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7 Debtors In Possession

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

10 In re  
11 VERITY HEALTH SYSTEM OF  
CALIFORNIA, INC., *et al.*,  
12 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  
23  Affects St. Vincent Foundation  
24  Affects St. Vincent Dialysis Center, Inc.  
25  Affects Seton Medical Center Foundation  
26  Affects Verity Business Services  
27  Affects Verity Medical Foundation  
28  Affects Verity Holdings, LLC  
 Affects De Paul Ventures, LLC  
 Affects De Paul Ventures - San Jose Dialysis,  
LLC

Hon. Judge Ernest M. Robles

**NOTICE OF CERTAIN PLAN  
SUPPLEMENTS TO THE SECOND  
AMENDED JOINT CHAPTER 11 PLAN OF  
LIQUIDATION (DATED JULY 2, 2020) OF  
THE DEBTORS, THE PREPETITION  
SECURED CREDITORS, AND THE  
COMMITTEE  
[RELATED DOCKET NOS. 4993]**

Debtors and Debtors In Possession.

Hearing Date and Time  
Date: August 12, 2020  
Time: 10:00 a.m.  
Place: Courtroom 1568  
255 E. Temple Street  
Los Angeles, CA 90012



1           **PLEASE TAKE NOTICE** that, on July 2, 2020, the Plan Proponents filed the *Joint Chapter*  
2 *11 Plan of Liquidation (Date July 2, 2020) of the Debtors, the Prepetition Secured Creditors, and the*  
3 *Committee* [Docket No. 4993] (the “Plan”)<sup>1</sup> and the related disclosure statement [Docket No. 4994]  
4 (the “Disclosure Statement”). On July 2, 2020, the Court entered *Order Granting Joint Motion for an*  
5 *Order Approving: (I) Proposed Disclosure Statement; (II) Solicitation and Voting Procedures; (III)*  
6 *Notice and Objection Procedures for Confirmation of Amended Joint Plan; (IV) Setting Administrative*  
7 *Claims Bar Date; and (V) Granting Related Relief* [Docket No. 4997], which approved, among other  
8 things, the Disclosure Statement and set August 12, 2020, at 10:00 a.m. (Pacific Time), as the hearing  
9 on confirmation of the Plan.

10           **PLEASE TAKE FURTHER NOTICE** that the Plan provides that the Plan Proponents will  
11 file certain Plan Supplements on or prior to the Effective Date. *See* Plan § 1.130. The Plan authorizes  
12 the Plan Proponents to extend consensually the deadlines for filing Plan Supplements. *See id.* The  
13 Plan Proponents consented to extensions of the deadlines to file Plan Supplement items (f) through (i),  
14 which includes the Creditor Settlement Agreements, the identity of the members of the Post-Effective  
15 Date Committee, the form of Liquidating Trust Agreement, and the identity of the initial Liquidating  
16 Trustee.

17           **PLEASE TAKE FURTHER NOTICE** that, on July 8, 2020, the Debtors filed the *Debtors’*  
18 *(A) Notice and Motion to Approve Settlement Between Debtors and Pension Benefit Guaranty*  
19 *Corporation (PBGC) and (B) Limited Response to Motion of PBGC for Allowance and Payment of*  
20 *Administrative Expense Claims* [Docket No. 5051] (the “PBGC Settlement Motion”), which attached,  
21 as Exhibit 1, the PBGC Settlement. The PBGC Settlement is a Creditor Settlement Agreement under  
22 the Plan, and the PBGC Settlement attached to the PBGC Settlement Motion as Exhibit 1 constitutes  
23 a Plan Supplement. On August 3, 2020, the Court entered an order [Docket No. 5329] granting the  
24 PBGC Settlement Motion.

25           **PLEASE TAKE FURTHER NOTICE** that, on August 5, 2020, the Debtors filed the  
26 *Memorandum of Law in Support of Confirmation of Second Amended Joint Chapter 11 Plan (Dated*  
27 *July 2, 2020) of the Debtors, the Committee, and Prepetition Secured Creditors* [Docket No. 5385]  
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<sup>1</sup> Unless otherwise defined herein, all capitalized terms have the definitions set forth in the Plan.

1 (the “Confirmation Brief”), which attached, as Exhibit B, a draft of the Plan Settlement. The Plan  
2 Settlement is a Creditor Settlement Agreement under the Plan, and the Plan Settlement attached to the  
3 Confirmation Brief as Exhibit B constitutes a Plan Supplement.

4 **PLEASE TAKE FURTHER NOTICE** that, pursuant to the Plan, the Plan Proponents  
5 provide the following Plan Supplement:

- 6 • The identity of the members of the Post-Effective Date Committee are as follows:  
7 (i) California Nurses Association; (ii) Medline Industries, Inc.; and (iii) the Pension  
8 Benefit Guaranty Corporation.
- 9 • The form of the Liquidating Trust Agreement is attached hereto as **Exhibit “A.”**

10 **PLEASE TAKE FURTHER NOTICE** that the Plan Proponents will provide further Plan  
11 Supplements as set forth more fully in the Plan. *See* Plan § 1.130. As set forth in the Plan, the Plan  
12 Supplements may be amended from time to time on or prior to the Effective Date. *See id.*

13  
14 Dated: August 10, 2020

DENTONS US LLP  
SAMUEL R. MAIZEL  
TANIA M. MOYRON  
NICHOLAS A. KOFFROTH

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16  
17  
18 By /s/ Tania M. Moyron  
Tania M. Moyron

19 Attorneys for the Chapter 11 Debtors and  
20 Debtors In Possession

**Exhibit A**

**Form of Liquidating Trust Agreement**

LIQUIDATING TRUST AGREEMENT

This Liquidating Trust Agreement (the “Liquidating Trust Agreement”), dated as of \_\_\_\_\_, 2020 by and among (a) (i) Verity Health System of California, Inc. a California nonprofit public benefit corporation, as debtor and debtor-in-possession, (ii) Verity Holdings, LLC, a Delaware limited liability company, as debtor and debtor-in-possession, (iii) De Paul Ventures, LLC, a California limited liability company, as debtor and debtor-in-possession, (iv) De Paul Ventures – San Jose Dialysis, LLC, a California limited liability company, as debtor and debtor-in-possession, (v) Marillac Insurance Company, Ltd., a non-debtor incorporated in the Cayman Islands, (vi) O’Connor Hospital, a California nonprofit public benefit corporation, as debtor and debtor-in- possession, (vii) Saint Louise Regional Hospital, a California nonprofit public benefit corporation, as debtor and debtor-in-possession, (viii) St. Francis Medical Center, a California nonprofit public benefit corporation, as debtor and debtor-in-possession, (ix) Seton Medical Center, a California nonprofit public benefit corporation, as debtor and debtor-in-possession (including its Coastside location), (x) St. Vincent Medical Center, a California nonprofit public benefit corporation, as debtor and debtor-in-possession, (xi) St. Vincent Dialysis Center, Inc., a California nonprofit public benefit corporation, as debtor and debtor-in-possession, (xii) Verity Business Services, a California nonprofit public benefit corporation, as debtor and debtor-in-possession, (xiii) Verity Holdings, LLC, a California limited liability company, as debtor and debtor-in-possession, (xiv) Verity Medical Foundation, a California nonprofit public benefit corporation, as debtor and debtor-in-possession, (xv) Saint Louise Regional Hospital Foundation, a California nonprofit public benefit corporation, as debtor and debtor-in-possession, (xvi) Seton Medical Center Foundation, a California nonprofit public benefit corporation, as debtor and debtor-in-possession, (xvii) St. Francis Medical Center of Lynwood Foundation, a California nonprofit public benefit corporation, as debtor and debtor-in-possession, (xviii) St. Vincent Foundation, a California nonprofit public benefit corporation, as debtor and debtor-in-possession (collectively, the “Contributors”) and (b) \_\_\_\_\_, as liquidating trustee (the “Liquidating Trustee”).

W I T N E S E T H

WHEREAS, on August \_\_, 2020, the Debtors and other Plan Proponents confirmed their Second Chapter 11 Plan of Liquidation Dated July 2, 2020 (the “Plan”) [Dkt. No. 4993] as modified for certain technical amendments, in the United States Bankruptcy Court for the Central District of California, Los Angeles Division (the “Bankruptcy Court”). The Plan provides for the establishment of a liquidating trust evidenced hereby (the “Liquidating Trust”) to effectuate the wind down and ultimate liquidation of the Contributors, to resolve disputed Claims, and to distribute the net proceeds, if any, realized from the Causes of Action, escrow proceeds, Quality Assurance Payments and such other claims and property transferred to or held by the Liquidating Trust pursuant to the Plan (collectively, the “Liquidating Trust Assets”). Except with respect to the terms defined herein, all capitalized terms contained herein shall have the meanings ascribed to them in the Plan.

WHEREAS, the Liquidating Trust is created pursuant to, and to effectuate, the Plan;

WHEREAS, the Liquidating Trust is created primarily on behalf of, and for the benefit of, the holders of claims in Class 4 (as holders of the First Priority Trust Beneficial Interest and in Class 8 (and potentially certain creditors in Class 9 as to any Insured Deficiency Claims, each as holders of the Second Priority Trust Beneficial Interests) under the Plan (collectively, the “Trust Beneficiaries”) and in all events, is subject to the Plan and Confirmation Order;

WHEREAS, the Liquidating Trust is established for the sole purpose of liquidating its assets and distributing the proceeds thereof to the Trust Beneficiaries, in accordance with Treasury Regulations Section 301.7701-4(d), with no objective or authority to continue or engage in the conduct of a trade or business; and

WHEREAS, the Liquidating Trust is intended to qualify as a liquidating trust within the meaning of Treasury Regulations Section 301.7701-4(d).

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein and in the Plan, the Contributors and the Liquidating Trustee agree as follows:

## ARTICLE I

### ESTABLISHMENT OF THE LIQUIDATING TRUST

1.1 Transfer of Property to Liquidating Trustee. Pursuant to the Plan, the Contributors and the Liquidating Trustee hereby establish the Liquidating Trust and the Contributors hereby transfer, assign, and deliver to the Liquidating Trust and/or to the Liquidating Trustee on behalf of the Liquidating Trust all of their right, title, and interest in and to the Liquidating Trust Assets free and clear of any lien, claim or interest in such property of any other Person or entity except as provided in the Plan. The Liquidating Trustee, as trustee under the Liquidating Trust, agrees to accept and hold the Liquidating Trust Assets in trust, subject to the terms of this Liquidating Trust Agreement, for the benefit of the Trust Beneficiaries. Upon the transfer of the Liquidating Trust Assets to the Liquidating Trust, the Liquidating Trust and/or the Liquidating Trustee on behalf of the Liquidating Trust shall succeed to all of the Contributors’ right, title and interest in the Trust Assets (including becoming the plaintiff in any pending Causes of Action) and the Contributors will have no further interest in or with respect to the Liquidating Trust Assets or the Liquidating Trust. The Liquidating Trust shall have all of the Contributors’ (a) rights and standing in the Causes of Action which may be filed pre or post-confirmation and (b) defenses and rights of setoff or recoupment as to Claims.

Nothing herein shall be deemed to treat as Liquidating Trust Assets any assets: (a) that (i) constitute Hospital Purchased Assets or (ii) are to be retained by the Post-Effective Date Debtors under the Interim Agreements and the Operating Budget; (b) that constitute accounts to receive payment of Quality Assurance Payments (provided that the funds shall be promptly remitted to the Liquidating Trust following receipt into such accounts); and (c) that are donor restricted assets of any of the Foundations, whether or not contributed to the California Community Foundation pursuant to Section 5 of the Plan. Post-Effective Date, the Contributors, subject to the prior payment of all amounts required to be paid by the Debtors in cash on the Effective Date pursuant to the Plan, shall transfer funds received on account of any Post-

Effective Date Debtors to the Liquidating Trust except for funds that (i) constitute Hospital Purchased Assets, or (ii) are to be retained by the Post-Effective Date Debtors under the Interim Agreements and the Operating Budget as provided in Section 7.7 of the Plan.

1.2 Federal Income Tax Treatment of Transfer of Liquidating Trust Assets.

(a) Pursuant to the Plan, the transfer of the Liquidating Trust Assets to the Liquidating Trust and/or the Liquidating Trustee on behalf of the Liquidating Trust is for the purpose of effectuating the wind down and liquidation of the Contributors and the distribution of proceeds from the liquidation of the Liquidating Trust Assets to the Trust Beneficiaries. Accordingly, for federal income tax purposes, the Trust Beneficiaries will be treated as grantors under a grantor trust, except with respect to any amounts transferred to or held by the Liquidating Trustee in a disputed claims reserve and pursuant to the Confirmation Order shall all report in a manner consistent with such treatment of the Trust Beneficiaries.

(b) For federal income tax purposes, the Liquidating Trust Assets will be treated for federal income tax purposes as initially being transferred by the Contributors to the Holders of Allowed Claims in Classes 4 and 8 and any Insured Deficiency Claim in Class 9 under the Plan in satisfaction of their Claims or Interests (as the case may be), followed by the immediate transfer of the Liquidating Trust Assets by the Trust Beneficiaries to the Liquidating Trust in exchange for the beneficial interests therein (the "Trust Beneficial Interests").

(c) For all federal income tax purposes, all parties (including, without limitation, the Contributors, the Liquidating Trustee and the Trust Beneficiaries) shall treat the transfer of Liquidating Trust Assets to the Liquidating Trust, as set forth in this Section 1.2, as a transfer to the Trust Beneficiaries in satisfaction of their Claims or Interests (as the case may be), followed by the immediate transfer of the Liquidating Trust Assets by the Trust Beneficiaries to the Liquidating Trust, and the Trust Beneficiaries shall be treated as the grantors of the Liquidating Trust and as the direct owners of an undivided interest in the Liquidating Trust Assets, except with respect to any assets held in a disputed claims reserve, in accordance with their respective economic interests therein. No actions by the Trust Beneficiaries shall be necessary to effectuate such transfer, nor shall any Trust Beneficiary be permitted to attempt to interfere with such transfer.

1.3 Assignment and Assumption of Claims. In accordance with Section 1.2 hereof, the Contributors hereby transfer and assign the Liquidating Trust Assets to the Liquidating Trust, and the Liquidating Trustee on behalf of the Liquidating Trust hereby assumes and agrees that all such Liquidating Trust Assets will be transferred to the Liquidating Trust.

1.4 Valuation of Trust Assets. As soon as possible after the Effective Date, the Liquidating Trustee shall make a good faith determination of the fair market value of the Liquidating Trust Assets transferred to the Liquidating Trust. The valuation shall be used consistently by all parties (including, without limitation, the Contributors, the Liquidating Trustee and the Trust Beneficiaries) for all purposes, including federal income tax purposes.

1.5 Appointment of the Liquidating Trustee. The Liquidating Trustee shall be

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1.6 Plan. All other applicable provisions of the Plan and Confirmation Order relating to or impacting the Liquidating Trust not specifically set forth herein are hereby incorporated by reference.

## ARTICLE II

### TRUST BENEFICIAL INTERESTS

2.1 Identification of Trust Beneficiaries. A list of Trust Beneficiaries shall be recorded and set forth in a register maintained by the Liquidating Trustee expressly for such purpose. Subject to Section 1.2 hereof (with respect to the treatment of Trust Beneficiaries for federal income tax purposes), all references in this Liquidating Trust Agreement to holders shall be read to mean holders of record as set forth in the official register maintained by the Liquidating Trustee and shall not mean any beneficial owner not recorded on such official registry. Certificates will not be issued in physical form to evidence Trust Beneficial Interests.

2.2 Limitation on Transferability of Trust Beneficial Interests. The Trust Beneficial Interests may not be assigned or otherwise transferred by any holder other than (i) to any relative, spouse or relative of the spouse of such holder; (ii) by will or pursuant to the laws of descent and distribution; (iii) upon the dissolution of such holder in accordance with the operation of law; and (iv) upon a merger, acquisition, or sale of all or substantially all of such holder's assets; provided, that any such transfer will not be effective until and unless the Liquidating Trustee receives written notice of such transfer. No beneficiary may subdivide beneficial interests in the Liquidating Trust except as set forth in the prior sentence.

## ARTICLE III

### PURPOSES, AUTHORITY, LIMITATIONS, DISTRIBUTIONS AND DUTIES

3.1 Purposes of the Liquidating Trust. The Liquidating Trust shall be established for the sole purpose of liquidating the Liquidating Trust Assets, in accordance with the Plan and Treasury Regulations Section 301.7701-4(d) with no objective to continue or engage in the conduct of a trade or business, except as may be incidental to the wind down and dissolution of the Contributors. As set forth more fully in the Plan, the primary functions of the Liquidating Trust are as follows: (i) to liquidate, sell, or dispose of the Liquidating Trust Assets, (ii) to cause all net proceeds of the Liquidating Trust Assets, including proceeds of Causes of Action on behalf of the Liquidating Trust to be deposited into the Liquidating Trust, (iii) to initiate actions to resolve any remaining issues regard the allowance and payment of Claims

including, as necessary, initiation and/or participation in proceedings before the Bankruptcy Court, (iv) to take such actions as are necessary or useful to maximize the value of the Liquidating Trust, and (v) to make the payments and distributions to Holders of Allowed Claims, including Trust Beneficiaries, as required by the Plan.

3.2 Authority of Liquidating Trustee. In connection with the administration of the Liquidating Trust, except as set forth in this Liquidating Trust Agreement and the Plan, the Liquidating Trustee is authorized to perform any and all acts necessary or desirable to accomplish the purposes of the Liquidating Trust. Without limiting, but subject to, the foregoing and to Section 3.4, the Liquidating Trustee shall be expressly authorized, but shall not be required, to:

- (a) implement the Plan and administer the Liquidating Trust;
- (b) hold bare legal title to any and all rights of the Trust Beneficiaries in or arising from the Liquidating Trust Assets, including, but not limited to, collecting and receiving any and all money and other property belonging to the Liquidating Trust, and exercising the right to vote any claim or interest in a case under the Bankruptcy Code and receive any distribution therein;
- (c) perform the duties, exercise the powers, and assert the rights of a trustee under Sections 704 and 1106 of the Bankruptcy Code, including, without limitation, commencing, prosecuting or settling Causes of Action, enforcing contracts, and asserting claims, defenses, offsets and privileges and shall be deemed substituted as plaintiff therein without need for any further order of the Bankruptcy Court and shall have all of the standing, rights, powers and obligations of the Debtors and the Non-Debtor Affiliates for all purposes with respect to the Liquidating Trust Assets;
- (d) be responsible for the following related to the Post-Effective Date Debtors:
  - (i) oversee the management and operations of the Hospital Purchased Assets pursuant to the Interim Agreements, including, without limitation, the administration of all obligations and claims, and the Transfer or other disposition of the Hospital Purchased Assets;
  - (ii) oversee and implement the responsibilities and duties of the Sale-Leaseback Debtors;
  - (iii) ensure compliance with the Interim Agreements;

(iv) report to the respective board on a regular basis and provide such information and reports that may be reasonably requested by the Post-Effective Date Board of Directors;

(v) oversee SVMC's, St. Vincent Dialysis's and the SCC Debtors' collection of Quality Assurance Payments and other accounts; and

(vi) oversee and implement the responsibilities and duties of VHS, including, but not limited to, ensuring compliance with the Interim Agreements and Transition Services Agreements;

(e) protect and enforce the rights of the Trust Beneficiaries to the Liquidating Trust Assets by any method deemed appropriate including, without limitation, by judicial proceedings or pursuant to any applicable bankruptcy, insolvency, moratorium or similar law and general principles of equity;

(f) compromise, adjust, arbitrate, sue on or defend, pursue, prosecute abandon, or otherwise deal with and settle, in accordance with the terms of the Liquidating Trust Agreement, the Causes of Action in favor of or against the Liquidating Trust as the Liquidating Trustee shall deem advisable;

(g) avoid and recover transfers of the Debtor's and Non-Debtor Affiliates' property as may be permitted by the Bankruptcy Code or applicable state law, including, without limitation, those identified in the Disclosure Statement;

(h) determine and satisfy any and all liabilities created, incurred or assumed by the Liquidating Trust;

(i) estimate, object to, defending and otherwise administer Claims (except for Professional Claims, the 2005 Revenue Bonds Diminution Claim, and any Allowed Claims payable on or prior to the Effective Date) and Interests or requests for payment or allowance of an administrative expense;

(j) file, if necessary, any and all tax and information returns with respect to the Liquidating Trust, including the Liquidating Trust Reserves, and pay taxes properly payable by the Liquidating Trust, if any;

(k) obtain insurance coverage with respect to the liabilities and obligations of the Liquidating Trustee under this Liquidating Trust Agreement (in the form of an errors and omissions policy or otherwise);

(l) continue to ensure compliance with the terms of the Transition Services Agreements related to the SFMC Sale and the Seton Sale;

(m) serve as the president, or appoint an officer, of SVMC, St. Vincent Dialysis and the SCC Debtors;

(n) report to the Post-Effective Date Committee;

(o) enforce the terms of the Interim Agreements and the Transition Services Agreements;

(p) perform tasks necessary to effectuate termination of the Defined Contribution Plans, if any; and

(q) take any action required or permitted by the Plan or the Confirmation Order.

3.3 Certain Actions by the Liquidating Trustee. The Liquidating Trustee shall be empowered to and, in the Liquidating Trustee's sole discretion (subject to Section 3.2 and this Section 3.3 hereof, and subject to the Plan) may, take all appropriate action with respect to the Liquidating Trust Assets consistent with the purpose of the Liquidating Trust (including, without limitation, the filing, prosecution, settlement or other resolution of claims and Causes of Action, including, without limitation, those based upon Sections 544, 547, 548, 549, 550 or 553(b) of the Bankruptcy Code) and consistent with the Plan. Notwithstanding anything to the contrary contained in this Liquidating Trust Agreement, unless and until the First Priority Trust Beneficial Interests are paid in full, any decisions of the Liquidating Trustee to settle, compromise, affect, waive or release any rights of the Liquidating Trust in any assets having a nominal value of \$50,000 or more (or such other minimum amount as may be agreed to by the Liquidating Trustee and the Master Trustee) shall be governed by Section 6.5(c) of the Plan.

3.4 Limitation of Liquidating Trustee's Authority.

(a) Notwithstanding anything herein to the contrary, the Liquidating Trustee shall not and shall not be authorized to engage in any trade or business, and shall take such actions consistent with the orderly liquidation of the Liquidating Trust Assets as are required by applicable law, and such actions permitted under Sections 3.2, 3.3, 3.6, 3.7 and 4.5 hereof. Notwithstanding any other authority granted by Section 3.2, the Liquidating Trustee is not authorized to engage in any investments or activities inconsistent with the treatment of the Liquidating Trust as a liquidating trust within the meaning of Treasury Regulations Section 301.7701-4(d).

(b) The Liquidating Trust shall not hold 50% or more of the equity (in either vote or value) of any entity that is treated as a corporation for federal income tax purposes, nor have any interest in an

entity that is treated as a partnership for federal income tax purposes, unless such equity or partnership interest was obtained involuntarily or as a matter of practical economic necessity in order to preserve the value of the Liquidating Trust Assets.

(c) The actions of the Liquidating Trust and the Liquidating Trustee shall be subject to coordination with the Post-Effective Date Committee as provided in the Plan and this Liquidating Trust Agreement. The Liquidating Trust may, but is not required to, seek further relief or guidance from the Bankruptcy Court.

3.5 Books and Records. The Liquidating Trustee shall maintain in respect of the Liquidating Trust and the Trust Beneficiaries books and records relating to the Liquidating Trust Assets, the income of the Liquidating Trust, and the payment of expenses of, and liabilities of claims against or assumed by, the Liquidating Trust in such detail and for such period of time as may be necessary to enable it to make full and proper accounting in respect thereof. Such books and records shall be maintained on a modified cash or other comprehensive basis of accounting necessary to facilitate compliance with the tax reporting requirements of the Liquidating Trust. Except as provided in Section 8.1, nothing in this Liquidating Trust Agreement requires the Liquidating Trustee to file any accounting or seek approval of any court with respect to the administration of the Liquidating Trust, or as a condition for managing any payment or distribution out of the Liquidating Trust Assets. Trust Beneficiaries shall have the right upon ten (10) Business Days' prior written notice delivered to the Liquidating Trustee to inspect such books and records (including financial statements) at such location(s) during normal business hours, provided that, if so requested, such holder shall have entered into a confidentiality agreement reasonably satisfactory in form and substance to the Liquidating Trustee. The Liquidating Trustee may in the trustee's reasonable discretion deny access to confidential information related to the Causes of Action to Trust Beneficiaries who are defendants, witnesses or otherwise involved in such proceedings.

3.6 Additional Powers. Except as otherwise set forth in this Liquidating Trust Agreement or in the Plan, and subject to the Treasury Regulations governing liquidating trusts and the retained jurisdiction of the Court as provided for in the Plan, but without prior or further authorization, the Liquidating Trustee may control and exercise authority over the Liquidating Trust Assets and over the protection, conservation and disposition thereof. No Person dealing with the Liquidating Trust shall be obligated to inquire into the authority of the Liquidating Trustee in connection with the protection, conservation or disposition of the Liquidating Trust Assets.

3.7 Application of Trust Assets and Other Property. The Liquidating Trustee shall apply all Liquidating Trust Assets and any proceeds therefrom, as follows:

(a) Distributions and Payment of Costs and Expenses. On the Effective Date, an amount of the Debtors' Cash on hand equal to an aggregate of \$3,500,000.00 shall be deposited in the Liquidating Trust Administration Account as designated by the Liquidating Trustee. The

Liquidating Trustee shall have the authority to utilize the funds in the Liquidating Trust Administration Account to pay any and all reasonable costs and expenses, compensation of the Liquidating Trustee, and any other liabilities or obligations, incurred in discharging the duties of the Liquidating Trustee pursuant to the Plan and this Liquidating Trust Agreement, including, but not limited to, the costs of collection and liquidation of the Liquidating Trust Assets. As Liquidating Trust Assets are collected by the Liquidating Trust, at least 95% of the gross amount of such collections shall be deposited into the Plan Fund, to be paid solely to the Master Trustee for application against the First Priority Trust Beneficial Interests until the 2005 Revenue Bonds Diminution Claim is paid in full, and the remainder of such gross collections may be retained by the Liquidating Trust and deposited into the Liquidating Trust Administration Account; provided, that, if and when the aggregate of the deposits into the Liquidating Trust Administration Account, including the initial \$3,500,000.00 deposit, equals \$7,500,000.00, 100% of all subsequent gross collections of Liquidating Trust Assets shall be deposited into the Plan Fund, to be paid solely to the Master Trustee for application to the First Priority Trust Beneficial Interests until paid in full, and then shall be used to make payments to the Holders of the Second Priority Trust Beneficial Interests. Distributions of amounts in the Plan Fund on account of First Priority Trust Beneficial Interests and, when applicable, Second Priority Trust Beneficial Interests shall be made at least quarterly. Upon termination of the Liquidating Trust, if any of the 2005 Revenue Bonds Diminution Claim remains unpaid, any balance in the Liquidating Trust Administration Account shall be paid to the Master Trustee on account of the First Priority Trust Beneficial Interests until the 2005 Revenue Bonds Diminution Claim is paid in full, and any remaining balance in the Liquidating Trust Administration Account shall thereafter be paid to the Holders of the Second Priority Trust Beneficial Interests.

(b) Limitation on Distributions. None of the Liquidating Trust Assets or the proceeds thereof shall be liable for, or shall be applied to pay any claims, costs or expenses under the Plan other than claims in Class 4, Class 8 and, potentially, Class 9 of the Plan.

(c) Withholding. The Liquidating Trustee may withhold from amounts distributable to any Person any and all amounts, determined in the Liquidating Trustee's reasonable sole discretion, required by any law, regulation, rule, ruling, directive or other governmental requirement.

(d) Manner of Payment or Distribution. If the Distribution shall be in cash, the Liquidating Trustee shall distribute such cash by

wire, check, or such other method as the Liquidating Trustee deems appropriate under the circumstances.

3.8 Duties of the Liquidating Trustee.

(a) Reporting Duties.

(i) Reporting to the Master Trustee. Unless and until the First Priority Trust Beneficial Interests are paid in full, the Liquidating Trustee shall keep the Master Trustee informed, from time to time, of the progress of the Liquidating Trust in collecting and liquidating the Liquidating Trust Assets, including all offers of compromise and settlement with respect to the Liquidating Trust Assets. Upon request by the Master Trustee, the Liquidating Trustee shall promptly provide information with respect to the activities of the Liquidating Trustee and the status of the efforts of the Liquidating Trustee to collect and liquidate the Liquidating Trust Assets.

(ii) Federal Income Tax. Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by the Liquidating Trustee of a private letter ruling if the Liquidating Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by the Liquidating Trustee), the Liquidating Trustee shall file returns for the Liquidating Trust as a grantor trust pursuant to Treasury Regulations Section 1.671-4(a).

(iii) Other. The Liquidating Trustee shall file (or cause to be filed) any other statements, returns or disclosures relating to the Liquidating Trust that are required by any governmental authority.

3.9 Compliance with Laws. Any and all distributions of Liquidating Trust Assets and proceeds of borrowings, if any, shall be in compliance with applicable laws, including, but not limited to, applicable federal and state securities laws.

## ARTICLE IV

### THE LIQUIDATING TRUSTEE

4.1 Generally. The Liquidating Trustee's powers are exercisable solely in a fiduciary capacity consistent with, and in furtherance of, the purposes of this Liquidating Trust and not otherwise, except that the Liquidating Trustee may deal with the Liquidating Trust Assets for its own account as permitted by Section 4.7.

4.2 Responsibilities of Liquidating Trustee. The Liquidating Trustee shall, in an expeditious but orderly manner, liquidate and convert to cash the Liquidating Trust Assets, make timely distributions and not unduly prolong the duration of the Liquidating Trust. In so doing, the Liquidating Trustee will exercise the trustee's reasonable business judgment in liquidating the Liquidating Trust Assets. The liquidation of the Liquidating Trust Assets may be

accomplished, in part, through the prosecution or settlement of any or all Causes of Action in accordance with this Liquidating Trust Agreement and the Plan. In connection therewith, and subject to the terms of the Plan, the Liquidating Trustee will have the power to prosecute for the benefit of the Liquidating Trust all claims and rights transferred to the Liquidating Trust, whether such suits are brought in the name of the Liquidating Trust, one or more Contributors or otherwise for the benefit of the Trust Beneficiaries. Any and all proceeds generated from such Liquidating Trust Assets shall be held by the Liquidating Trust and distributed in accordance with this Liquidating Trust Agreement and the Plan. The Liquidating Trustee may incur any reasonable and necessary expenses in liquidating the Liquidating Trust Assets.

4.3 Liability of Liquidating Trustee; Indemnification. The Liquidating Trustee and the Post-Effective Date Committee, and the Liquidating Trustee's attorneys, accountants, consultants, employees, agents and assignees, shall have no liability for any error of judgment, actions, or omissions made in good faith other than as a result of gross negligence or willful misconduct. No provisions of the Plan shall require the Liquidating Trustee or any of the members of the Post-Effective Date Committee to expend or risk the Liquidating Trustee's own funds or otherwise incur personal financial liability in the performance of any of the Liquidating Trustee's duties under the Plan or in the exercise of any of the Liquidating Trustee's and the Post-Effective Date Committee's rights and powers. The Liquidating Trust shall indemnify and hold the Liquidating Trustee and Post-Effective Date Committee harmless, from and against any damages, costs, claims and other liabilities incurred by any of them in connection with their respective duties and responsibilities hereunder, other than those damages, costs, claims and other liabilities that result from such party's gross negligence or willful misconduct. The Liquidating Trustee may purchase insurance to cover potential liabilities that may be incurred in the Chapter 11 Cases, and such cost shall be paid for by the Liquidating Trust.

4.4 Reliance by Liquidating Trustee. Except as otherwise provided in Section 4.3:

(a) the Liquidating Trustee may rely, and shall be protected in acting upon, any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, or other paper or document believed by the Liquidating Trustee to be genuine and to have been signed or presented by the proper party or parties; and

(b) Persons dealing with the Liquidating Trustee shall look only to the Liquidating Trust Assets to satisfy any liability incurred by the Liquidating Trustee to such person in carrying out the terms of this Liquidating Trust Agreement, and the Liquidating Trustee shall have no personal obligation to satisfy any such liability.

4.5 Investment and Safekeeping of Liquidating Trust Assets. The right and power of the Liquidating Trustee to invest Liquidating Trust Assets, the proceeds thereof, or any income earned by the Liquidating Trust, shall be limited to the right and power that a liquidating trust, within the meaning of Treasury Regulations section 301.7701-4(d), is permitted to hold, pursuant to the Treasury Regulations, or any modification in the IRS guidelines, whether set

forth in IRS rulings, other IRS pronouncements or otherwise. Specifically, the investment powers of the Liquidating Trustee, other than those reasonably necessary to maintain the value of the Liquidating Trust Assets and to further the liquidating purposes of the Liquidating Trust, must be limited to power to invest in demand and time deposits, such as short-term certificates of deposit, in banks or other saving institutions, or other temporary, liquid investments, such as Treasury bills, provided however, that nothing in this section shall mandate the immediate disposition of any investment securities or limited partnership assets constituting Liquidating Trust Assets.

4.6 Authorization to Expend Liquidating Trust Assets. Subject to Section 3.7(a) hereof, the Liquidating Trustee may expend the Liquidating Trust Assets (i) as reasonably necessary to meet contingent liabilities and to maintain the value of the Liquidating Trust Assets during liquidation, (ii) to pay all administrative expenses of the Liquidating Trust (including, but not limited to, any taxes imposed on the Liquidating Trust, including the Disputed Unsecured Claims Reserve), and (iii) to satisfy all other liabilities incurred or assumed by the Liquidating Trust (or to which the Liquidating Trust Assets are otherwise subject) in accordance with this Liquidating Trust Agreement or the Plan.

4.7 No Further Approvals Required/Transfer of Liquidating Trust Assets. In performance of its duties hereunder, the Liquidating Trustee shall have the rights and powers of a debtor in possession under Section 1107 of the Bankruptcy Code, and such other rights, powers, and duties necessary, appropriate, advisable or convenient to effectuate the provisions of the Plan. On and after the Effective Date, the Liquidating Trustee shall not be required to obtain any approvals from the Bankruptcy Court, any court or Governmental Unit and/or provide any notices under any applicable laws, including under the Nonprofit Laws, to implement the terms of the Plan, including, without limitation, the Transfer of any Liquidating Trust Assets retained by the Liquidating Trust. Without limitation of the foregoing, with the prior Consent of the Post-Effective Date Committee, the Liquidating Trustee shall be authorized pursuant to this Plan to Transfer any or all of the Liquidating Trust Assets without necessity of any further notice or approval of the Bankruptcy Court and/or under any applicable state or federal law, including under the Nonprofit Laws.

4.8 Expense Reimbursement and Compensation.

(a) The Liquidating Trustee shall be entitled to reimburse itself out of any available cash in the Liquidating Trust Administration Accounts, for the Liquidating Trustee's actual out-of-pocket expenses and for any and all loss, liability, expense or damage which the Liquidating Trustee may sustain in good faith and without willful misconduct, gross negligence, or fraud in the exercise and performance of any of the powers and duties of the Liquidating Trustee under this Liquidating Trust Agreement. As compensation for the performance of the Liquidating Trustee's duties, the Liquidating Trustee will be entitled to bill hourly for services (and at the specific rate) at the Liquidating Trustee's standard hourly rate as disclosed in a filing with the Bankruptcy Court. The Liquidating Trustee shall be paid upon five (5)

Business Days' notice to the Post-Effective Date Committee, without further motion, application, notice or other order of the Bankruptcy Court. The fees and expenses of the Liquidating Trustee shall be satisfied solely out of the Liquidating Trust Administration Accounts.

(b) In accordance with this Liquidating Trust Agreement and the Plan, the Liquidating Trust may employ such counsel (which may be the same counsel employed by either the Post-Effective Date Committee or the Post-Effective Date Debtors), advisors and other professionals selected by the Liquidating Trustee that the Liquidating Trust reasonably requires to perform its responsibilities under the Plan without further order from the Bankruptcy Court. The Liquidating Trust's Professionals shall be compensated at their respective standard hourly rates as agreed to by the Liquidating Trustee and paid upon five (5) Business Days' notice to the Post-Effective Date Committee, without further motion, application, notice or other order of the Bankruptcy Court. The fees and expenses of the Liquidating Trust's Professionals shall be satisfied solely out of the Liquidating Trust Administrative Accounts.

(c) No amounts in the Plan Fund shall be used to pay any obligations or liabilities that become due and payable under this Section 4.8

4.9 No Bond. The Liquidating Trustee shall serve without bond.

4.10 Confidentiality. The Liquidating Trustee shall, during the period that the Liquidating Trustee serves as Liquidating Trustee under this Liquidating Trust Agreement and for a period of twenty-four (24) months following the termination of this Liquidating Trust Agreement or following the Liquidating Trustee's removal or resignation hereunder, hold strictly confidential and not use for personal gain any material, non-public information of or pertaining to any entity to which any of the Liquidating Trust Assets relates or of which the Liquidating Trustee has become aware in the capacity as Liquidating Trustee.

## ARTICLE V

### SUCCESSOR LIQUIDATING TRUSTEE

5.1 Resignation or Removal. The Liquidating Trustee may resign by giving not less than sixty (60) days' prior written notice thereof to the Master Trustee (until such time as the First Priority Trust Beneficial Interests are paid in full) and the Post-Effective Date Committee with a copy of such notice to any Post-Effective Date Boards of Directors. Such resignation or removal shall become effective on the later to occur of: (i) the day specified in such notice; and (ii) the acceptance by a successor trustee of such appointment.

5.2 Appointment of Successor upon Removal, Resignation, or Incapacity. If the Liquidating Trustee resigns pursuant to Section 5.1 or otherwise is incapable of serving as

Liquidating Trustee, a replacement Liquidating Trustee shall be appointed pursuant to Section 6.5(f) of the Plan. In addition, the Master Trustee and the Post-Effective Date Committee may jointly agree to replace the Liquidating Trustee, with or without cause.

5.3 Acceptance of Appointment by Successor Liquidating Trustee. Any successor Liquidating Trustee appointed hereunder shall execute an instrument accepting such appointment hereunder and shall file such acceptance with the Liquidating Trust records and if the Chapter 11 Case is still open, a notice of the identity of the new Liquidating Trustee shall also be filed with the Bankruptcy Court promptly after the new Liquidating Trustee accepts the appointment. Thereupon, such successor Liquidating Trustee shall, without any further act, become vested with all of the properties, rights, powers, trusts and duties of the predecessor Liquidating Trustee, with like effect as if originally named herein; provided, however, that a removed or resigning Liquidating Trustee shall, nevertheless, when requested in writing by the successor Liquidating Trustee, execute and deliver an instrument or instruments conveying and transferring to such successor Liquidating Trustee under the Liquidating Trust all the properties, rights, powers and trusts of such predecessor Liquidating Trustee.

## ARTICLE VI

### REPORTS TO TRUST BENEFICIARIES

#### 6.1 Securities Laws, Tax and Other Reports to Trust Beneficiaries.

(a) Securities Laws. Under section 1145 of the Bankruptcy Code, the issuance of Trust Beneficial Interests under the Plan shall be exempt from registration under the Securities Act of 1933 and applicable state and local laws requiring registration of securities. If the Liquidating Trustee determines, with the advice of counsel, that the Liquidating Trust is required to comply with the registration and reporting requirements of the Securities Exchange Act of 1934, as amended, or the Investment Company Act of 1940, as amended, then the Liquidating Trustee shall take any and all actions to comply with such reporting requirements and file periodic reports with the Securities and Exchange Commission.

#### (b) Other Reporting.

(1) If the Liquidating Trustee is not required to file the periodic reports referred to in Section 6.1(a) above, then as soon as practicable after every six (6) month period following the Effective Date, and also as soon as practicable upon termination of the Liquidating Trust, the Liquidating Trustee shall submit to each Trust Beneficiary appearing on the trust's records as of the end of such period or such date of termination, a written report including: (i) financial statements of the Liquidating Trust for such period prepared on a modified cash basis or other comprehensive basis of accounting, and, if the end of a calendar year, a report of an independent certified public accountant employed by the Liquidating Trustee, which report shall reflect the result of such agreed upon procedures relating to the

financial accounting administration of the Liquidating Trust as proposed by the Liquidating Trustee; and (ii) a description of any action taken by the Liquidating Trustee in the performance of the Liquidating Trustee's duties which materially affects the Liquidating Trust and of which notice has not previously been given to the Trust Beneficiaries. The Liquidating Trustee shall prepare, and distribute to Trust Beneficiaries, a report describing the progress of converting Liquidating Trust Assets to cash and making distributions to Trust Beneficiaries and any other material non-confidential information relating to the Liquidating Trust Assets and the administration of the Liquidating Trust at least once a year. If the Liquidating Trustee is required to file the periodic reports described in Section 6.1(a), then the Liquidating Trustee shall have no obligations under this Section 6.1(b).

(2) Any report required to be distributed by the Liquidating Trustee under this Section 6.1(b) shall also be distributed to the Persons listed in Section 9.6 herein within ten (10) Business Days of its distribution to Trust Beneficiaries Interests under this Section 6.1(b).

(c) Tax Reporting. (1) Within 90 days following the end of each calendar year, the Liquidating Trustee shall submit to each Trust Beneficiary appearing on its records during such year, a separate statement setting forth the Trust Beneficiary's share of items of income, gain, loss, deduction or credit and will instruct all such Trust Beneficiaries to report such items on their federal income tax returns.

(2) Allocations of the Liquidating Trust's taxable income shall be determined by reference to the manner in which an amount of cash equal to such taxable income would be distributed (without regard to any restrictions on distributions described herein or in the Plan or Disclosure Statement) if, immediately prior to such deemed distribution, the Liquidating Trust had distributed all of its assets (valued for this purpose at their tax book value, but excluding amounts then held in the Disputed Unsecured Claims Reserve) to the Trust Beneficiaries taking into account all prior and concurrent distributions from the Liquidating Trust. Similarly, taxable loss of the Liquidating Trust shall be allocated by reference to the manner in which an economic loss would be borne immediately after a liquidating distribution of the remaining Liquidating Trust Assets. For this purpose, the book value of the Liquidating Trust Assets shall equal their fair market value on the Effective Date or, if later, the date such assets were acquired by the Liquidating Trust, adjusted, in either case, in accordance with tax accounting principles prescribed by the IRC, the Treasury Regulations and other applicable administrative and judicial authorities and pronouncements.

(d) Usage of the Internet. The Liquidating Trustee may post any report required to be provided under this Section 6.1 on a secure web site maintained by the Liquidating Trustee in lieu of actual notice to Trust Beneficiaries (unless otherwise required by law) subject to providing notice to the Persons listed in Section 9.6 herein.

## ARTICLE VII

### TERMINATION OF LIQUIDATING TRUST

7.1 Termination of Liquidating Trust. The Liquidating Trust will terminate on the earlier of: (a) thirty (30) days after the distribution of the Liquidating Trust Assets in accordance with the terms of this Liquidating Trust Agreement and the Plan; and (b) the fifth (5th) anniversary of the Effective Date. Notwithstanding the foregoing, multiple fixed term extensions can be obtained so long as Bankruptcy Court approval is obtained within three (3) months before the expiration of the term of the Liquidating Trust and each extended term. The aggregate of all such extensions shall not exceed three (3) years, unless the Liquidating Trustee receives a favorable ruling from the IRS that any further extension would not adversely affect the status of the Liquidating Trust as a liquidating trust within the meaning of Treasury Regulations Section § 301.7701-4(d) for federal income tax purposes. The Liquidating Trustee shall not unduly prolong the duration of the Liquidating Trust and shall at all times endeavor to resolve, settle or otherwise dispose of all claims that constitute Liquidating Trust Assets and to effect the distribution of the Liquidating Trust Assets to the Trust Beneficiaries in accordance with the terms hereof and terminate the Liquidating Trust as soon as practicable. Prior to and upon termination of the Liquidating Trust, the Liquidating Trust Assets will be distributed to the Trust Beneficiaries, pursuant to the provisions set forth in Section 3.7 hereof. If any Liquidating Trust Assets are not duly claimed, such Liquidating Trust Assets will be distributed, pro rata, to all other Trust Beneficiaries entitled to receive Liquidating Trust Assets pursuant to this Section 7.1. Thereafter, if there are still any Liquidating Trust Assets not duly claimed, such Liquidating Trust Assets will be disposed of in accordance with applicable law.

## ARTICLE VIII

### AMENDMENT AND WAIVER

8.1 Amendment and Waiver. The Liquidating Trust Agreement may only be amended, modified and/or supplemented by providing 5 business days written notice to the Plan Proponents, and if any of the Plan Proponents shall object to such amendment, modification and/or supplement in writing, subject to Bankruptcy Court approval, after notice and a hearing. Notwithstanding this Section 8.1, any amendments to this Liquidating Trust Agreement shall not be inconsistent with (i) the Plan, (ii) the status of the Liquidating Trust as a liquidating trust under Treasury Regulations Section 301.7701-4(d), (iii) the purpose and intention of the Liquidating Trust to liquidate in an expeditious but orderly manner the Liquidating Trust Assets in accordance with Treasury Regulations Section 301.7701-4(d) and Sections 3.1 and 9.1 hereof, and (iv) Revenue Procedure 94-45, 1994-2 C.B. 684, as modified or amended from time to time.

## ARTICLE IX

### MISCELLANEOUS PROVISIONS

9.1 Intention of Parties to Establish Liquidating Trust. This Liquidating Trust Agreement is intended to create a liquidating trust for federal income tax purposes and, to the

extent provided by law, shall be governed and construed in all respects as such a trust and any ambiguity herein shall be construed consistent herewith and, if necessary, this Liquidating Trust Agreement may be amended to comply with such federal income tax laws, which amendments may apply retroactively.

9.2 Preservation of Privilege and Defenses. In connection with the rights, claims, and Causes of Action that constitute the Liquidating Trust Assets or the defenses of Contributors to any Claims, any attorney-client privilege, work-product privilege, or other privilege or immunity attaching to any documents or communications (whether written or oral) transferred to the Liquidating Trust shall vest in the Liquidating Trustee and the Liquidating Trustee's representatives, and the Contributors and the Liquidating Trustee are authorized to take all necessary actions to effectuate the transfer of such privileges and available defenses.

9.3 Cooperation. The Contributors will use reasonable efforts to make available to the Liquidating Trustee such copies of their books and records as they are required to retain pursuant to law and orders of the Bankruptcy Court or access to records transferred to the buyers of the hospitals.

9.4 Laws as to Construction. This Liquidating Trust Agreement shall be governed and construed in accordance with the laws of the State of California, without giving effect to rules governing the conflict of law.

9.5 Severability. If any provision of this Liquidating Trust Agreement or the application thereof to any Person or circumstance shall be finally determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Liquidating Trust Agreement, or the application of such provision to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and such provision of this Liquidating Trust Agreement shall be valid and enforced to the fullest extent permitted by law.

9.6 Notices. Any notice or other communication hereunder shall be in writing and shall be deemed to have been sufficiently given, for all purposes, if deposited, postage prepaid, in a post office or letter box addressed to the person for whom such notice is intended:

If to the Contributors:

FILL IN - PICK AN ADDRESS WHICH WILL WORK LONG-TERM AFTER  
THE HOSPITAL SALES CLOSE

If to the Liquidating Trustee:

FILL IN

If to the Trust Beneficiaries, then to the address by which their counsel has appeared of record in the Chapter 11 Case or such other address as they notify the Liquidating Trustee of in writing from time to time.

9.7 Headings. The section headings contained in this Liquidating Trust Agreement are solely for convenience of reference and shall not affect the meaning or interpretation of this Liquidating Trust Agreement or of any term or provision hereof

9.8 Relationship to the Plan. The principal purpose of this Liquidating Trust Agreement is to aid in the implementation of the Plan and therefore this Liquidating Trust Agreement shall be deemed to incorporate the provisions of the Plan and the Confirmation Order. To that end, the Liquidating Trustee shall have full power and authority to take any action consistent with the purpose and provisions of the Plan, and to seek any orders from the Bankruptcy Court in furtherance of implementation of the Plan and this Liquidating Trust Agreement. If any provisions of this Liquidating Trust Agreement are found to be inconsistent with the provisions of the Plan, the provisions of the Plan and Confirmation Order shall control.

9.9 Continuing Jurisdiction. The Bankruptcy Court retains jurisdiction to determine any dispute arising under or related to this Liquidating Trust Agreement.

IN WITNESS WHEREOF, the parties hereto have either executed and acknowledged this Liquidating Trust Agreement, or caused it to be executed and acknowledged on their behalf by their duly authorized agent all of the date first above written.

VERITY HEALTH SYSTEM OF CALIFORNIA,  
INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

VERITY HOLDINGS, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

DE PAUL VENTURES, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

DE PAUL VENTURES - SAN JOSE DIALYSIS,  
LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

MARILLAC INSURANCE COMPANY, LTD.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

O'CONNOR HOSPITAL

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SAINT LOUISE REGIONAL HOSPITAL

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ST. FRANCIS MEDICAL CENTER

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SETON MEDICAL CENTER

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ST. VINCENT MEDICAL CENTER

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ST. VINCENT DIALYSIS CENTER, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

VERITY BUSINESS SERVICES

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

VERITY HOLDINGS, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

VERITY MEDICAL FOUNDATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SAINT LOUISE REGIONAL HOSPITAL  
FOUNDATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SETON MEDICAL CENTER FOUNDATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ST. FRANCIS MEDICAL CENTER OF  
LYNWOOD FOUNDATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ST. VINCENT FOUNDATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_,  
as Liquidating Trustee