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6 Attorneys for the Chapter 11 Debtors and
7 Debtors In Possession

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

9 In re:
10 VERITY HEALTH SYSTEM OF CALIFORNIA,
INC., *et al.*,
11 Debtors and Debtors In Possession.

Lead Case No. 2:18-bk-20151-ER

Jointly Administered With:

- CASE NO.: 2:18-bk-20162-ER
- CASE NO.: 2:18-bk-20163-ER
- CASE NO.: 2:18-bk-20164-ER
- CASE NO.: 2:18-bk-20165-ER
- CASE NO.: 2:18-bk-20167-ER
- CASE NO.: 2:18-bk-20168-ER
- CASE NO.: 2:18-bk-20169-ER
- CASE NO.: 2:18-bk-20171-ER
- CASE NO.: 2:18-bk-20172-ER
- CASE NO.: 2:18-bk-20173-ER
- CASE NO.: 2:18-bk-20175-ER
- CASE NO.: 2:18-bk-20176-ER
- CASE NO.: 2:18-bk-20178-ER
- CASE NO.: 2:18-bk-20179-ER
- CASE NO.: 2:18-bk-20180-ER
- CASE NO.: 2:18-bk-20181-ER

- 13 Affects All Debtors
- 14 Affects Verity Health System of California, Inc.
- 15 Affects O'Connor Hospital
- 16 Affects Saint Louise Regional Hospital
- 17 Affects St. Francis Medical Center
- 18 Affects St. Vincent Medical Center
- 19 Affects Seton Medical Center
- 20 Affects O'Connor Hospital Foundation
- 21 Affects Saint Louise Regional Hospital Foundation
- 22 Affects St. Francis Medical Center of Lynwood
Foundation
- Affects St. Vincent Foundation
- Affects St. Vincent Dialysis Center, Inc.
- Affects Seton Medical Center Foundation
- Affects Verity Business Services
- Affects Verity Medical Foundation
- Affects Verity Holdings, LLC
- Affects De Paul Ventures, LLC
- Affects De Paul Ventures - San Jose Dialysis, LLC

Chapter 11 Cases

Hon. Judge Ernest M. Robles

**STIPULATION WITH THE CALIFORNIA
ATTORNEY GENERAL APPROVING CERTAIN
LANGUAGE TO BE INCLUDED IN ANY ORDER
APPROVING THE DISCLOSURE STATEMENT
DESCRIBING AMENDED JOINT CHAPTER 11
PLAN OF LIQUIDATION (DATED JUNE 16, 2020)
OF THE DEBTORS, THE PREPETITION
SECURED CREDITORS, AND THE COMMITTEE
[RELATED DOCKET NOS. 4879, 4880, 4881, 4889,
4893]**

Hearing:

Date: July 2, 2020
Time: 10:00 a.m. (Pacific Time)
Place: Courtroom 1568
255 East Temple Street
Los Angeles, California 90012

23 Debtors and Debtors In Possession.
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1 **STIPULATION**

2 This Stipulation is entered into between Verity Health System Of California, Inc. (“VHS”) and
3 the above-referenced affiliated debtors, the debtors and debtors in possession in the above-captioned
4 chapter 11 bankruptcy cases (collectively, the “Debtors”), the Prepetition Secured Creditors,¹ and the
5 Official Committee of Unsecured Creditors (collectively, the “Plan Proponents”), on the one hand,
6 and Xavier Becerra, California Attorney General (the “Attorney General”), on the other hand.

7 **RECITALS**

8 A. On April 9, 2020, the Court entered an order [Docket No. 4511] (the “SFMC Sale
9 Order”) approving the sale of St. Francis Medical Center. On April 23, 2020, the Court entered an
10 order [Docket No. 4634] (the “Seton Sale Order”) approving the sale of Seton Medical Center. The
11 SFMC Sale Order and Seton Sale Order contain certain language to which the Debtors and Attorney
12 General agreed by stipulations [Docket Nos. 4348, 4496] approved [Docket Nos. 4355, 4509] by the
13 Court. *See* SFMC Sale Order, ¶ 38 at 22; Seton Sale Order, ¶ 35 at 22.

14 B. On June 16, 2020, the Plan Proponents filed the *Amended Joint Chapter 11 Plan of*
15 *Liquidation (Dated June 16, 2020)* [Docket No. 4879] (the “Plan”), related disclosure statement
16 [Docket No. 4880] (the “Disclosure Statement”), and *Joint Motion for an Order Approving: (I)*
17 *Proposed Disclosure Statement; (II) Solicitation and Voting Procedures; (III) Notice and Objection*
18 *Procedures for Confirmation of Amended Joint Plan; (IV) Setting Administrative Claims Bar Date;*
19 *and (V) Granting Related Relief* [Docket No. 4881] (the “Motion”). The Motion seeks entry of an
20 order (i) approving the Disclosure Statement as containing “adequate information,” as that term is
21 defined in § 1125(a)(1); (ii) establishing procedures for solicitation and tabulation of votes to accept
22 or reject the Plan, including (a) approving the form and manner of the solicitation packages, (b)
23 approving the form and manner of notice of the hearing to confirm the Plan, (c) establishing a voting
24 record date and approving procedures for distributing the solicitation packages, (d) approving the
25 forms of ballots, (e) establishing the deadline for the receipt of ballots, and (f) approving procedures
26 for tabulating acceptances and rejections of the Plan; (iii) establishing procedures with respect to, and
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28 ¹ Except as otherwise defined herein, all capitalized terms have the definitions set forth in the Motion
(defined below).

1 the deadline for filing objections to, the confirmation of the Plan; (iv) fixing July 29, 2020, as the
2 deadline for holders of Administrative Claims to file requests for payment of Administrative Claims
3 arising, or anticipated to arise, between the Initial Administrative Claims Bar Date and August 12,
4 2020; and (v) granting related relief.

5 **AGREEMENT**

6 **NOW, THEREFORE**, the parties to this Stipulation hereby agree and stipulate that any order
7 approving the Disclosure Statement (as may be amended or modified) shall include the following
8 provision:

9 Nothing in this Order or the Disclosure Statement shall modify or
10 amend paragraph 38 of the SFMC Sale Order or paragraph 35 of the
11 Seton Sale Order, each of which shall remain in full force and effect.

12 Dated: June 25, 2020

DENTONS US LLP

13
14 By: /s/ Tania M. Moyron

Samuel R. Maizel
Tania M. Moyron
Nicholas A. Koffroth

15
16
17 Counsel to the *Debtors and Debtors In Possession*

18 Dated: June 25, 2020

MINTZ, LEVIN, COHN, FERRIS, GLOVSKY
AND POPEO, P.C.

19
20
21 By: _____

Paul J. Ricotta
Daniel S. Bleck

22
23 Counsel to *UMB Bank, N.A., as Master*
24 *Indenture Trustee and Wells Fargo Bank,*
25 *National Association, as Indenture Trustee*

1 the deadline for filing objections to, the confirmation of the Plan; (iv) fixing July 29, 2020, as the
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12 Dated: June 25, 2020

DENTONS US LLP

13
14 By: _____

Samuel R. Maizel
Tania M. Moyron
Nicholas A. Koffroth

15
16
17 Counsel to the *Debtors and Debtors In Possession*

18 Dated: June 25, 2020

MINTZ, LEVIN, COHN, FERRIS, GLOVSKY
AND POPEO, P.C.

19
20
21 By:  _____

Paul J. Ricotta
Daniel S. Bleck

22
23 Counsel to *UMB Bank, N.A., as Master Indenture Trustee and Wells Fargo Bank, National Association, as Indenture Trustee*

1 Dated: June 25, 2020

MCDERMOTT WILL & EMERY LLP.

2

3

By: /s/ Megan M. Preusker*

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Nathan F. Coco
Megan M. Preusker

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Counsel to *U.S. Bank National Association*
solely in its capacity, as the note indenture
trustee and as the collateral agent under the note
indenture relating to the 2015 Working Capital
Notes

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9 Dated: June 25, 2020

MASLON LLP.

10

By: /s/ Jason Reed*

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Clark T. Whitmore
Jason Reed

12

13

Counsel to *U.S. Bank National Association*
solely in its capacity, as the note indenture
trustee and as the collateral agent under the note
indenture relating to the 2017 Working Capital
Notes

14

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Dated: June 25, 2020

JONES DAY LLP

17

18

By: /s/ Peter S. Saba*

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Bruce S. Bennett
Benjamin Rosenblum
Peter S. Saba

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21

Counsel to *Verity MOB Financing, LLC* and
Verity MOB Financing II, LLC

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* Pursuant to the Court's Amended General Order 20-02, the Debtors (i) are unable to obtain the foregoing party's holographic signatures due to a lack of required technology, (ii) obtained the party's permission to sign this document on the party's behalf, and (iii) will obtain and file the holographic signature required pursuant to LBR 9011-1(a) as soon as practicable. *See In re Amended Procedures for Public Emergency Related to COVID-19 Outbreak*, Amended General Order 20-02, at ¶ 7 (Bankr. C.D. Cal. Apr. 1, 2020); *see also* Third Amended General Order 20-02, at ¶ 1 (Bankr. C.D. Cal. May 28, 2020) (extending Amended General Order 20-02 through June 30, 2020).

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1 Dated: June 25, 2020

MILBANK LLP

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3

By: /s/ Mark Shinderman*

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Gregory A. Bray

5

Mark Shinderman

6

James C. Behrens

7

Counsel to the *Official Committee of Unsecured
Creditors*

8

9 Dated: June 25, 2020

OFFICE OF THE ATTORNEY GENERAL
FOR THE STATE OF CALIFORNIA

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By: /s/ David K. Eldan*

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David K. Eldan

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Counsel to *Xavier Becerra, California Attorney
General*

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