Pacific time on each of  
11 those hearing dates and is currently effective through and to 5:00 p.m. on August 17, 2023, under  
12 the same terms as provided in the Interim Orders pending the entry of a final order following the  
13 continued hearing (the “Final Hearing”).  
14

#### 15 **The Secured Bond Obligations**

16 J. Each of the Debtors is a member of an obligated group that is obligated to the Bond  
17 Trustee (defined below) for the benefit of the beneficial holders (the “Bondholders”) of the Bonds  
18 (as defined below) authorized and issued by the California Statewide Communities Development  
19 Authority (the “Issuer”) for the benefit of the Debtors.  
20

21 K. In 2015, the Issuer issued its \$39,725,000 Revenue Bonds (Beverly Community  
22 Hospital Association), Series 2015 (the “Series 2015 Bonds”) pursuant to a certain Master Trust  
23 Indenture dated as of December 1, 2015 (as supplemented and amended, the “Master Trust  
24 Indenture”) among the three Debtors and U.S. Bank National Association, as master trustee (in  
25 such capacity, the “Master Trustee”), and a Bond Indenture, dated as of December 1, 2015 (the  
26 “2015 Bond Indenture”) between the Issuer and U.S. Bank National Association, as the bond trustee  
27 thereunder (in such capacity, the “2015 Bond Trustee”). The proceeds of the Series 2015 Bonds  
28



1 were loaned by the Issuer to the Association pursuant to a Loan Agreement, dated as of December  
2 1, 2015 (the “2015 Loan Agreement”) between the Issuer and the Association.

3 L. In 2017, the Issuer issued its \$19,840,000 Revenue Bonds (Beverly Community  
4 Hospital Association), Series 2017 (the “Series 2017 Bonds”; and together with the Series 2015  
5 Bonds, the “Bonds”) pursuant to the Master Trust Indenture, and a Bond Indenture, dated as of May  
6 1, 2017 (the “2017 Bond Indenture”; and together with the 2015 Bond Indenture, the “Bond  
7 Indentures”) between the Issuer and U.S. Bank National Association, as trustee thereunder (in such  
8 capacity, the “2017 Bond Trustee”, and together with its capacity as the 2015 Bond Trustee, the  
9 “Bond Trustee”). The proceeds of the Series 2017 Bonds were loaned by the Issuer to the  
10 Association pursuant to a certain Loan Agreement, dated as of May 1, 2017 (the “2017 Loan  
11 Agreement”; and together with the 2015 Loan Agreement, the “Loan Agreements”) between the  
12 Issuer and the Association.

13  
14  
15 M. U.S. Bank Trust Company National Association is the successor to U.S. Bank National  
16 Association in its role as the Master Trustee, the 2015 Bond Trustee and the 2017 Bond Trustee  
17 and is referred to herein as the Master Trustee in those capacities.

18 N. To secure the obligations of the Debtors under the Master Trust Indenture, the Bond  
19 Indentures and the Loan Agreements, the Master Trustee has a security interest, lien and mortgage  
20 on substantially all of the Association’s assets pursuant to (i) the Master Indenture and (ii) a Deed  
21 of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of December 1,  
22 2015, by the Association as trustor, to Chicago Title Company, a California corporation, as trustee,  
23 for the benefit of U.S. Bank, National Association, as master trustee under the Master Trust  
24 Indenture (the “Deed of Trust”).

25  
26 O. Pursuant to the Master Trust Indenture, the Master Trustee also holds a security interest  
27 in the Gross Receivables (as defined in the Master Trust Indenture as the accounts, chattel paper,  
28

1 instruments and general intangibles (all as defined in the Cal. Comm. Code § 9101 *et seq.* (the  
2 “UCC”))) of each of the Association, the Foundation and MCHS. All of the collateral described in  
3 this Paragraph is referred to as the “Prepetition Collateral”. The Master Trustee’s liens on the  
4 Prepetition Collateral are referred to herein as the “Prepetition Liens”. The Master Trust Indenture,  
5 the Bond Indentures, the Loan Agreement, the Deed of Trust, and any other documents executed  
6 in connection with such documents (including the Hanmi Loan Agreement (defined below) and  
7 any other documents executed in connection with that agreement), or the Bonds are referred to  
8 herein as the “Indenture Documents”.

10 P. Pursuant to a Fourth Supplemental Master Indenture, dated as of August 1, 2019,  
11 between the Association, as the obligated group representative, and U.S. Bank National  
12 Association, as master trustee, the Debtors became obligated to Hanmi Bank under a Revolving  
13 Loan Agreement, dated as of August 1, 2019, between the Association and Hanmi Bank (the  
14 “Hanmi Loan Agreement”). The obligations under the Hanmi Loan Agreement are further  
15 memorialized by that certain Revolving Promissory Note, dated August 1, 2019, issued by the  
16 Association in favor of Hanmi Bank in the principal amount of \$10,000,000 (the “Note”). The  
17 obligations of the Debtors under the Hanmi Loan Agreement and the Note are *pari passu* with their  
18 obligations under the other Indenture Documents and are secured by the liens in favor of the Master  
19 Trustee thereunder.  
20

22 Q. The Master Trustee has the right to enforce the Debtors’ obligations under the Indenture  
23 Documents, pursuant to its rights under the Master Indenture, the Loan Agreements and the other  
24 Indenture Documents (collectively, the “Obligations”).

25 R. For the avoidance of doubt, the provisions in paragraphs J through Q above are subject  
26 to the terms of paragraph 29 hereof.  
27  
28

**The Claim on the Obligations**

S. The Debtors stipulate that as of the Petition Date, the amounts due and owing under the Bonds, the Note and Indenture Documents (collectively, the “Claim on the Obligations”) are not less than the amounts shown below. The unpaid interest calculation is as of the Petition Date:

- (i) unpaid principal on account of the Series 2015 Bonds in the amount of \$35,620,000;
- (ii) accrued but unpaid interest on the Series 2015 Bonds in the amount of \$381,799.17, which interest continues to accrue on the Series 2015 Bonds at a per diem rate of \$4,894.87;
- (iii) unpaid principal on account of the Series 2017 Bonds in the amount of \$19,400,000;
- (iv) accrued but unpaid interest on the Series 2017 Bonds in the amount of \$438,471.25, which interest continues to accrue on the Series 2017 Bonds at a per diem rate of \$2,609.95;
- (v) unpaid principal on account of the Note in the amount of \$10,000,000;
- (vi) accrued but unpaid interest on the Note in the amount of \$ 32,569.45, which interest continues to accrue on the Note at a per diem rate of \$1,666.67 through May 3 and \$1,736.11 starting May 4; and
- (v) unliquidated, accrued and unpaid fees and expenses of the Master Trustee and its professionals. Such amounts when liquidated shall be added to the Obligations.

The Master Trustee reserves any and all rights to amend the Claim on the Obligations, which as of the Petition Date totals \$65,872,839.87 in outstanding principal and accrued interest. Nothing herein shall be deemed to be a waiver of such rights. In the event the Master Trustee amends the Claim on the Obligations to increase the amount set forth in (i) through (vi) above, the Debtors may challenge any amounts in excess of (i) through (vi) as set forth above.

For the avoidance of doubt, this paragraph S is subject to the terms of paragraph 29 hereof.

**Use of Cash Collateral and Need for Adequate Protection**

T. The Debtors have requested the use of the Master Trustee’s Cash Collateral (as defined below) in connection with the Chapter 11 Case to preserve the value of its assets while such assets are marketed for a potential sale. Pursuant to the Bankruptcy Code, the Debtors are required to provide adequate protection to the Master Trustee for the use of such Cash Collateral. The Master

1 Trustee has informed the Debtors and the Court that the Master Trustee does not consent to the use  
2 of Cash Collateral except upon the terms and conditions of this Final Order.

3 U. Without the use of Cash Collateral, the Debtors would suffer immediate and irreparable  
4 harm and would likely be required to cease operations immediately or, at a minimum, the Debtors'  
5 inability to use Cash Collateral would disrupt the Debtors as a going concern and would otherwise  
6 not be in the best interests of the Debtors, their patients, or their creditors, including the Master  
7 Trustee. In lieu of giving the Master Trustee relief from the automatic stay or attempting to obtain  
8 this Court's approval for use of Cash Collateral (as defined below) on a non-consensual basis, the  
9 Debtors wish to provide adequate protection of the liens and security interests of the Master Trustee  
10 in Cash Collateral and other Prepetition Collateral on the terms set forth in this Final Order,  
11 reflecting the agreement of the Debtors and the Master Trustee.  
12

13  
14 V. The Master Trustee is willing to consent to the use of its Cash Collateral by the Debtors  
15 on the terms set forth in this Final Order, including that Cash Collateral is used solely in the amounts  
16 and categories set forth in the Budget (as defined below).

17 W. The terms of the proposed use of Cash Collateral, and this Final Order are fair and  
18 commercially reasonable, reflect the Debtors' prudent exercise of business judgment consistent  
19 with their fiduciary duties and constitute reasonably equivalent value and fair consideration. Good  
20 cause has been shown for the entry of this Final Order.  
21

22 X. To the extent any portion of the foregoing constitute rulings of law, they shall constitute  
23 this Court's rulings with respect to the matters so stated.

24 **NOW, THEREFORE, THE COURT HEREBY ORDERS AS FOLLOWS:**

25 1. Disposition. The Motion is granted on the terms set forth in this Final Order. Any  
26 objections to the relief sought in the Motion that have not been previously resolved or withdrawn,  
27 and all reservations of rights contained therein, are overruled on the merits.  
28

1           2.     Jurisdiction. This Court has jurisdiction over this matter pursuant to 28 U.S.C.  
2     §§ 157(b) and 1334, and this matter constitutes a core proceeding as defined in 28 U.S.C.  
3     § 157(b)(2). Venue is proper before this Court under 28 U.S.C. §§ 1408 and 1409. The Debtors  
4     have operated their businesses and managed their properties as Debtors in possession pursuant to  
5     11 U.S.C. §§ 1107 and 1108.

6  
7           3.     Notice. The Debtors have properly served notice of the Motion and the final hearing  
8     thereon pursuant to Sections 102, 361, 362, and 363 of the Bankruptcy Code, Bankruptcy Rules  
9     2002 and 4001, and the local rules of the Bankruptcy Court (the “Local Rules”), which notice was  
10    sent to, among others: (i) the thirty (30) largest unsecured creditors of the Debtors on a consolidated  
11    basis; (ii) the Office of the United States Trustee for the Central District of California; (iii) counsel  
12    to the DIP Lender; (iv) the Office of the Attorney General of California; (v) the Prepetition Secured  
13    Creditors and their counsel, including the Master Trustee; (vi) all other parties with liens of record  
14    on assets of the Debtors (as disclosed in lien searches completed by the Debtors prior to the Petition  
15    Date); and (vii) any other party that has filed a request for notice pursuant to Bankruptcy Rule 2002  
16    or is required to receive notice under Bankruptcy Rules 2002, 4001, or 9014 and any applicable  
17    Local Rules. This notice is appropriate in the particular circumstances and is sufficient for all  
18    purposes under the Bankruptcy Code and the applicable Bankruptcy Rules and Local Rules in  
19    respect to the relief requested.  
20  
21

22           4.     Good Cause. Good cause has been shown for entry of this Final Order.

23           5.     Authorization to Use Cash Collateral. The Debtors are authorized to use cash  
24    collateral (as defined in Section 363 of the Bankruptcy Code) including Gross Receivables (as  
25    defined in the Master Trust Indenture) (the “Cash Collateral”), until the earlier of (i) the Debtors’  
26    ability to use Cash Collateral terminates as the result of the occurrence of a Termination Event (as  
27    set forth below); (ii) October 17, 2023; or (iii) such other date as agreed to in a pleading signed by  
28

1 the Master Trustee and filed in the Bankruptcy Court and served upon all parties entitled to notice  
2 in accordance with Paragraph 3 hereof), unless extended by further order of the Court. Such use of  
3 Cash Collateral is only permitted in accordance with the terms of this Final Order except as it may  
4 modified by agreement of the Master Trustee and the Debtors in consultation with the Committee,  
5 and subject to further order of the Court.  
6

7 6. Budget. The Debtors' use of Cash Collateral shall be limited solely to the categories  
8 of expenses listed in the Budget attached to Docket No. 653 (the "Budget"), as may be amended  
9 from time to time with the prior written approval of the Master Trustee, subject to Permitted  
10 Variances. The Debtors shall deliver to the Master Trustee, the DIP Lender and the Committee  
11 Variance Reports and Compliance Certificates (as defined in the DIP Credit Agreement<sup>3</sup>) in  
12 accordance with the terms and on the dates set forth in the DIP Credit Agreement. From time to  
13 time upon reasonable request of the DIP Lender or the Master Trustee, the Debtors and their  
14 advisors shall participate in status calls with the Master Trustee, the DIP Lender and its  
15 professionals and advisors (but in no event less than on a bi-weekly basis), to discuss the financial  
16 operations and performance of the Debtors' business and such other matters relating to the Debtors  
17 as the DIP Lender (or its agents or advisors) shall reasonably request. "Permitted Variances" from  
18 the Budget shall mean (i) Actual Cash Receipts during any Applicable Measurement Period (as  
19 defined in the DIP Credit Agreement) shall not be less than 85% of the Budgeted Cash Receipts  
20 (as defined in the DIP Credit Agreement) for such Applicable Measurement Period, and (ii) the  
21 Actual Disbursement Amount (as defined in the DIP Credit Agreement) on a total-disbursements  
22 basis shall not exceed 115% of the Budgeted Disbursement Amount (as defined in the DIP Credit  
23 Agreement) for such Applicable Measurement Period (on a total-disbursements basis). For the  
24 avoidance of doubt, in the event that the use of Cash Collateral under this Final Order is terminated  
25  
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<sup>3</sup> The DIP Credit Agreement is attached as an exhibit to Docket No. 31.  
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1 for any reason, the Debtors may use Cash Collateral to pay expenses (other than estate professional  
2 fees) incurred in the operation of the Beverly Hospital subject to agreement of the Master Trustee  
3 and the Debtors as to a budget (the "Trailing Expenses Budget"). To the extent such parties are  
4 unable to reach an agreement on the Trailing Expenses Budget, the Court will determine such  
5 budget upon an expedited motion of either party. Any and all rights of the Committee with respect  
6 to the Trailing Expenses Budget, including the right to object thereto, are expressly reserved and  
7 preserved. Subject to further order of the Court, the Debtors shall not be permitted to make any  
8 payments to professionals under the terms of this Final Order using Cash Collateral. The Master  
9 Trustee reserves all rights to object to the retention of estate professionals.  
10

11 7. Exclusion from Cash Collateral. No party, other than the Debtors, may use the Cash  
12 Collateral of the Master Trustee. The Debtors are not authorized to use and shall not use any Cash  
13 Collateral not derived in the ordinary course of the Debtors' operations.  
14

15 8. Prohibited Use of Cash Collateral. Except as expressly provided in this Final Order  
16 (including paragraph 29), no Cash Collateral or proceeds thereof shall be used for the purpose of:  
17 (i) objecting to, or contesting in any manner, or raising any defense to, the validity, amount, extent,  
18 perfection, priority, or enforceability of the Bonds, the Prepetition Collateral, the Claim on the  
19 Obligations, or any liens or security interests with respect thereto, or any other rights or interests of  
20 the Master Trustee therein; (ii) asserting any claims or defenses or causes of action arising out of,  
21 based upon, or related to, in whole or in part, the Bonds or the Indenture Documents, against the  
22 Master Trustee, the Bondholders in their capacity as such, or their respective agents, affiliates,  
23 subsidiaries, directors, officers, representatives, attorneys or advisors including, without limitation,  
24 any actions under Chapter 5 of the Bankruptcy Code, including with respect to payments made  
25 pursuant to the Indenture Documents; (iii) paying any material amounts on account of claims  
26 arising before the Petition Date, except to the extent provided for in the Budget and approved by  
27  
28

1 the Court; (iv) seeking to modify any of the rights granted to the Master Trustee hereunder; (v)  
2 seeking to bifurcate any claims of the Master Trustee; or (vi) after the filing of a proposed disclosure  
3 statement relating to a plan of reorganization of liquidation not consented to by the Master Trustee,  
4 taking any actions in pursuit of confirmation of such a plan.  
5

6 9. Amendment or Extension of Budget. The Debtors in consultation with the  
7 Committee may, at any time, propose to the Master Trustee in writing (including by email) an  
8 amended Budget, for the period covered by this Final Order. Any such proposed amendment or  
9 modification of the terms and conditions, or any amendment, modification, roll-forward or  
10 replacement of the Cash Collateral Budget itself, shall be subject to the prior written consent of the  
11 Master Trustee. At such time as the amended budget becomes the Budget, the Debtors shall file a  
12 copy thereof with this Court and serve it upon all parties entitled to notice in accordance with  
13 Bankruptcy Rule 4001(b). Any party in interest, including the Committee, shall have seven (7)  
14 days to object to any amended Budget filed with the Court hereunder. If an objection is timely  
15 filed, the Court shall set a hearing on the objection as soon as practicable. If no objection is timely  
16 filed to any amended Budget, then the amended Budget shall become the Budget for purposes of  
17 this Final Order, with respect to use of Cash Collateral. In the event of a dispute concerning the  
18 Budget, all rights of the Debtors, the Committee, and the Master Trustee shall be and are reserved.  
19

20 10. Rollover Lien. Except as otherwise provided in this paragraph 10 and subject to  
21 paragraph 29, as further adequate protection for any diminution in the value of Cash Collateral and  
22 other Prepetition Collateral resulting from the Debtors' use thereof after the Petition Date  
23 ("Diminution"), and solely to the extent of any Diminution, the Master Trustee shall have a valid,  
24 perfected, and enforceable replacement lien and security interest (the "Rollover Lien") in all assets  
25 of the Debtors existing on or after the Petition Date of the same type as the Prepetition Collateral,  
26 together with the proceeds, rents, products, and profits thereof, whether acquired or arising before  
27  
28



1 or after the Petition Date, to the same extent, validity, perfection, enforceability, and priority of the  
2 liens and security interests of the Master Trustee as of the Petition Date (the “Postpetition Bond  
3 Collateral”). The Rollover Lien shall be subject and subordinate to only prior valid and perfected  
4 liens existing as of the Petition Date that were senior to the liens of the Master Trustee on the  
5 Petition Date. The Rollover Lien shall be exclusive of and not attached to the Aggregate Excluded  
6 Assets (as defined herein) but shall include and attached to the Potential Master Trustee Claims (as  
7 defined herein).  
8

9 11. Supplemental Lien. As additional adequate protection and in consideration for the  
10 use of Cash Collateral, the Master Trustee shall have a valid, perfected and enforceable continuing  
11 supplemental lien and security interest to the extent of any Diminution in all of the assets of the  
12 Debtors of any kind or nature whatsoever within the meaning of Section 541 of the Bankruptcy  
13 Code, whether acquired or arising prepetition or postpetition, together with all proceeds, rents,  
14 products, and profits thereof (the “Supplemental Collateral”; and, collectively with the Postpetition  
15 Bond Collateral, the “Collateral”). The Supplemental Lien shall be subject to only (i) prior valid  
16 and perfected liens existing as of the Petition Date, and (ii) the liens granted to the debtor in  
17 possession lender HRE Montebello, LLC pursuant to the Final DIP Financing Order solely with  
18 respect to assets that do not constitute Prepetition Collateral as of the Petition Date. The  
19 Supplemental Liens shall be exclusive of causes of action under Chapter 5 of the Bankruptcy Code  
20 and proceeds thereof with the exception of any causes of action pursuant to Section 542 of the  
21 Bankruptcy Code) unless liens in such causes of action are granted to another creditor in this  
22 Bankruptcy Case in which case the Supplemental Lien shall extend to such causes of action.  
23  
24

25 12. No Further Action Required. The approval of this Final Order by the Court shall be  
26 sufficient and conclusive evidence of the validity, extent, enforceability, and perfection of the  
27 Rollover Lien and the Supplemental Lien granted to the Master Trustee, whether or not the Master  
28

1 Trustee elects to file or record financing statements or any other documents that may otherwise be  
2 required under federal or state law in any jurisdiction, or to take such other steps as may otherwise  
3 be required to obtain, evidence, or perfect such liens under applicable law; provided, however, that  
4 upon the request of the Master Trustee, the Debtors shall execute such other documents as may be  
5 reasonably requested to evidence and perfect such liens. The Master Trustee may, in its sole  
6 discretion, but shall not be required to, file a certified copy of this Final Order in any filing or  
7 recording office in any jurisdiction in which the Debtors have real or personal property. The  
8 Debtors are authorized and directed to execute, or cause to be executed, all such financing  
9 statements or other documents upon the Master Trustee's reasonable request. Such filing or  
10 recording shall be accepted and shall constitute further evidence of perfection of the Master  
11 Trustee's liens and security interests on and in the Debtors' assets. Subject to paragraph 29, no  
12 obligation, payment, transfer, or grant of security under this Final Order shall be stayed (other than  
13 by court order in an appeal from this Final Order), restrained, voidable, avoidable, or recoverable  
14 under the Bankruptcy Code or under any otherwise applicable state law, or subject to any defense,  
15 reduction, setoff, recoupment, or counterclaim.

18 13. Superpriority Claim. Subject to paragraph 29, as additional adequate protection for  
19 any Diminution, the Master Trustee shall have a superpriority administrative expense claim pursuant  
20 to Section 507(b) of the Bankruptcy Code with recourse to and payable from any and all assets of  
21 the Debtors' estates (excluding the Aggregate Excluded Assets but including the Potential Master  
22 Trustee Claims) (the "Superpriority Claim"). Except for the Carveout, the Superpriority Claim shall  
23 have priority, pursuant to Section 507(b) of the Bankruptcy Code, over any and all administrative  
24 expenses, diminution claims (except the DIP Lender diminution claim to which the Master Trustee's  
25 Superpriority Claim is *pari passu*), and all other claims against the Debtors, now existing or hereafter  
26 arising, of any kind whatsoever, including, without limitation, all other administrative expenses of  
27  
28

1 the kind specified in Section 503(b) of the Bankruptcy Code, and over any and all administrative  
2 expenses or other claims arising under Sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a),  
3 507(b), 546, 726, 1113, or 1114 of the Bankruptcy Code, and shall at all times be senior to the  
4 rights of the Debtors, any successor trustee, or any creditor in this Chapter 11 Case, whether or  
5 not such expenses or claims may become secured by a judgment lien or other non-consensual  
6 lien, levy, or attachment, provided however that the Superpriority Claim shall be *pari passu* with  
7 any administrative claims of the DIP Lender.  
8

9 14. Adequate Protection Payments. In consideration for the use of Cash Collateral, the  
10 Debtors shall make adequate protection payments in the amounts and at the times set forth in the  
11 Budget (the "Adequate Protection Payments"). To the extent it is determined by final order that the  
12 value of the Master Trustee's Prepetition Collateral did not exceed the allowed secured claim of  
13 the Master Trustee in these cases, the Adequate Protection Payments (net of any allowed  
14 Diminution claim of the Master Trustee) shall be deemed to reduce the allowed amount of such  
15 secured claim.  
16

17 15. Aggregate Excluded Assets. No Rollover Lien, Supplemental Lien, Superpriority  
18 Claim or any other lien or claim granted pursuant to this Final Order shall attach to or be asserted  
19 against the following assets of the Debtors: (i) causes of action under Chapter 5 of the Bankruptcy  
20 Code or applicable state law equivalents and the proceeds thereof, and (ii) any pre-petition or post-  
21 petition commercial tort claims (as such term is defined in the Uniform Commercial Code as in  
22 effect in the State of California) and the proceeds thereof, including, without limitation, any and all  
23 causes of action (and the proceeds thereof) against (a) current and former trustees, directors,  
24 officers, managers, and members of the Debtors, (b) any of the Debtors' auditors, accountants or  
25 other professionals and consultants, and/or (c) the Debtors' affiliates or related persons and entities  
26 ((i) and (ii) together, the "Aggregate Excluded Assets"). To the extent that any Aggregate Excluded  
27  
28

1 Assets constitute claims or causes of action that, as determined by a final court order, (i) do not  
2 constitute property of a Debtors' estate, (ii) constitute Prepetition Collateral, and/or are claims or  
3 causes of action that are personal to the Master Trustee (the "Potential Master Trustee Claims"),  
4 then such Potential Master Trustee Claims shall not be included in the definition of Aggregate  
5 Excluded Assets.  
6

7 16. Prosecution of Sale. The Debtors have filed a motion to sell substantially all of their  
8 assets, and a motion to approve sale procedures relating to the sale of such assets (collectively, the  
9 "Sale Motion"). As further adequate protection of the Master Trustee's interests in the Cash  
10 Collateral, the Debtors shall keep the Master Trustee informed on a current basis of the status of all  
11 offers received (whether written or oral) for any of the Collateral and shall provide the Master  
12 Trustee copies of all such offers within one business day after receipt subject to reasonable  
13 confidentiality restrictions. Such information shall also be concurrently provided to the Committee  
14 subject to reasonable confidentiality restrictions. Nothing herein shall be interpreted to be the  
15 consent of the Master Trustee or the Committee to the Sale Motion, and the Master Trustee and  
16 the Committee reserve all rights to object thereto.  
17

18 17. Notice of Pleadings. As further adequate protection of the Master Trustee's interests  
19 in the Cash Collateral, and in contemplation for the use of Cash Collateral, the Debtors shall give  
20 the Master Trustee at least two (2) business' days advanced notice of their filing of any motions,  
21 oppositions, applications, stipulations or other documents in the Chapter 11 Case that affect, relate  
22 to or bear upon the Collateral.  
23

24 18. Allowance of Claim. Subject to paragraph 29 below, the entry of this Final Order  
25 by the Court shall be a conclusive and binding determination on all parties (x) as to the amount and  
26 validity of the Claim on the Obligations, and (y) as to the scope, extent, perfection, validity, and  
27 enforceability, in all respects, of the Master Trustee's security interests and liens in the Prepetition  
28

1 Collateral, including, without limitation, the Cash Collateral; provided, however, that to the extent  
2 it is determined by final order that the value of the Master Trustee's Prepetition Collateral did not  
3 exceed the allowed secured claim of the Master Trustee in these cases, interest that otherwise would  
4 have accrued on the Claim on the Obligations following the petition date shall not be allowed.

5  
6 19. Financial Information. As further additional adequate protection of the Master  
7 Trustee's security interests in the Cash Collateral and the Prepetition Collateral, the Debtors shall  
8 allow the Master Trustee and its professionals and designees reasonable access, during normal  
9 business hours and on not less than 72 hours' notice, to the premises, officers, auditors, appraisers  
10 and financial advisors of the Debtors in order to conduct appraisals, analyses and/or audits of the  
11 Prepetition Collateral and the Collateral, and shall otherwise reasonably cooperate in providing any  
12 other financial and operating information requested by the Master Trustee. From and after the entry  
13 of this Final Order, the Debtors shall provide to the Master Trustee and the Committee the financial  
14 information to be provided to the DIP Lender pursuant to the Final DIP Financing Order on  
15 Thursday of each week, including any and all reports that the Debtors provide to the DIP Lender.  
16 The Debtors shall inform the Committee if the Master Trustee is granted access to the Debtors'  
17 premises and provide the Committee with a copy of all information provided to the Master Trustee  
18 pursuant to this Paragraph 19.  
19

20  
21 20. Compliance With Indenture Documents. As further adequate protection against  
22 Diminution, the Debtors shall comply with the following terms and provisions of the Indenture  
23 Documents:

24 **Bond Document Covenants**

25 **Loan Agreements**

26 Section 5.01 (relating to Prohibited Uses)

27 Section 5.05 (relating to Tax Covenant)

28 Section 5.06 (relating to Continuing Disclosure), except that the Debtors shall file  
unaudited financial information if audited financial information is not available

Section 5.08 (relating to Special Services Covenant)  
Section 5.09 (relating to Compliance with Bond Indenture)

**Master Trust Indenture**

Section 3.12 (Insurance)

**Supplements to Master Trust Indenture**

Section 3.1 (relating to Tax Exempt Status)

**Bond Indentures**

Section 6.06 (relating to Tax Covenant)  
Section 6.11 (relating to continuing disclosure), except that the Debtors shall file  
unaudited financial information if audited financial information is not available

**Deed of Trust**

Section 5.2 (relating to payment of Taxes)  
Section 5.4 (relating to Insurance)

The requirements of this Final Order shall be in addition to, and not in substitution for, the terms and provisions of the Indenture Documents set forth in this Paragraph; provided, however, in the event of any inconsistency between the Indenture Documents and this Final Order, the terms of this Final Order shall control. Prior to declaring a Termination Event (defined below) for failure by the Debtors to comply with the terms and provisions above, the Master Trustee shall provide the Debtors and the Committee with at least five (5) business days written notice of the Master Trustee's determination that the Debtors are not in compliance with any of the above terms and provisions. Each of the Committee and the Debtors reserves and preserves all rights and objections with respect thereto, including without limitation, the right to assert that the Debtors have remained in compliance with the terms and provisions of the Indenture Documents or that such compliance is impractical in light of the Debtors' chapter 11 cases.

21. Termination of Use of Cash Collateral With Notice. A Termination Event shall be deemed to have occurred five (5) business days after written notice sent by the Master Trustee

1 to the Debtors, the Committee, their counsel, and the United States Trustee of the occurrence of  
2 any of the following (a "Termination Event"):

- 3 (i) the Debtors' disbursements, measured in the aggregate, exceed the disbursements  
4 set forth in the Budget (or any subsequently approved Budget), as applicable, for any  
5 Testing Period by more than the Permitted Variance;
- 6 (ii) the failure of the Debtors to pay, within ten (10) days of the applicable due date,  
7 all undisputed administrative expenses in full in accordance with their terms as provided  
8 for in the Budget except for any expenses under sections 503(b)(9) or 546(c) of the  
9 Bankruptcy Code;
- 10 (iii) the failure of the Debtors to timely pay all fees due under 28 U.S.C. § 1930;
- 11 (iv) by no later than August 23, 2023, the Bankruptcy Court shall have entered an  
12 order approving the sale of all or substantially all of the Debtors' assets;
- 13 (v) the termination of any Court-approved agreement regarding the sale of  
14 substantially all of the Debtors' assets;
- 15 (vi) the failure of the Debtors to maintain sufficient insurance on the Master Trustee's  
16 collateral as required under the Indenture Documents; or
- 17 (vii) the failure of the Debtors to comply with, keep, observe, or perform any of their  
18 agreements or undertakings under this Final Order (unless a different termination period  
19 is specified for such agreement or undertaking).

20 Unless prior to the expiration of the five (5) business day period described in this paragraph 21 the  
21 Debtors have cured the Termination Event(s) specified in the Master Trustee's notice, or obtained  
22 an order of this Court, on notice to and with the opportunity to be heard by the Master Trustee, that  
23 no such Termination Event has occurred, the authority of the Debtors to use Cash Collateral  
24 hereunder shall terminate without further action of any kind (the "Termination Date"), without  
25 prejudice to the Debtors and other parties in interest (including the Committee) seeking an order of  
26 this Court for the continued use of Cash Collateral on a non-consensual and expedited basis. In the  
27 event the Master Trustee provides notice to the Debtors that a Termination Event has occurred  
28 under this Paragraph 21, the Debtors shall schedule a status conference within the five (5) business  
day period and request that such status conference be held during such period to discuss the  
outstanding issues related to the proceedings with the Court.

1           22.    Termination of Use of Cash Collateral Without Prior Notice. The Debtors' authority  
2 to use Cash Collateral hereunder shall terminate without any further action by this Court, and a  
3 Termination Event shall occur without prior notice, upon the occurrence of any of the following  
4 (also a "Termination Event"):

5                   (i)     the Chapter 11 Case is dismissed or converted to a case under  
6 Chapter 7 of the Bankruptcy Code;

7                   (ii)    the Debtors fail to make the Adequate Protection Payments when  
8 due, and such failure continues for three (3) business days following notice  
9 to the Debtors by the Master Trustee;

10                  (iii)   the earlier of (y) the date of the entry of an order of this Court  
11 appointing a Chapter 11 trustee or an examiner with enlarged powers  
12 (beyond those set forth in Sections 1104(c) and 1106(a)(3) and (4) of the  
13 Bankruptcy Code) for the Debtors; or (z) the date the Debtors file a  
14 motion, application, or other pleading consenting to or acquiescing in any  
15 such appointment;

16                  (iv)    an order is entered in the Chapter 11 Case over the objection of the  
17 Master Trustee approving financing pursuant to Section 364 of the  
18 Bankruptcy Code that would grant an additional security interest or a lien  
19 on any Collateral or granting a superpriority administrative claim that is  
20 equal or superior to the superpriority administrative claim granted to the  
21 Master Trustee under this Final Order; or

22                  (v)     an adversary proceeding or contested matter is commenced or  
23 joined by the Debtors challenging the amount, validity, enforceability,  
24 priority, or extent of the Master Trustee's liens, security interests, or  
25 claims.

26    Upon the occurrence of a Termination Event described in this paragraph 22, the Debtors' authority  
27 to use Cash Collateral hereunder shall automatically terminate, without prejudice to the Debtors  
28 and other parties in interest (including the Committee) seeking an order of this Court for the  
continued use of Cash Collateral on a non-consensual and expedited basis, and all amounts owed  
under the terms of this Final Order and shall be accelerated and immediately due and payable, the  
Master Trustee shall be permitted to exercise all available remedies without further notice or court  
order, and the Master Trustee shall be automatically relieved of any further stay under Section 362



1 of the Bankruptcy Code, or other restriction on enforcement of its prepetition and postpetition liens  
2 and security interests in the Collateral to collect the amounts due (also a "Termination Date").  
3 Following the occurrence of a Termination Event under this Paragraph 22, the Debtors shall  
4 schedule a status conference within five (5) business days after the occurrence of such Termination  
5 Event to discuss the outstanding issues related to the proceedings with the Court. Notwithstanding  
6 the foregoing provision regarding relief from the stay under Section 362 of the Bankruptcy Code,  
7 the Master Trustee shall take no action with respect to the enforcement of its prepetition and  
8 postpetition liens and security interests in the Collateral or to collect the amounts due from the  
9 Debtors until such status conference has been held and the Court has entered an order or otherwise  
10 ruled as the result of such status conference.  
11

12 23. Release of Claims and Causes of Action. Subject to Paragraph 29, on behalf of itself  
13 and the estate, the Debtors reaffirm, and hereby waive, release, and discharge the Master Trustee,  
14 all Bondholders in their capacity as such, and their respective affiliates, agents, attorneys,  
15 professionals, officers, directors, and employees (collectively, the "Released Parties"), from any  
16 and all claims and causes of action arising out of, based upon, or related to, in whole or in part,  
17 the Bonds and the Indenture Documents; any aspect of the prepetition relationship between the  
18 Master Trustee and/or the Bondholders, and the Debtors; and any other acts or omissions by the  
19 Master Trustee and/or the Bondholders in connection with either the Indenture Documents or the  
20 Master Trustee's and/or Bondholders' prepetition relationship with the Debtors. For sake of  
21 clarity, the foregoing release applies only to conduct, acts, omissions that occurred on or prior to  
22 the entry of this Final Order, and the release does not apply to future conduct, acts and omissions.  
23 Further, the Debtors waive any and all rights to object to or contest the amount of the Claim on  
24 the Obligations or the Master Trustee's security interest in the Prepetition Collateral and agree not  
25  
26  
27  
28

1 to challenge that all such claims and security interests have been duly perfected and are in all  
2 respects valid and enforceable first priority security interests and liens.

3 24. Failure of Adequate Protection. Nothing herein shall constitute a waiver, release or  
4 modification of the rights of the Master Trustee to assert a claim under Sections 364(c) and 507(b)  
5 of the Bankruptcy Code and the Committee reserves and preserves all rights, objections and  
6 defenses with respect to such claims by the Master Trustee.  
7

8 25. Deemed Request for Stay Relief. This Final Order shall be deemed to constitute a  
9 request as of the Petition Date by the Master Trustee for relief from the automatic stay with respect  
10 to the Prepetition Collateral for purposes of any request for adequate protection granted hereunder.  
11

12 26. Modification of Stay. The automatic stay imposed by Section 362 of the Bankruptcy  
13 Code is hereby vacated and modified insofar as necessary to permit the Master Trustee to: (i)  
14 receive any payments or distributions made by the Debtors to the Master Trustee for and on behalf  
15 of the Bondholders, (ii) apply, allocate, or make payments from any of the funds or accounts  
16 maintained by the Master Trustee in accordance with the terms of the Indenture Documents, and  
17 (iii) take any action authorized by this Final Order.

18 27. Intentionally Omitted.

19 28. Preservation of Rights. If any or all of the provisions of this Final Order are, at any  
20 time, modified, vacated or stayed, such stay, modification, or vacation shall not affect the validity,  
21 extent, priority, and enforceability of any lien, priority, or other benefit conferred under this Final  
22 Order prior to such stay, modification, or vacation.  
23

24 29. Binding Effect. This Final Order shall be binding on all creditors and parties in  
25 interest in this Chapter 11 Case, including, but not limited to, the Debtors (including any affiliates,  
26 insiders and equity holders and their respective affiliates) and any successors thereto, any Chapter  
27 11 or Chapter 7 trustee that is appointed or elected in this Chapter 11 Cases; provided, however, that  
28

1 this Final Order is without prejudice to the rights of the Committee to investigate and, on behalf of  
2 the Debtors' estates, to assert any types of claims or causes of action, including without limitation,  
3 any claims for affirmative relief against the Master Trustee (a "General Challenge"), other than  
4 those claims challenging the amount, validity, enforceability, priority, or extent of the Master  
5 Trustee's liens, security interests, or claims as provided in the *Order Regarding Stipulation*  
6 *Regarding Certain Challenge Rights of the Committee of Unsecured Creditors* [Docket No. 417]  
7 (the "Challenge Stipulation"), so long as any such General Challenge is made on or before  
8 September 18, 2023, after which time any and all such General Challenges shall be deemed finally  
9 and conclusively barred; provided further that if one or more General Challenge claim is timely  
10 filed under this paragraph 29, then except for such claims, all other claims and causes of action are  
11 hereby deemed forever waived and relinquished. The Committee is hereby granted exclusive  
12 standing and authority to investigate, prosecute and/or settle any General Challenge on behalf of  
13 the Debtors' estates. For the avoidance of doubt, pursuant to the Challenge Stipulation, the  
14 Committee is finally and conclusively barred from bringing any further challenges to the validity,  
15 extent, priority, avoidability under chapter 5 of the Bankruptcy Code, and/or enforceability of the  
16 liens of the Master Trustee; provided, however, that the Committee is authorized to continue to  
17 prosecute those challenges set forth in the Complaint for Determination of Validity, Priority, and  
18 Extent of Liens and Security Interests under 28 U.S.C. §2201(a) filed on June 20, 2023 as adversary  
19 proceeding 2:23-ap-01289 [AP Docket No. 1] in these bankruptcy cases, which complaint may be  
20 amended to include challenges relating to assets (or categories of assets) identified in the letter  
21 provided to counsel for the Master Trustee dated June 20, 2023.

25 30. No Competing Liens. Except as set forth herein or as set forth herein or the Final  
26 DIP Financing Order, the Debtors shall not grant liens on, or security interests in, the Prepetition  
27  
28

1 Collateral or the Collateral to any other party, pursuant to Section 364 of the Bankruptcy Code or  
2 otherwise, without the consent of the Master Trustee.

3 31. Reservation of Rights. Except as provided in this Final Order, none of the Debtors  
4 nor the Master Trustee nor the Committee waives any of its rights under the Bankruptcy Code, any  
5 applicable law, or the Indenture Documents, including, without limitation, the right of the Debtors  
6 or the Master Trustee at any time to seek any relief (or to oppose any such relief) under the  
7 Bankruptcy Code, or the right of the Debtors, the Master Trustee or the Committee to exercise any  
8 of their rights and remedies under the Bankruptcy Code at any time (or to oppose any such relief).  
9

10 32. Further Relief. Nothing herein shall (i) preclude the Master Trustee from seeking  
11 any other relief that it may deem appropriate, including relief from the automatic stay; or  
12 (ii) prevent the Master Trustee from asserting at some later time that its liens and security interests  
13 in the Prepetition Collateral are not being adequately protected and the Committee reserves and  
14 preserves all rights, objections and defenses with respect to such request(s) by the Master Trustee.  
15

16 33. No Third-Party Beneficiaries. Except as expressly provided herein, no rights are  
17 created hereunder for the benefit of any third party, any creditor, or any direct, indirect or incidental  
18 beneficiary except for the Bondholders and Hanmi Bank, as set forth herein.

19 34. Effectiveness. The rights and obligations of the parties under this Final Order shall  
20 be effective and enforceable as of the date of the Petition Date, and, for the avoidance of doubt,  
21 Bankruptcy Rule 6004(h) shall not apply hereto. If any or all of the provisions of this Final Order  
22 are hereafter reversed, modified, vacated or stayed, such reversal, modification, vacatur, or stay  
23 shall not affect (i) the validity, extent, priority, or enforceability of any obligations incurred prior  
24 to the actual receipt of written notice by the Master Trustee of the effective date of such reversal,  
25 modification, vacatur, or stay, or (ii) the validity, extent, or enforceability of the liens and claims  
26 granted hereunder.  
27  
28

1           35. Notices. All notices, requests, demands, waivers, and other communications  
2 required or permitted to be given under this Final Order shall be in writing and shall be deemed to  
3 have been duly given if (a) delivered personally, (b) sent by email, or (c) next-day or overnight  
4 mail or delivery:

5                   (a) If to the Debtors to:

6                               Orrick, Herrington & Sutcliffe LLP  
7                               Attn: Marc A. Levinson  
8                               The Orrick Building  
9                               405 Howard Street  
10                              San Francisco, CA 94105  
11                              Email: malevinson@orrick.com

12                              *Counsel to Debtors and Debtors in Possession*

13                   (b) If to the Master Trustee to:

14                              Greenberg Traurig, LLP  
15                              Attn: Kevin J. Walsh, Colleen A. Murphy and Christopher Marks  
16                              One International Place, Suite 2000  
17                              Boston, MA 02110  
18                              E-mail: Kevin.Walsh@gtlaw.com  
19                                      Colleen.Murphy@gtlaw.com  
20                                      Chris.Marks@gtlaw.com

21                              *Counsel to the Master Trustee*

22                   (c) If to the Committee to:

23                              Dentons US LLP  
24                              Attn: Tania M. Moyron, Samuel R. Maizel, and Rebecca Wicks  
25                              601 South Figueroa Street, Suite 2500  
26                              Los Angeles, CA 90017-5704  
27                              Email: tania.moyron@dentons.com  
28                                      samuel.maizel@dentons.com  
                                    rebecca.wicks@dentons.com

-and-


Sills Cummis & Gross, P.C.  
Attn: Andrew Sherman and Boris Mankovetskiy

One Riverfront Plaza  
Newark, NJ 07102  
E-mail: asherman@sillscummis.com  
bmankovetskiy@sillscummis.com

*Counsel to the Committee*

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Date: August 23, 2023

  
Sandra R. Klein  
United States Bankruptcy Judge